

PLANNING BOARD MINUTES
July 7, 2025

The Planning Board of the City of Texas City met in a regular meeting on Monday, July 7, 2025, at 5:00 p.m. Staff members present: Ms. Kimberly Golden, P.E. (City Engineer, Secretary), David Kinchen (Deputy Building Official), Curt Kelly (Engineering & Planning Administrator), Veronica Carreon (Planning & Zoning Technician) and Caroline Luke (Administrative Assistant). Guests were: Megan Van De Pitte (Mastec Communications Group), Maria Valenzuela (AT&T), Nick Coil (Spearmint Energy), Amanda Latkany (Spearmint Energy), Terry Lee (KAOH Media), Erin Knesek (SPI Engineering), Eric Joseph (Del Papa Distributing), and Felix Herrera (Awesome Auto Accessories).

Chairman Dickey Campbell indicated a quorum was present and called the meeting to order.

(1) ROLL CALL

The following members answered roll call: Commissioner Jami Clark, Co-Chairman Perry O'Brien, Chairman Dickey Campbell and Commissioner Thelma Bowie.

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(4) REGULAR AGENDA

- a. Consider and make recommendation to the Zoning Commission on a zoning change request from Red Egret, LLC to change the zoning from District "H" (Heavy Industrial) to District "S-P" (Site Plan) for the purpose of constructing, owning and operating a Battery Energy Storage System (BESS) on 38.653 acres. Located at P6911 Attwater Avenue.

Ms. Kimberly Golden introduced the project and noted the location for the project as a vacant site north of Moses Bayou. She reminded the Planning Board this was a different location from the previously considered application for a site at SH3 and 25th Ave N which the Planning Board had declined to recommend about two years previously.

The significant challenge for location is there is no access to public water. Even though using water is not recommended for fighting fire at a BESS location, a site which is occupied or used by humans needs to have access to water for public safety reasons. The Applicant has coordinated with the Fire Marshal and revised its proposed site plan to add three (3) 30,000-gallon water tanks with alarms and enunciators to alert when water volume is below 75% capacity. The Applicant notes this capacity is three times the requirements of the NFPA Section 1142 for BESS facilities. The Applicant has also agreed to annual inspections to ensure proper maintenance and functionality of the tanks, annual trainings regarding the BESS units, and to provide and maintain connectors compatible with TCFD firefighting apparatus. Additionally, in the event public water supply becomes reasonably available to the site, the Applicant commits to making a permanent public water supply available to emergency responders in lieu of the water tank solution.

Another issue of concern is the project site being remote from any other development and landlocked with no access to municipal water or sewer. The Applicant proposes to provide a very long private access easement to be obtained from three (3) property owners, the longest part of the easement being granted by TNMP. The site is also located within and protected by the Texas City hurricane levee and is close in proximity to one of TNMP's largest and most updated substations in Texas City. Although not currently developed, the area around the site is developable with its potential for development increasing as other areas of Texas City develop and build out.

Nicholas Coil, Spearmint Energy, added that access easement is made possible by two (2) property owners in front of the site.

Ms. Golden stated staff's concern about construction traffic on Humble Camp Road. Because the road as existing is not intended for heavy construction loads, the development agreement should make provision for the developer to bear the cost of keeping the public roads open and accessible during construction and to repair and restore the road to pre-construction conditions when the construction period is complete.

Attwater Avenue is in poor condition and is also not built for heavy traffic. There are pipelines present that prevent the construction of a heavy-duty road. The post-construction restoration of damages caused to Attwater Avenue by the heavy construction vehicles should also be in the development agreement. Ms. Golden believes there will be minimal issues in this agreement process because the developer has been willing to negotiate thus far, and it is a process familiar to Public Works which has made similar agreements with other developers and contractors.

The applicant proposes to provide stormwater impoundment for a 2-year design event (8.3-acre feet) and remains in consultation with Galveston Drainage District No. 2 regarding final selection from the two design options presented in the detailed site plan. Once a design option is selected, the necessary drainage easements will need to be dedicated to the drainage district.

Ms. Golden regarded the composition of the security fence. Security fencing should be masonry but doesn't necessarily have to be as nice as a brick fence. Staff recommend maintaining consistency with the previous approvals and maintaining the requirement for a masonry screening wall. Landscaping requirements can be deferred in the development agreement until the surrounding area develops eventually and probably as residential.

The site is located inside the area protected by the Texas City Hurricane Levee. Based on hydrologic studies completed as part of the development process, the BESS and substation equipment areas will be elevated to 8.0 MSL minimum finished floor elevation and equipment located on piles will be above that elevation.

Red Egret LLC is a startup company started in 2022 and is a subsidiary of Spearmint Energy. Although it is a startup company, it is an experienced team of individuals creating a new company. The developer is also proposing a project team of experienced companies. Mortenson will be the engineering, procurement and construction contractor, with Pearson Renewables as the proposed Operations and Maintenance (O&M) provider for the Red Egret Project. These are recognized as experienced providers in the industry.

Ms. Golden added that when dealing with a startup company, the soundness of the financial security posted for performance is very important and will be addressed during the building permitting process.

Staff are recommending the six conditions listed in the staff report as conditions for the approval of the site plan to be memorialized in the development agreement.

Commissioner Jami Clark stated that there was obviously a lot of work put into this project.

Chairman Campbell had questions about the financial security of the city in this situation and BESS as a whole. Ms. Golden replied that the security would be discussed and decided upon between BESS and City of Texas City.

Chairman Campbell asked about the BESS ordinance and the financial security aspect and wanted to know whether the securities would be bonds or deposits. Ms. Golden responded that the type of security will be sorted out through the permitting process. The development agreement will have the same language as the ordinance which allows the form of security to be worked out

with the City on a case-by-case basis in a form that is acceptable to the City Attorney, City Engineer and Mayor.

Chairman Campbell stated there will be two security provisions tied to two different pieces of the puzzle. How does this comply with the new BESS ordinance now that the first reading has been completed? Was it included in the current ordinance or will revisions be made to include them.

Ms. Golden replied that the security provisions in the development agreement will be the same as in the proposed ordinance. There are two things in the proposed BESS ordinance which will not apply to this project because the ordinance has not yet been adopted. First is the required application fee of \$5,000.00 for BESS applications. Currently, BESS applicants are just paying the normal zoning fee of \$300/\$350. Also, the ordinance as introduced makes provision for a payment in lieu of taxes if the appraised value of the property ever goes below the average value of commercial property in Texas City. This provision established a floor for the valuation of the property. There is also a reimbursement agreement that the proposed ordinance will require the application which will be applied to this project as part of the building permitting process. The reimbursement agreement will reimburse the city for its cost to have a third-party expert review the applications, but anything paid to reimburse for the 3rd party will be applied as a credit on the building permitting fee. The purpose of the reimbursement agreement is to be sure the City is not caught with unreimbursed out of pocket expenses if for any reason the project does not receive a building permit.

Chairman Campbell spoke about the potential of depreciation to negatively impact the school district. State comptroller gauges a value; local CAD has to be between 97 to 103 percent of the state comptroller value or the school district gets penalized. He then asked if Ms. Golden was saying that the new proposed ordinances for BESS will contain a multiplier to offset any penalty.

Ms. Golden replied, yes, the provision for a payment in lieu of taxes is in the proposed ordinance but will not apply to this project because the new ordinance has not yet been approved.

Chairman Campbell asked how close the project site is to the Kohfeldt tract. Ms. Golden replied the project lies north of Moses Bayou and most of the Kohfeldt tract is located south of Moses Bayou, although there is a small part of one parcel which is north of the bayou.

Chairman Campbell noted this would be a zoning recommendation. Ms. Golden reminded him that they are also considering a site plan in Item 4d to approve as a basis for the rezoning.

Chairman Campbell commented that this BESS project is certainly in a better location than the previous application.

A motion was made by Commissioner Thelma Bowie/Commissioner Jami Clark to recommend to the Zoning Commission on a zoning change request from Red Egret, LLC to change the zoning from District "H" (Heavy Industrial) to District "S-P" (Site Plan) for the purpose of constructing, owning and operating a Battery Energy Storage System (BESS) on 38.653 acres subject to the following conditions being memorialized in a development agreement.

- 1) Installation of three (3) 10,000-gallon water tanks on the site at locations approve by the Fire Marshal, to be replaced by connection to a public water source if and when such source becomes available to the site.**
- 2) Landscaping improvements and requirements for platting and access to public utilities to be deferred until other development is approved within 500ft of the property, provided the existing suitable vegetation shall be retained and maintained to provide screening of the project until future installation of the required landscaping improvements.**

- 3) **Private access easements in form and content acceptable to the City to be allowed for 25ft paved access suitable for the ingress and egress of emergency response and public safety vehicles.**
- 4) **Security fencing and screening acceptable to the City to be installed around the project, the particulars to be determined and presented before presentation of the project to the Zoning Commission.**
- 5) **Posting of financial security for the maintenance of access during construction and direct payment for the repair and restoration satisfactory to the Director of Public Works of any damage caused by the project related construction traffic to public streets.**

All other members present voted aye. Motion carried 4-0.

- b. **Consider and take action on the Development Plan/Site Plan for Red Egret, LLC to construct a Battery Energy Storage System (BESS) on 38.653 acres. Located at P6911 Attwater Avenue. Subject to approval of District "S-P" (Site Plan) rezoning.**

After discussion of Agenda Item 4a, a motion was made by Commissioner Thelma Bowie/Commissioner Jami Clark to approve the Development Plan/Site Plan for Red Egret, LLC construct a Battery Energy Storage System (BESS) on 38.653 acres. Located at P6911 Attwater Avenue. Subject to approval of District "S-P" (Site Plan) rezoning.

All other members present voted aye. Motion carried 4-0.

END OF EXCERPT