

CITY OF TEXAS CITY
REGULAR CALLED CITY COMMISSION MEETING

AGENDA

WEDNESDAY, FEBRUARY 4, 2026 - 5:00 P.M.
DOYLE CONVENTION CENTER
2010 5th Ave. N.
Texas City, TX 77590

PLEASE NOTE: Public comments are limited to posted agenda items only and are generally limited to 3 minutes in length. If you would like to request to speak, please do so in advance of the meeting by filling out a Request To Address Commission form. All in attendance are required to remove hats and/or sunglasses (dark glasses) during meetings and to also silence all cell phones and electronic devices.

- (1) ROLL CALL
- (2) INVOCATION
- (3) PLEDGE OF ALLEGIANCE
- (4) REPORTS
 - (a) Racial Profiling Report for Calendar Year 2025 (Police)
 - (b)
 - (c) Quarterly Investment Report (Finance)
- (5) PRELIMINARY ZONING APPROVAL
 - (a) Consider and take action on the request for extension of time to Preliminary Zoning Approval for Willow Wood Subdivision to change from District A Single Family Residential to District I Planned Unit Development. (Enginnering)
- (6) PUBLIC COMMENTS
- (7) CONSENT AGENDA
 - (a) Approve City Commission Minutes for January 21, 2026 meeting. (City Secretary)

- (b) Consider and take action on Resolution No. 2026-011, approve the Consolidated Annual Performance Evaluation Report (CAPER) for the City's CDBG activities for PY 2024, submission to the U.S. Department of Housing and Urban Development. (Community Development)
- (c) Consider and take action on Resolution No. 2026-012, authorizing the purchase of treated wastewater effluent between the City of Texas City and Valero Refining-Texas, L.P. (Engineering)
- (d) Consider and take action on Resolution No. 2026-013, authorizing the Director of Library Services to remove delinquent fees and fines that are attached to library patron accounts that expired prior to January 1, 2019. (Library)
- (e) Consider and take action on Resolution No. 2026-014, authorizing renewal of the subscription to Brightly Work Order System through Sourcewell Contract No. 090320-SDI. (Public Works)
- (f) Consider and take action on Resolution No. 2026-015, awarding ITP No. 2026-012 to Valero Refining-Texas, L.P., and authorizing the Mayor to enter into a long-term lease for certain real property commonly known as "City Connection Point." (Engineering)
- (g) Consider and take action on Resolution No. 2026-016, approval of Accurate Meter and Supply to provide materials and services for the water system. (Public Works- Utilities)

(8) REGULAR ITEMS

- (a) Consider and take action on Ordinance No. 2026-01, amending the fiscal year 2025-2026 budget to replace items of theft and prevent recurrence at the City Emergency Back-Up Water Well Site. (Public Works)

(9) COMMISSIONERS' COMMENTS

(10) MAYOR'S COMMENTS

(11) STAFF ANNOUNCEMENTS

(12) ADJOURNMENT

NOTICE OF ANY SUBJECT APPEARING ON THIS AGENDA REGARDLESS OF HOW THE MATTER IS STATED MAY BE ACTED UPON BY THE CITY COMMISSION.

NOTICE: The City of Texas City will furnish free transportation to handicapped individuals via a 4-door sedan for anyone wishing to attend the City Commission meetings. Call 948-3111, City Secretary's Office before noon on Monday preceding the meeting to make arrangements.

I, THE UNDERSIGNED AUTHORITY, DO HEREBY CERTIFY THAT THIS NOTICE OF MEETING WAS POSTED ON THE BULLETIN BOARD AT INTERIM CITY HALL, 2000 TEXAS AVENUE, TEXAS CITY, TEXAS 77590, AT A PLACE CONVENIENT AND READILY ACCESSIBLE TO THE GENERAL PUBLIC AND ON THE CITY'S WEBSITE ON JANUARY 29, 2026, PRIOR TO 5:00 P.M. AND REMAINED SO POSTED CONTINUOUSLY FOR AT LEAST 3 BUSINESS DAYS PRECEDING THE SCHEDULED TIME OF SAID MEETING.

RHOMARI LEIGH
CITY SECRETARY

CITY COMMISSION REGULAR MTG

(4) (a)

Meeting Date: 02/04/2026

Racial Profiling Report for Calendar Year 2025 (Police)

Submitted For: Landis Cravens, Police Department

Submitted By: Rhomari Leigh, City Secretary

Department: Police Department

Information

ACTION REQUEST

Racial Profiling Report for Calendar Year 2025 (Police)

BACKGROUND (Brief Summary)

RECOMMENDATION

Fiscal Impact

Attachments

Staff Report



Texas City Police Department

2025 Racial Profiling Report



2025 Racial Profiling Report



The following statistical data was compiled from information obtained from the Texas City Police Departments Records Management System, from January 1, 2025 until December 31, 2025. This information has been reported to the Texas Commission on Law Enforcement.

Included is the US Census estimates posted July 2024 for Texas City.
(<https://www.census.gov/quickfacts/fact/table/texascitycitytexas/PST045224>)



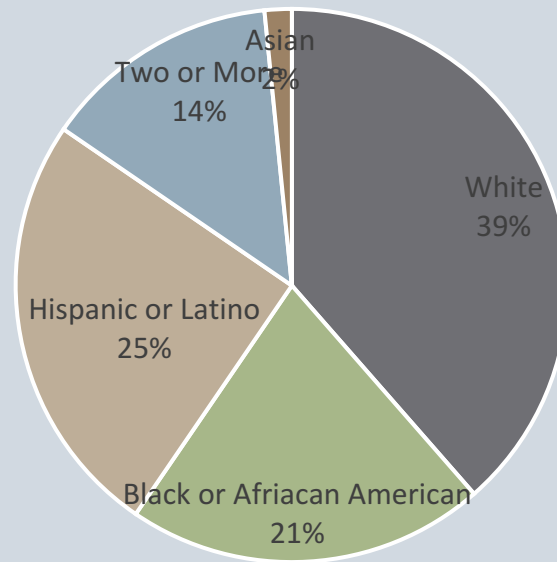
US Census Population Estimates

2024 Estimate

57,875



***2025 Population Estimates not released yet, expecting 59,091

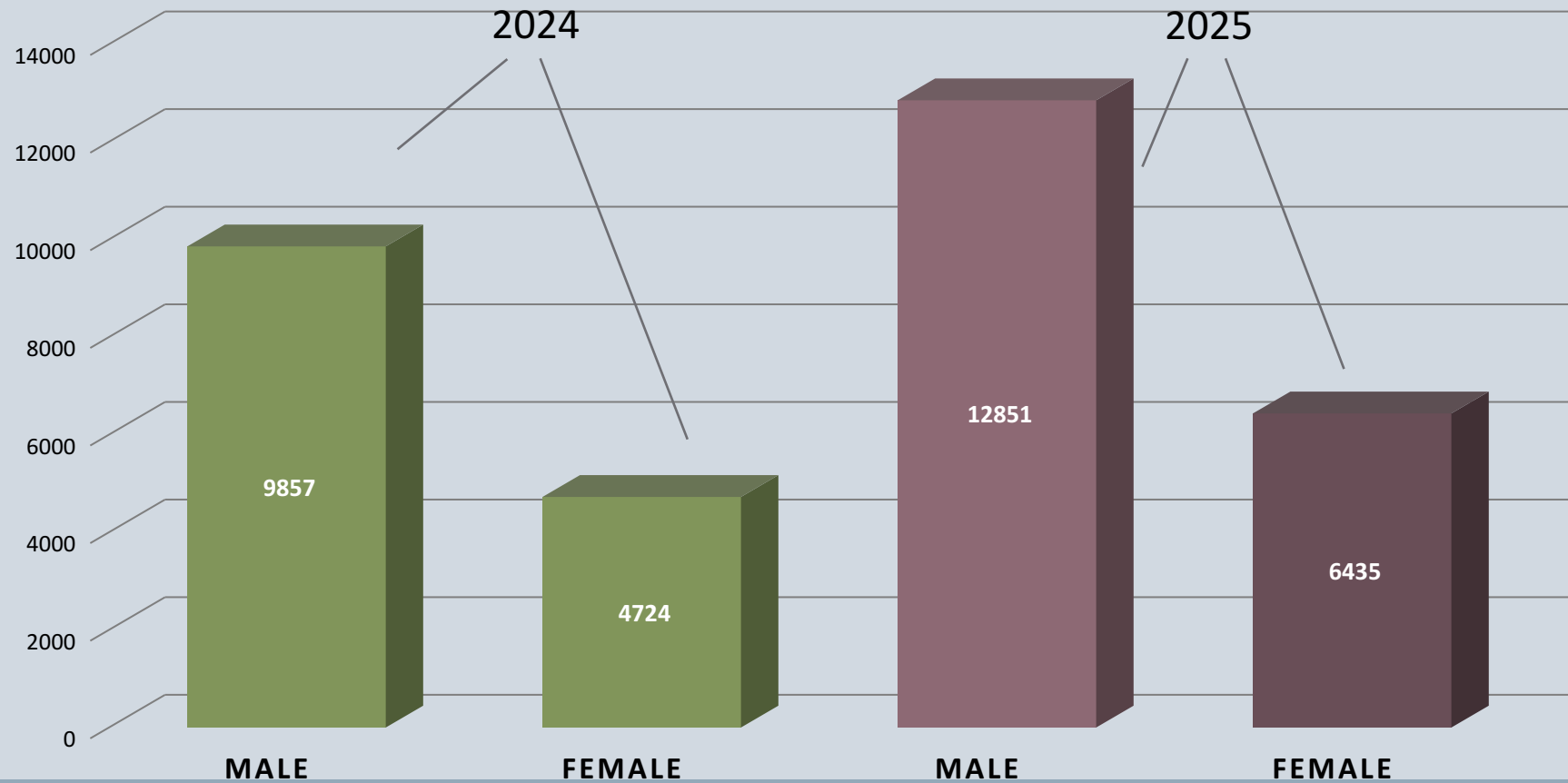




2024 Total stops: 14,581

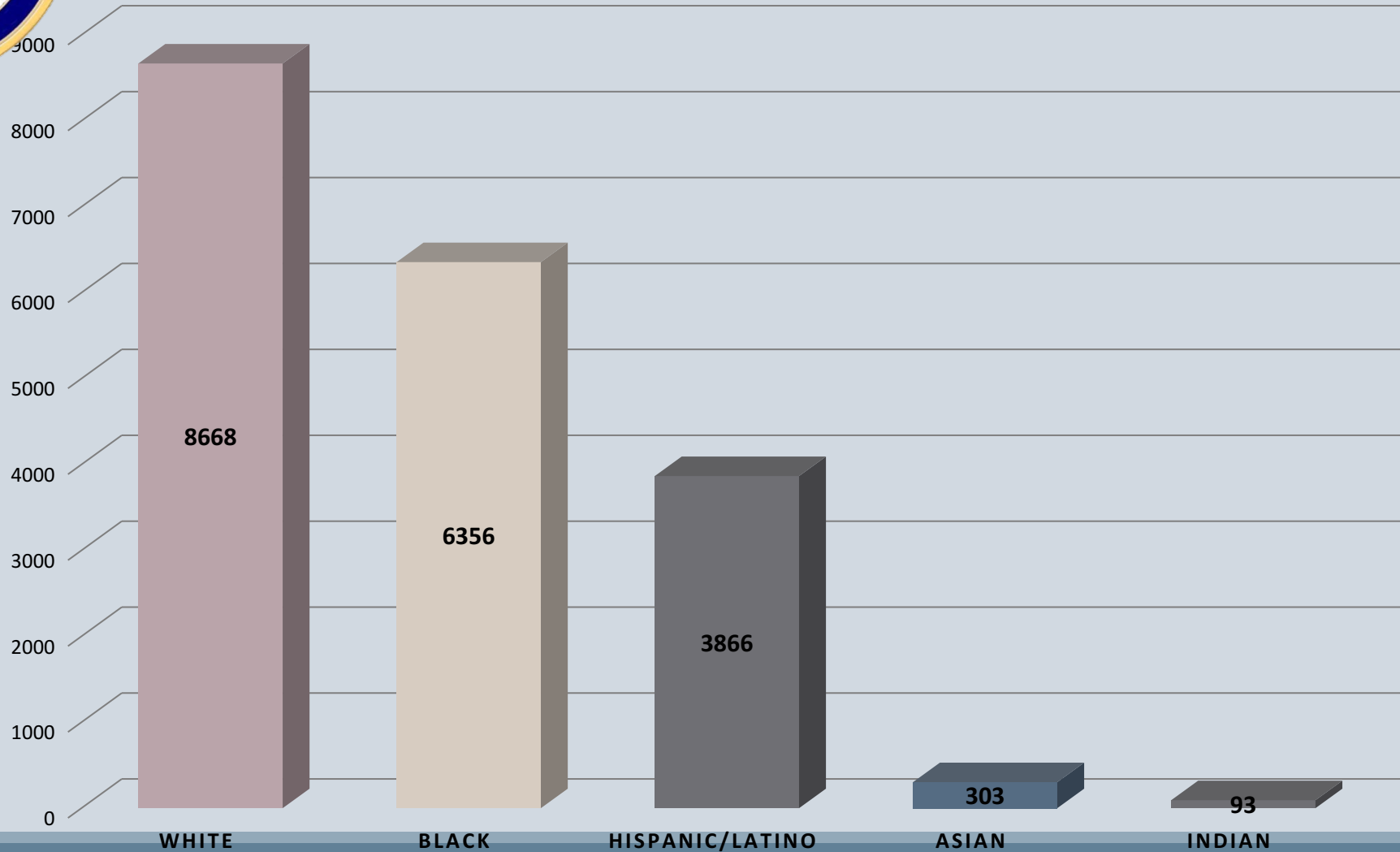
↑ 32.27

2025 Total stops: 19286



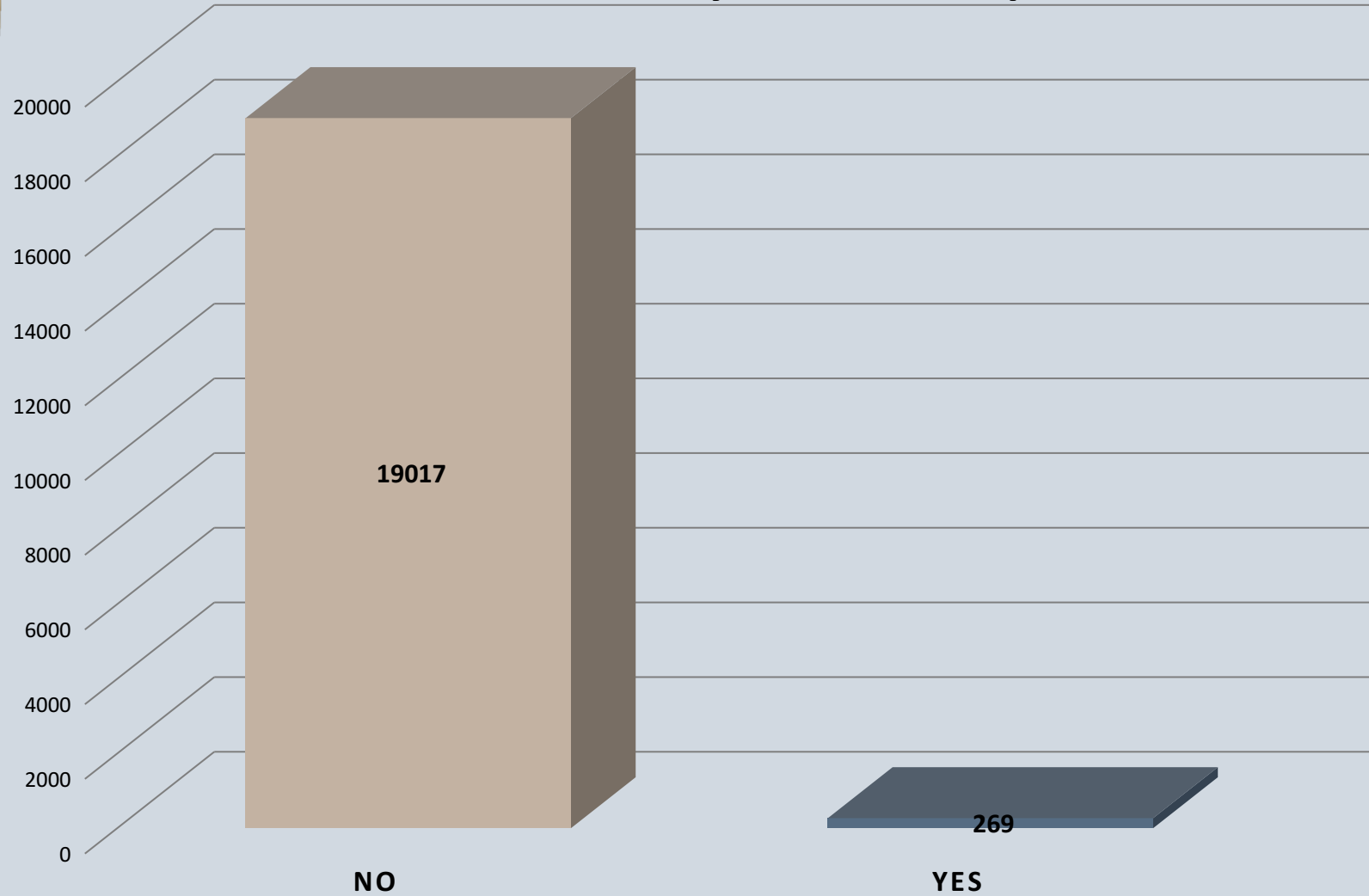


Race or Ethnicity of People Stopped



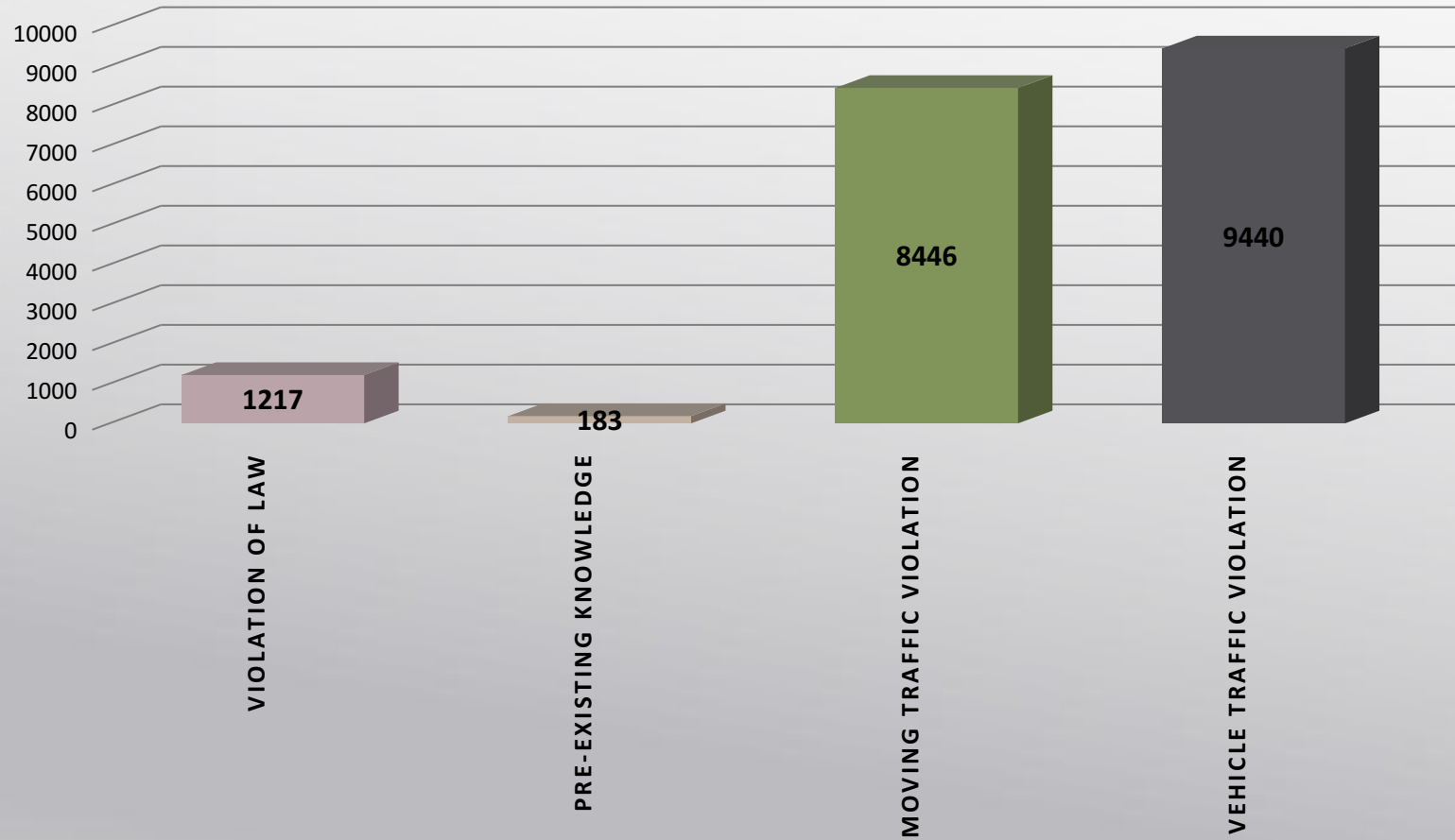


Was race or ethnicity known prior to stop?



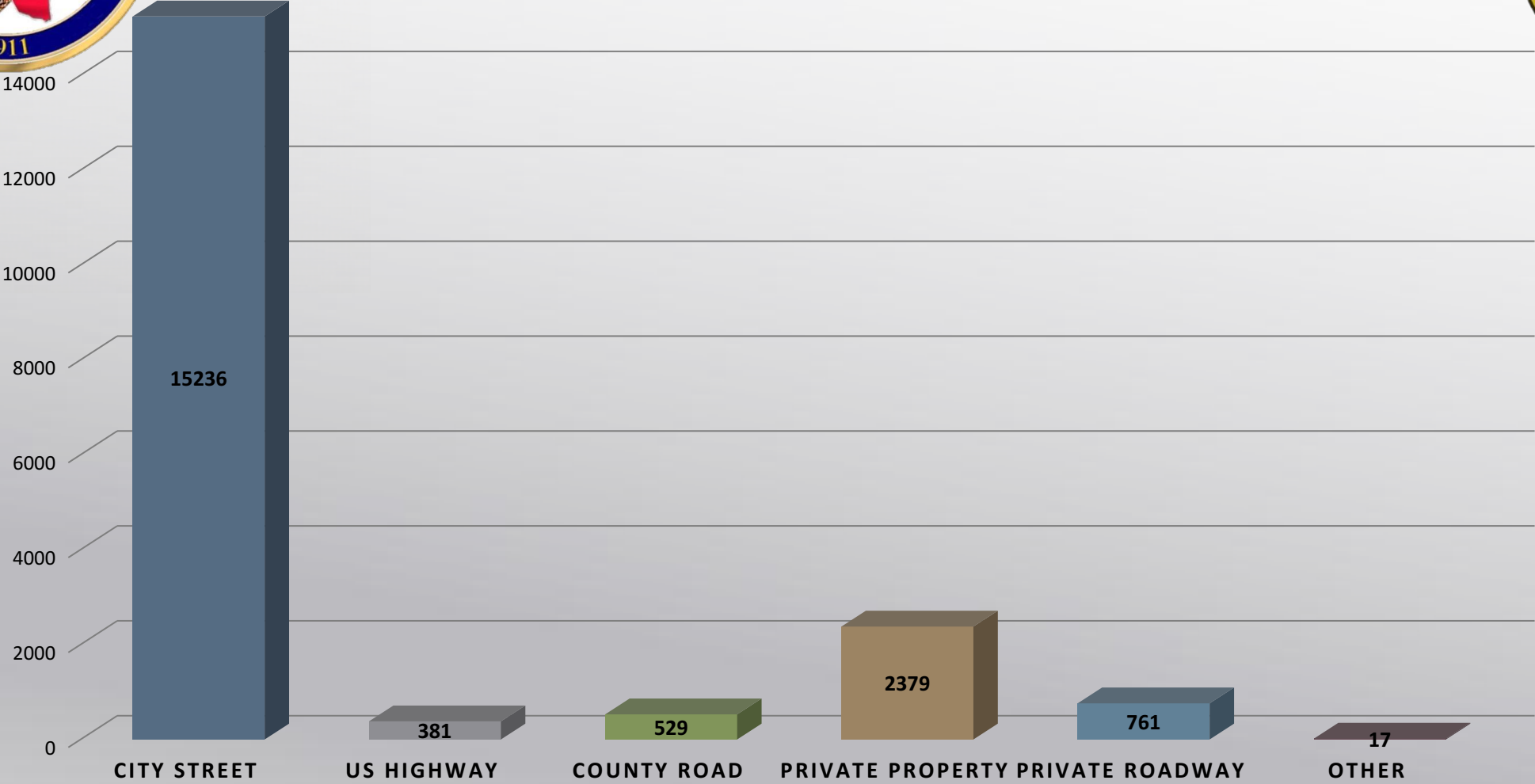


Reason for Stop



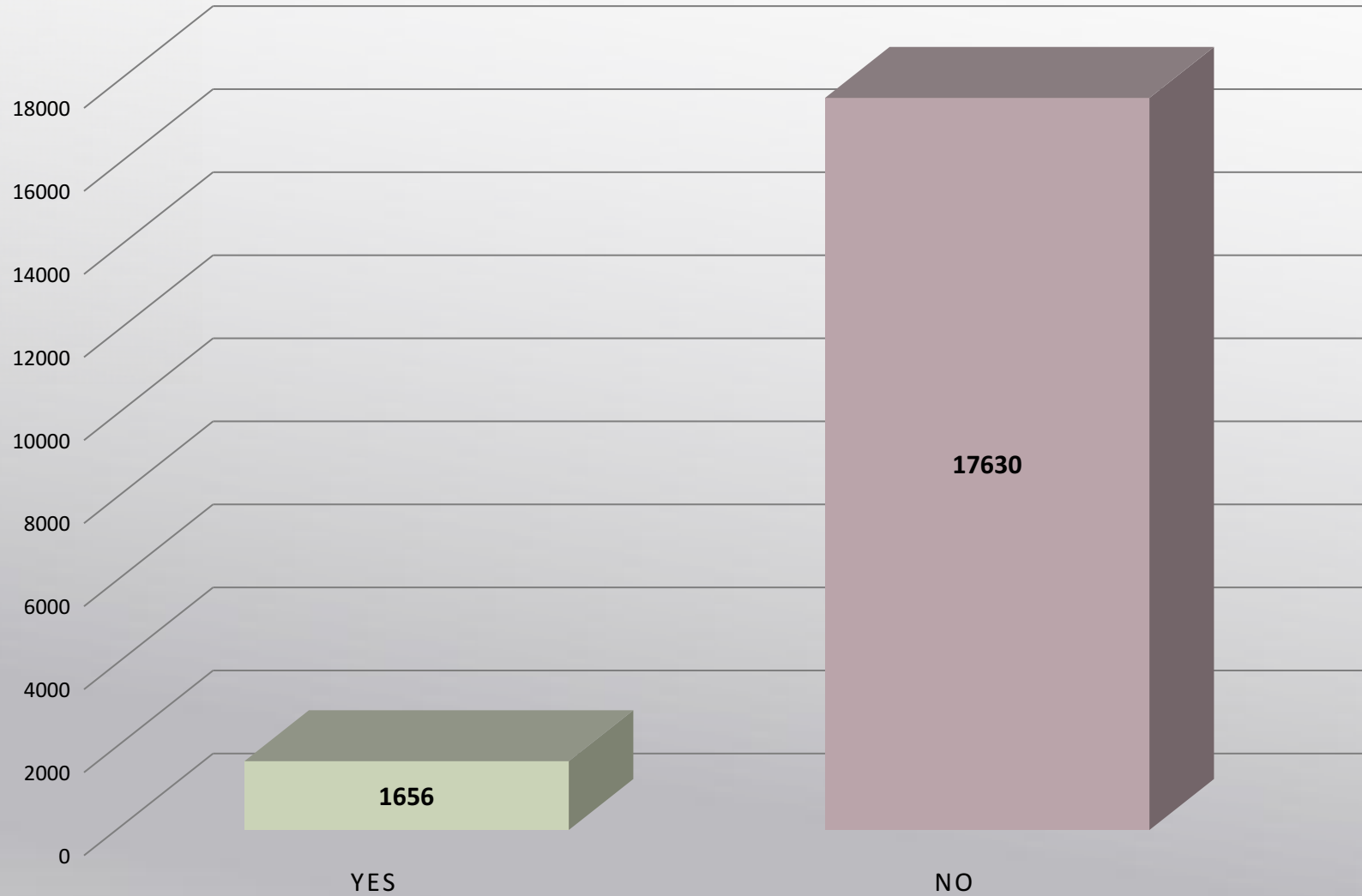


Location of the stops



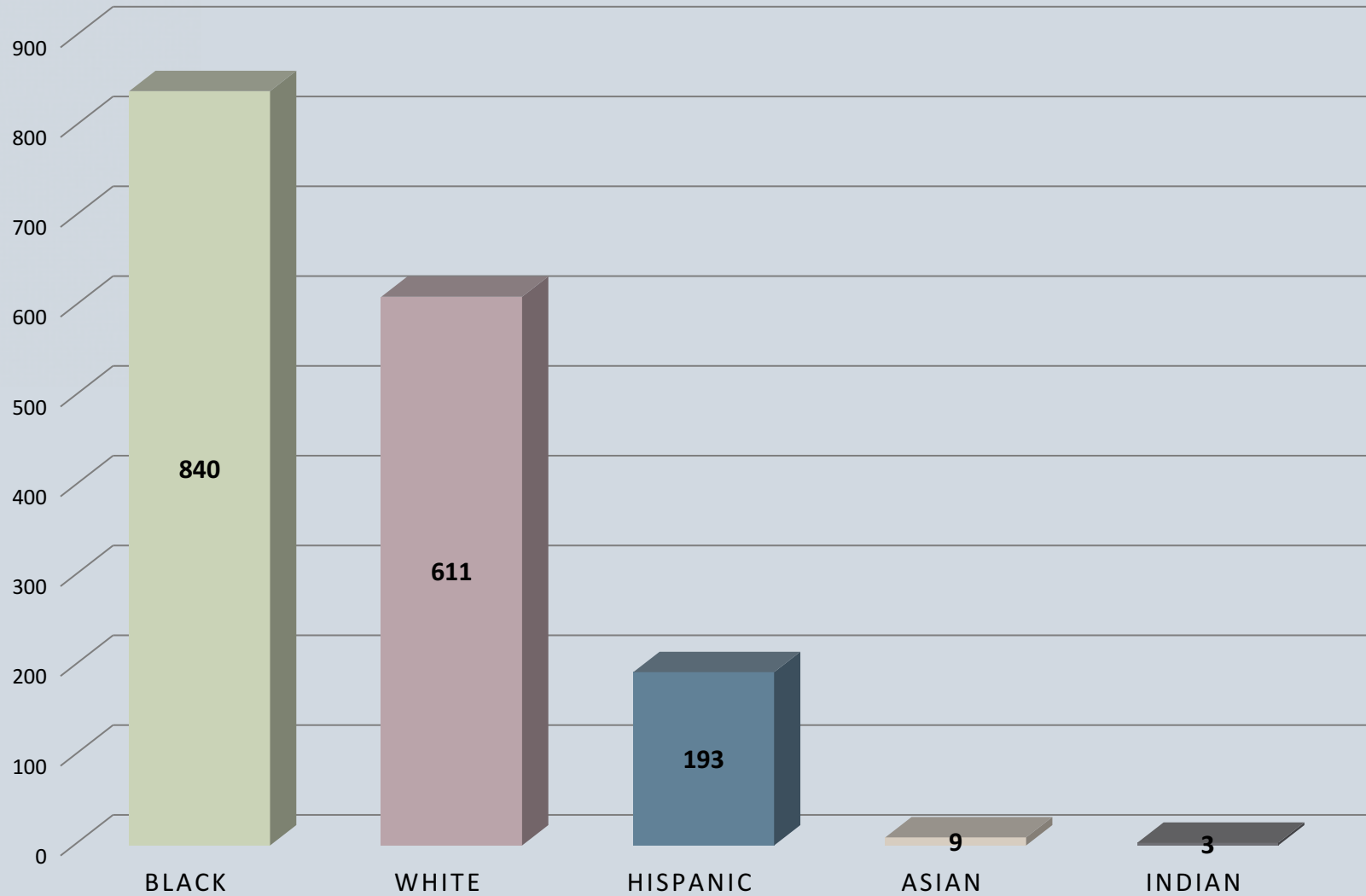


Was a Search Conducted?



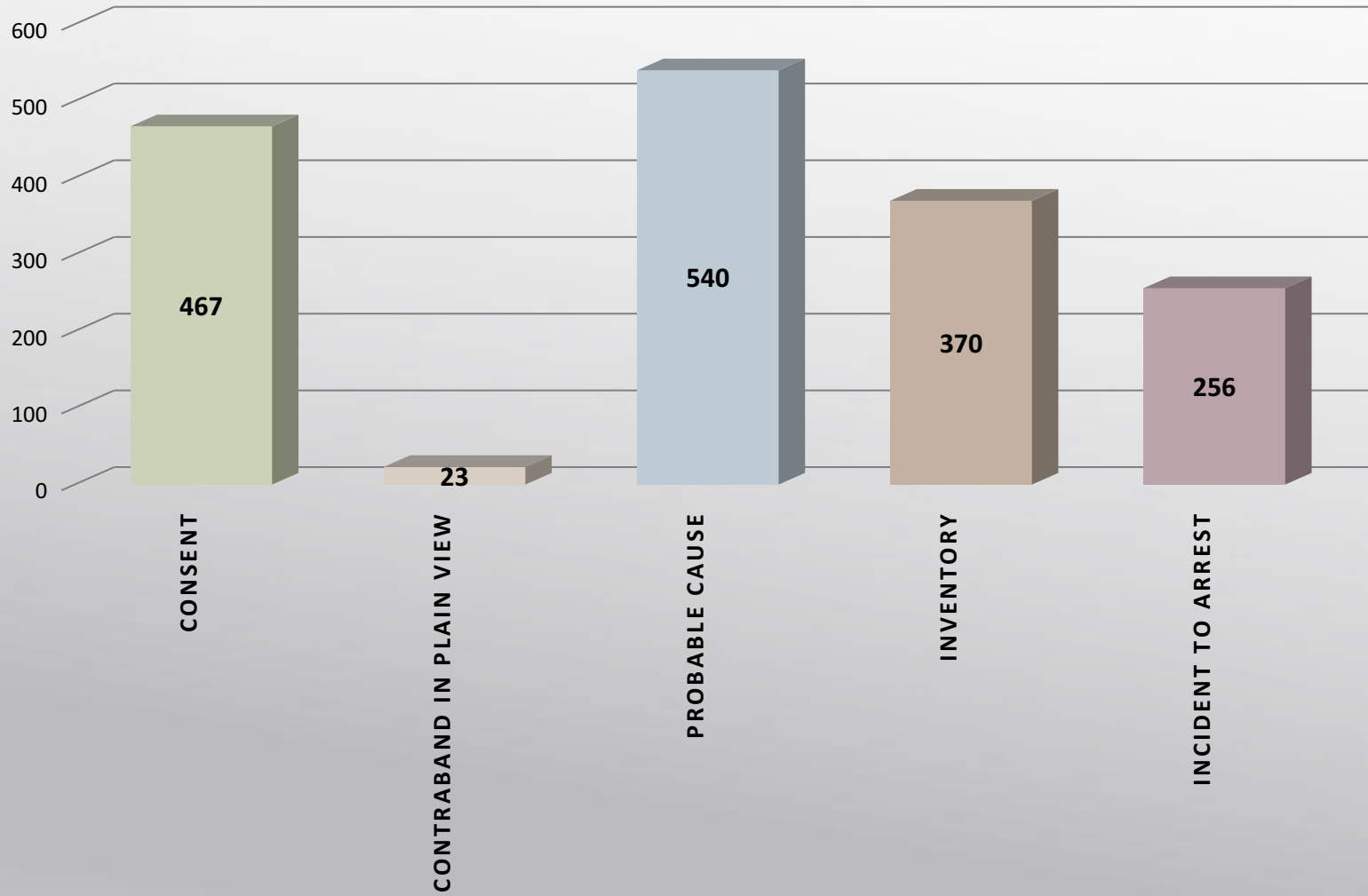


Searches Conducted by Race



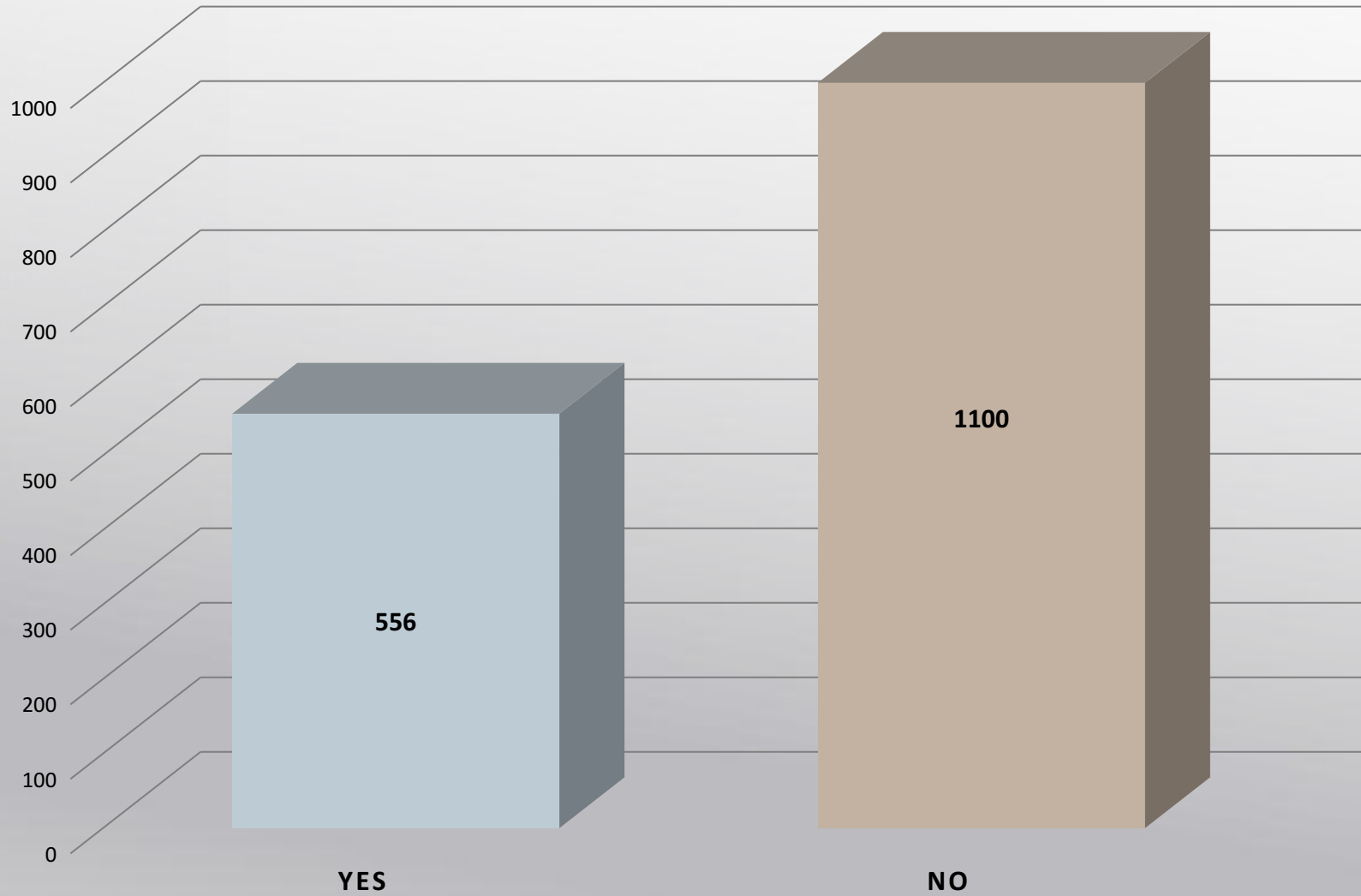


Reason for Search





Contraband Discovered



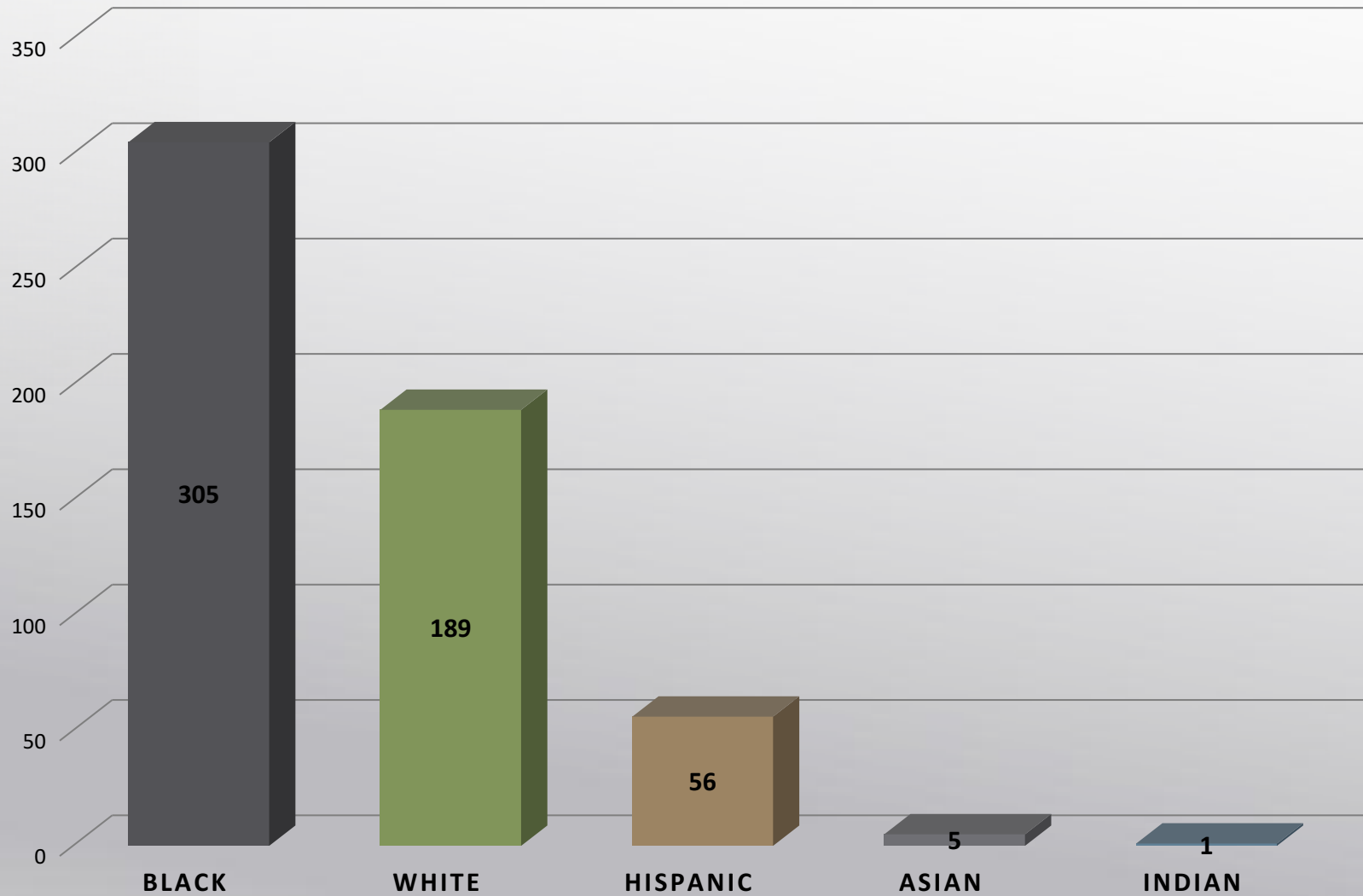


Description of Contraband



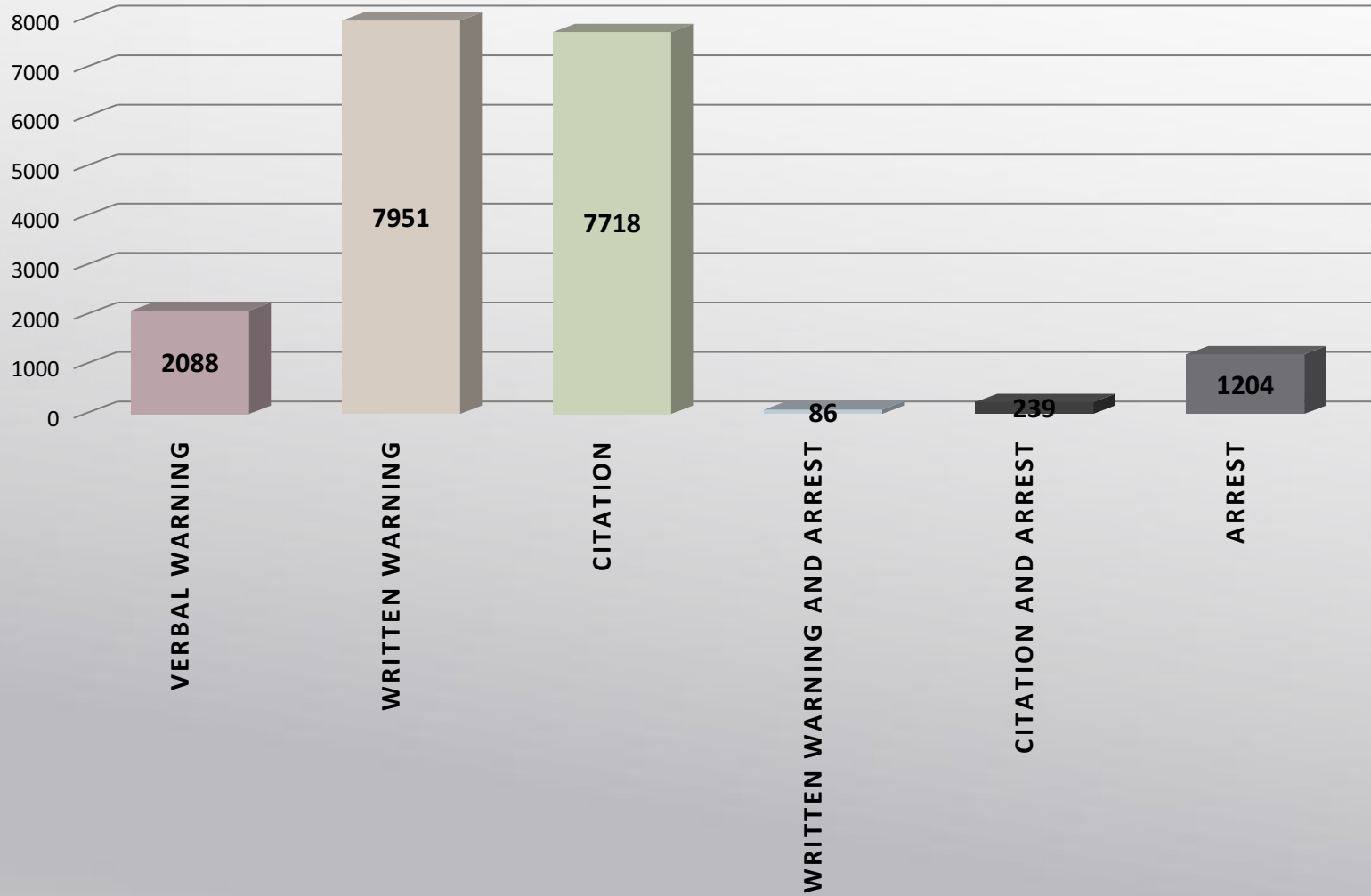


Contraband Hits by Race



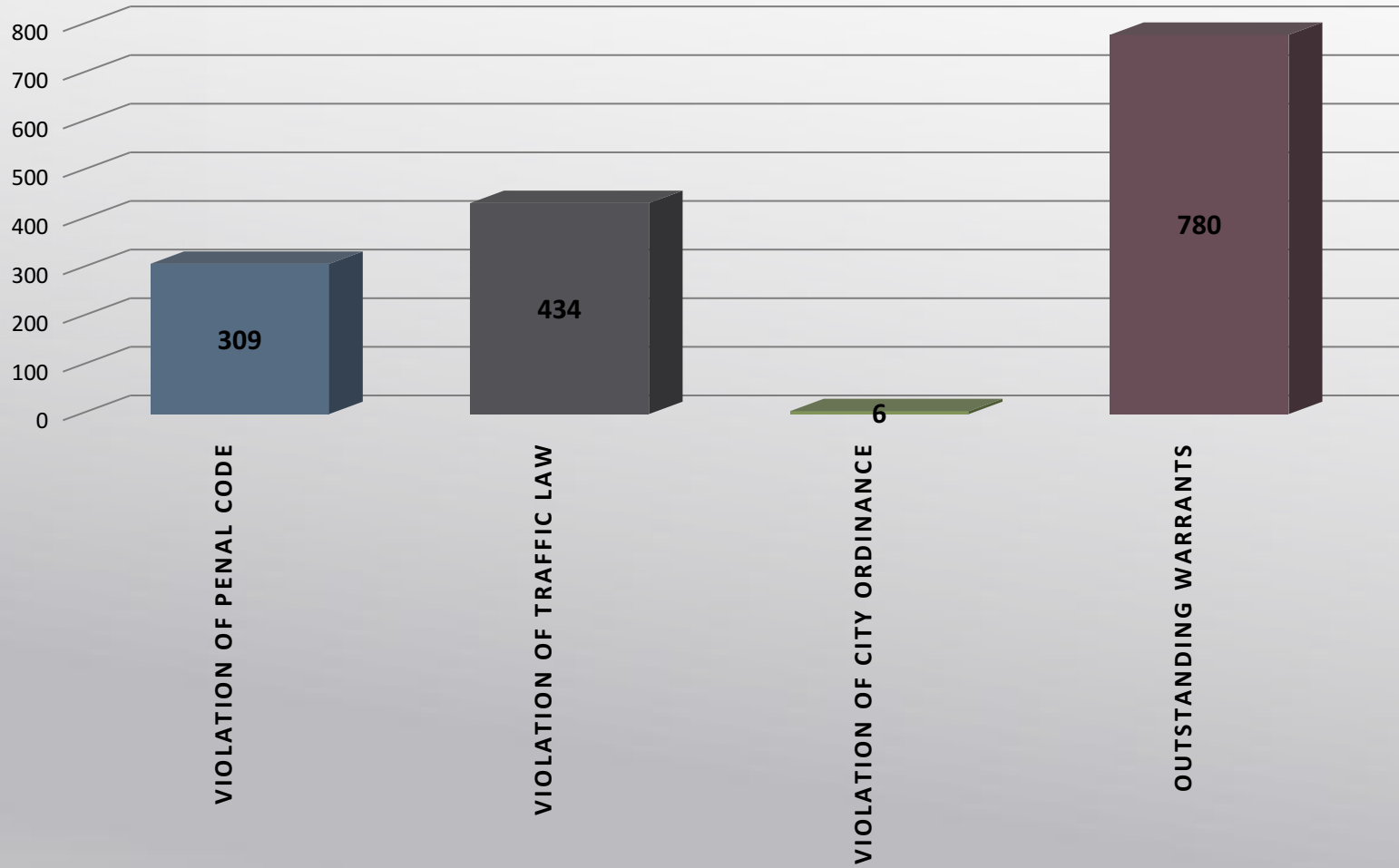


Result of Stop



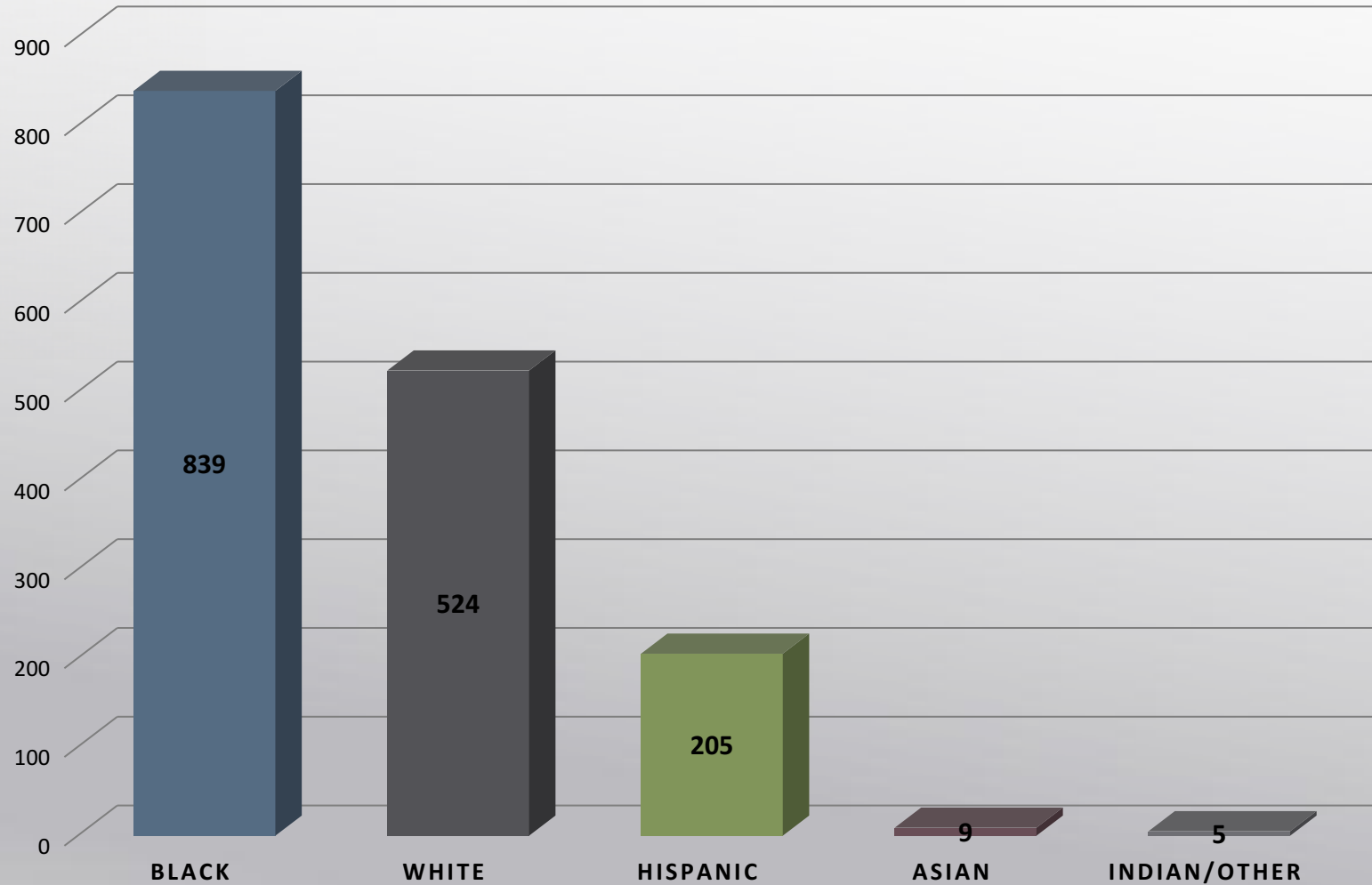


1,529 Total Arrests



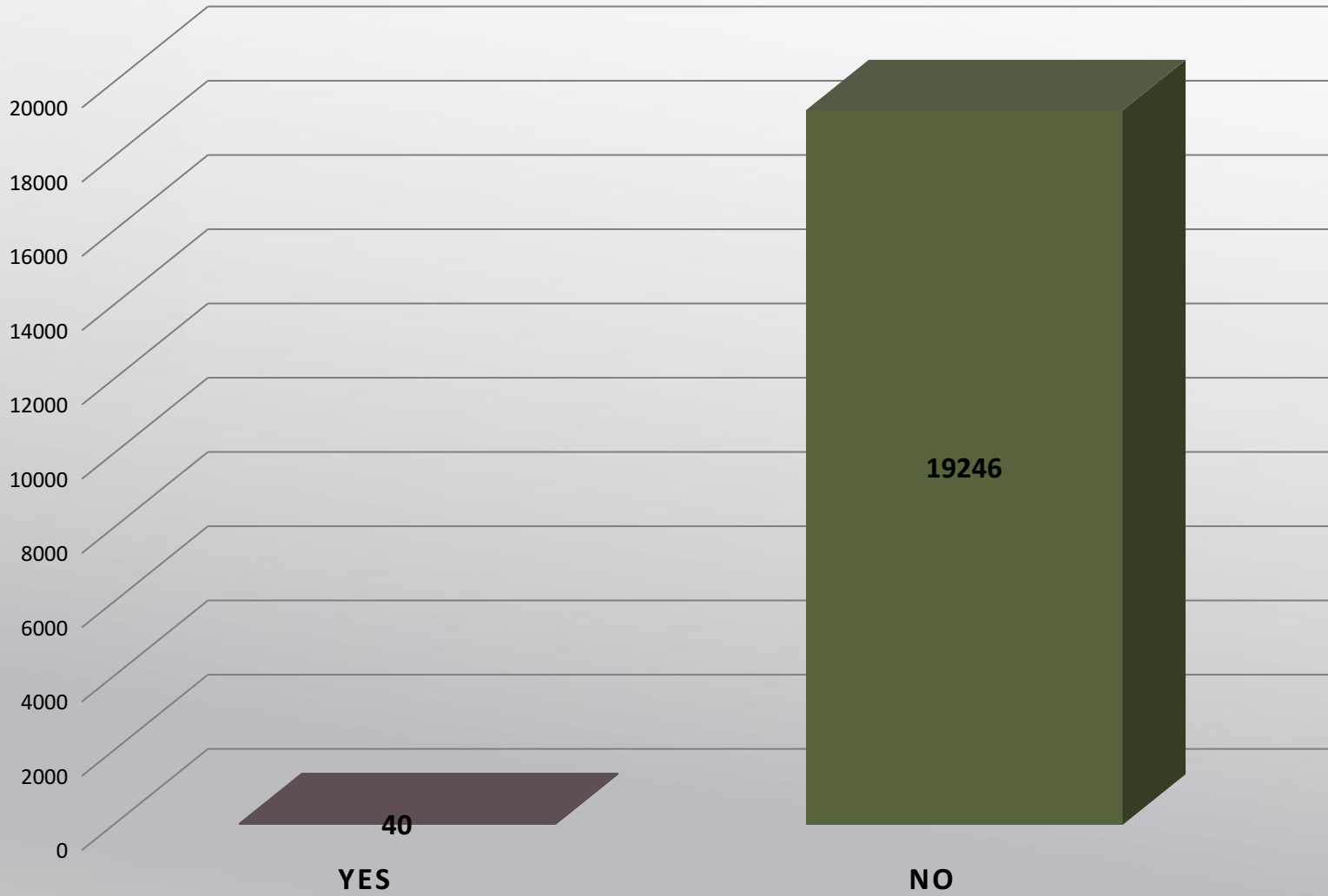


Arrests by Race





Physical Force Used During Stop





**There were 0 complaints
alleging Racial or Bias based
profiling in 2025**



Questions?

CITY COMMISSION REGULAR MTG

(4) (b)

Meeting Date: 02/04/2026

Crime Statistics for Calendar Year 2025 (Police)

Submitted For: Landis Cravens, Police Department

Submitted By: Rhomari Leigh, City Secretary

Department: Police Department

Information

ACTION REQUEST

Crime Statistics for Calendar Year 2025 (Police)

BACKGROUND (Brief Summary)

RECOMMENDATION

Fiscal Impact

Attachments

Staff Report



Texas City Police Department

2025 Annual Charts & Graphs



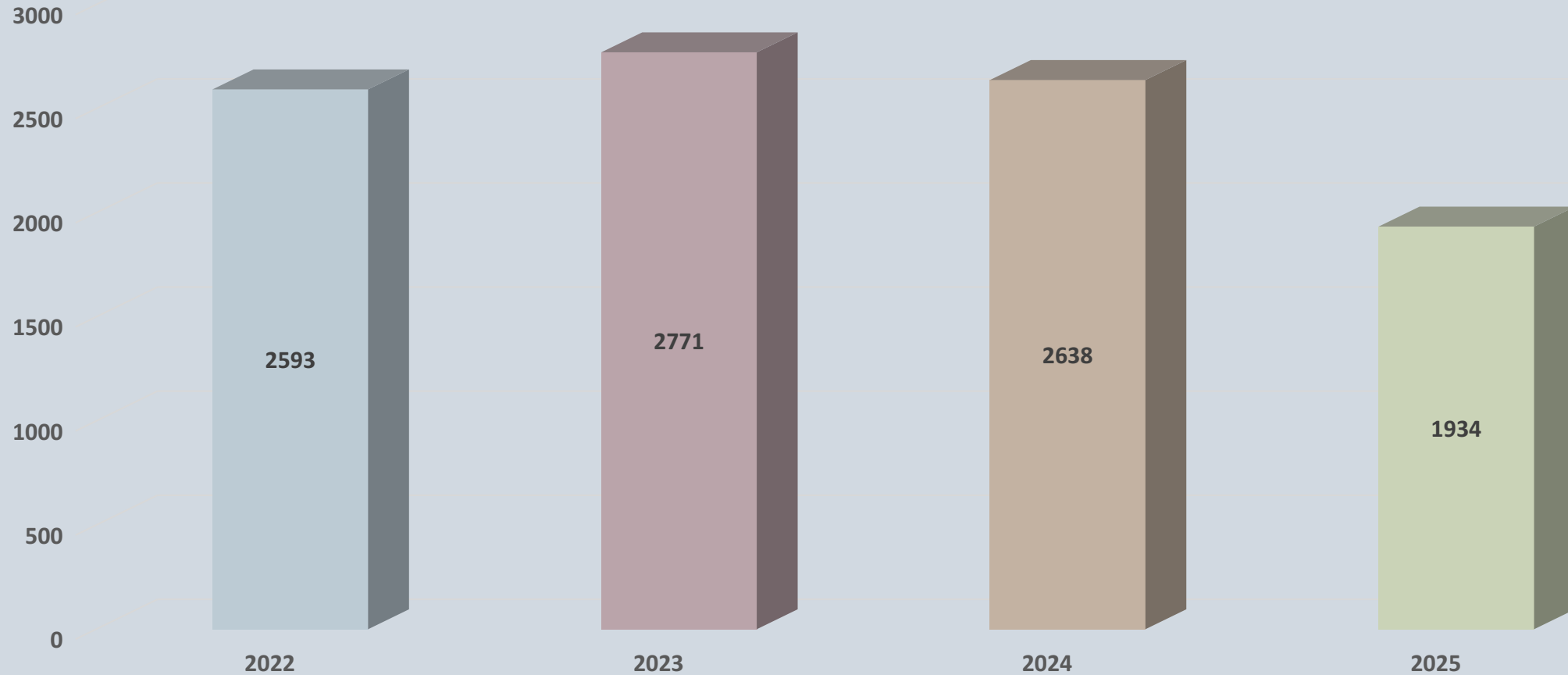
Texas City Police Department Crimes Stats

The information being presented was collected during 2025. This information was collected over the year by the National Incident-Based Reporting System, known as "NIBRS", which is an incident-based reporting system in which law enforcement collects data on each crime occurrence within their jurisdiction.



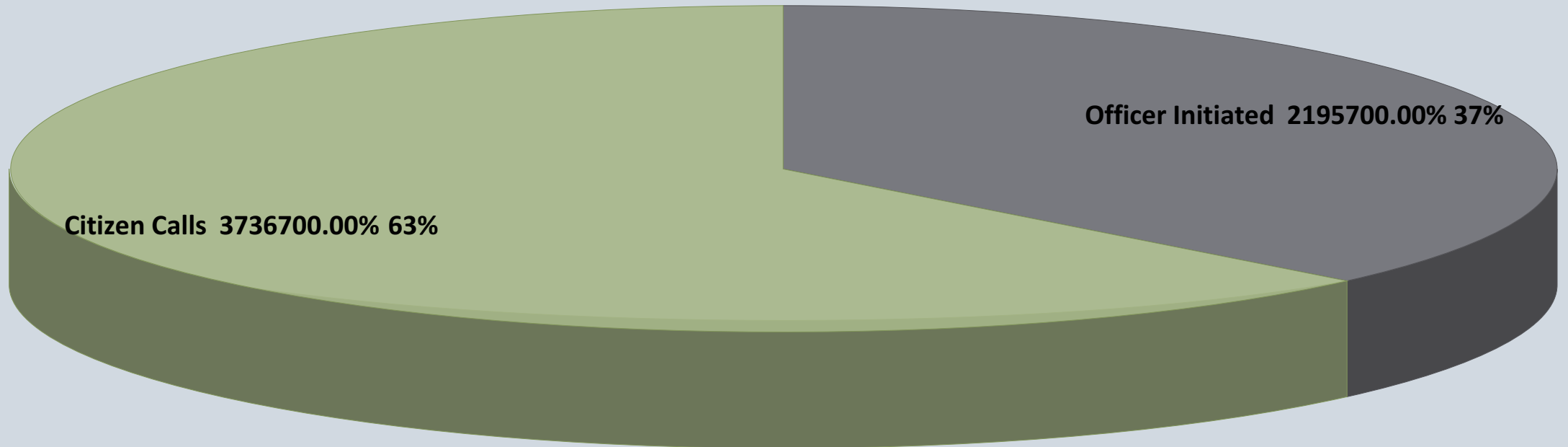
Total Crimes 2022 - 2025

*From this presentation.



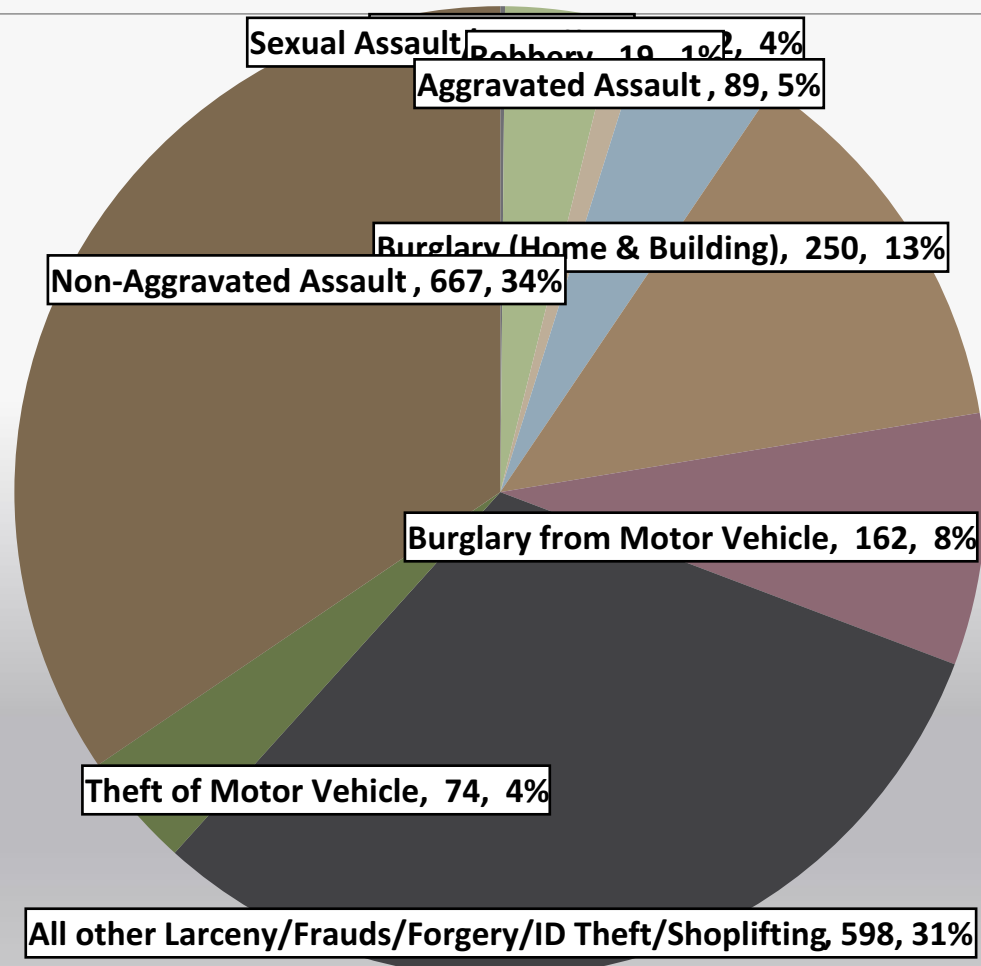


2025 Calls for Service 59,324 Total



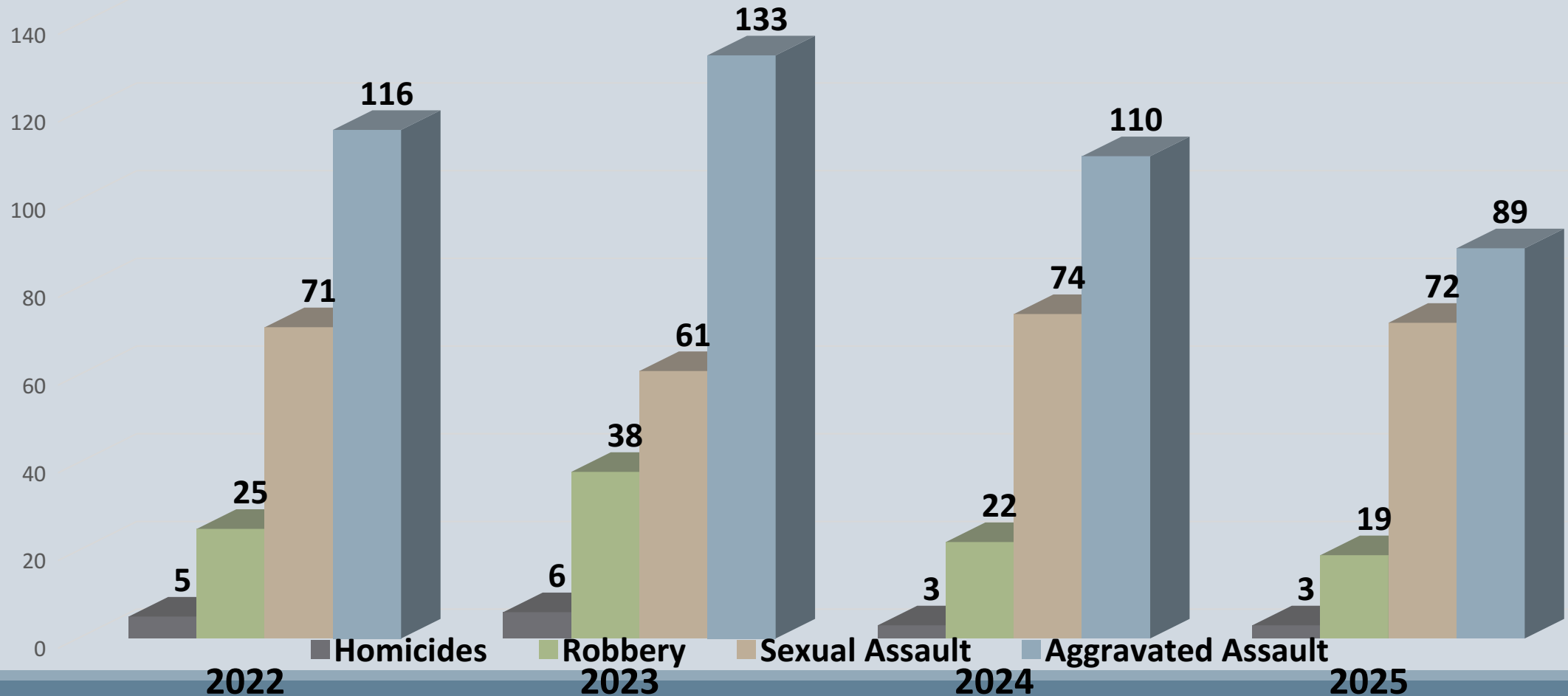


2025 Crimes





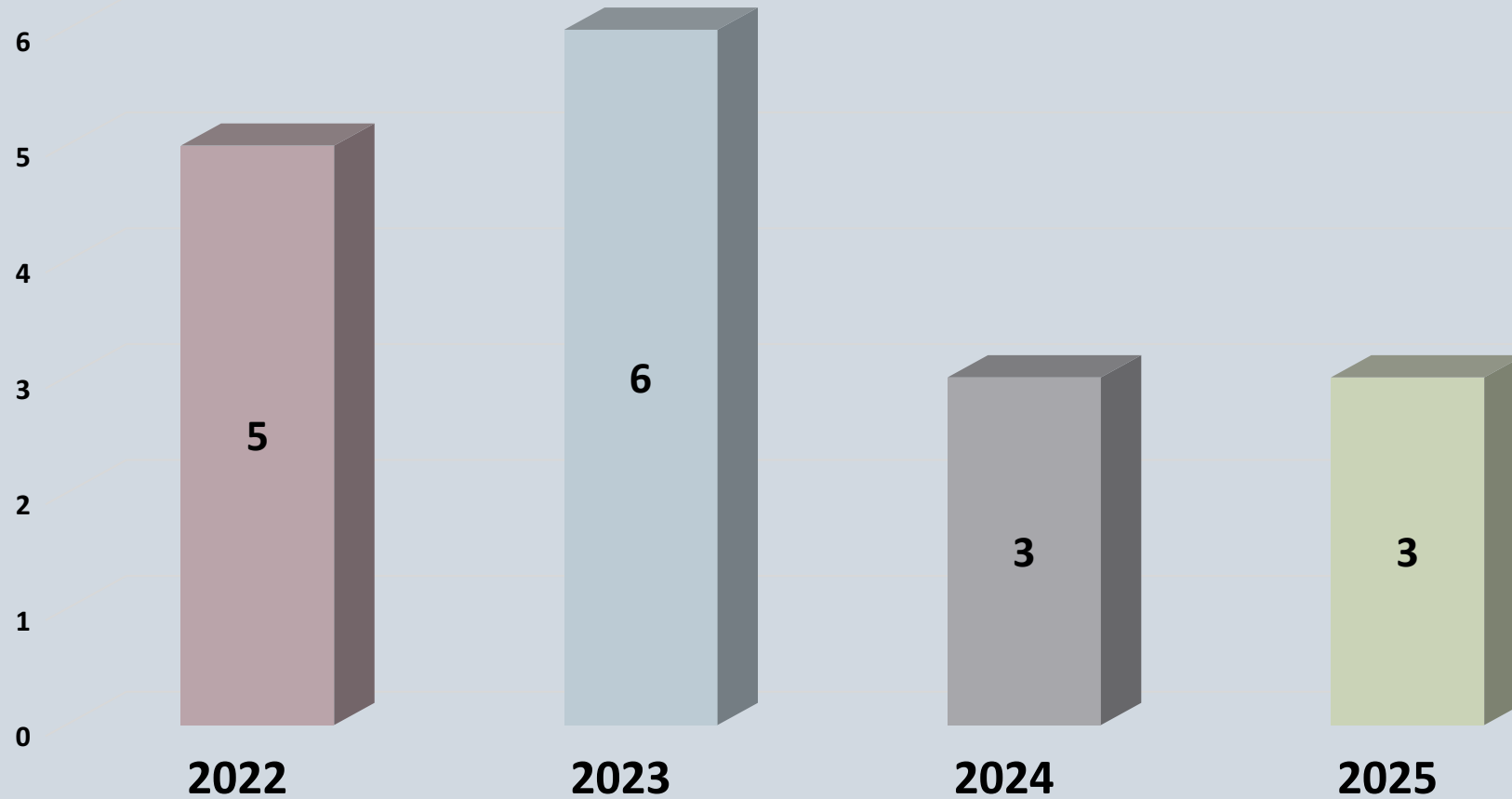
Violent Crime Comparison 2022 - 2025





Homicides

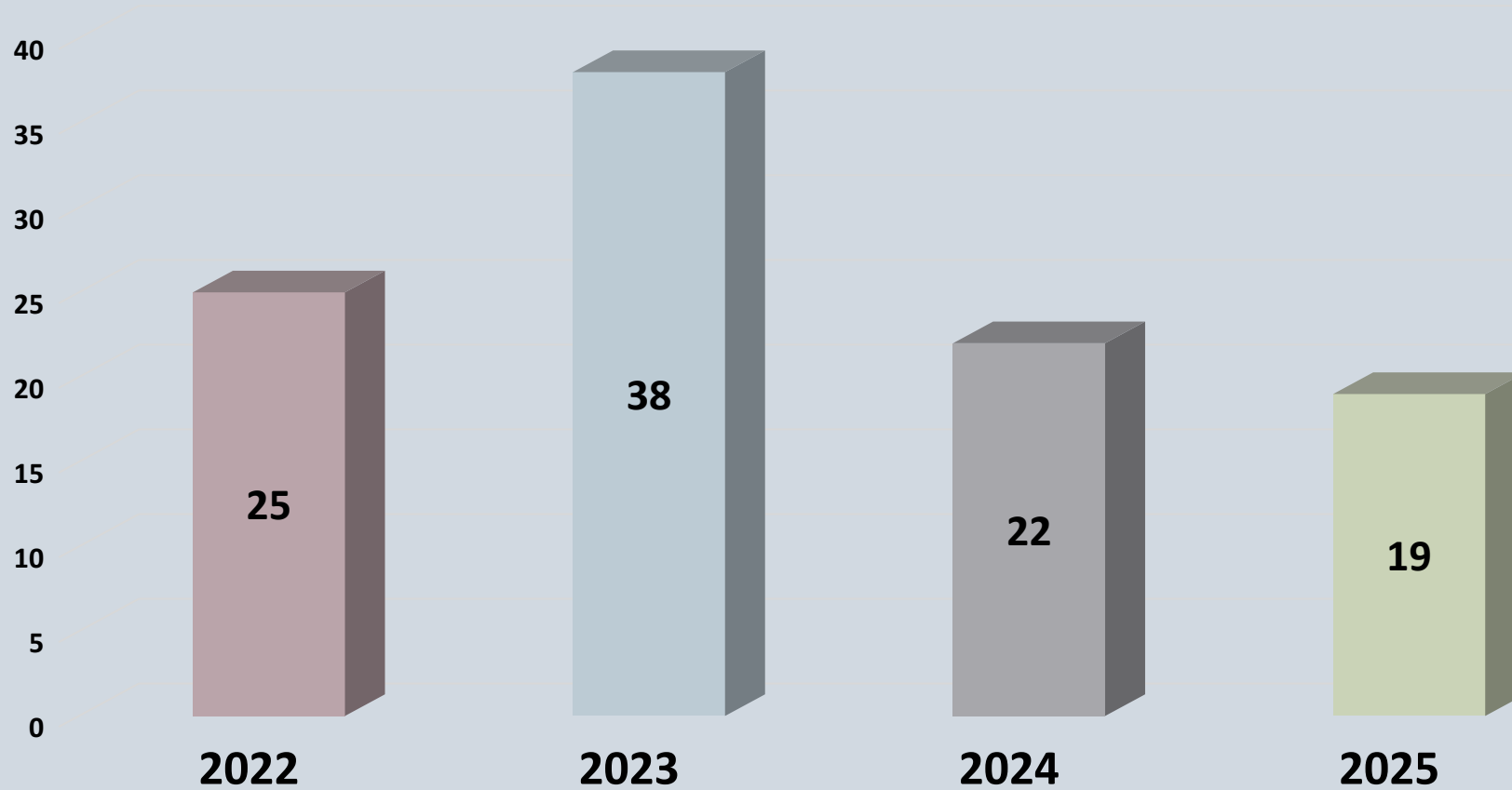
2022 - 2025





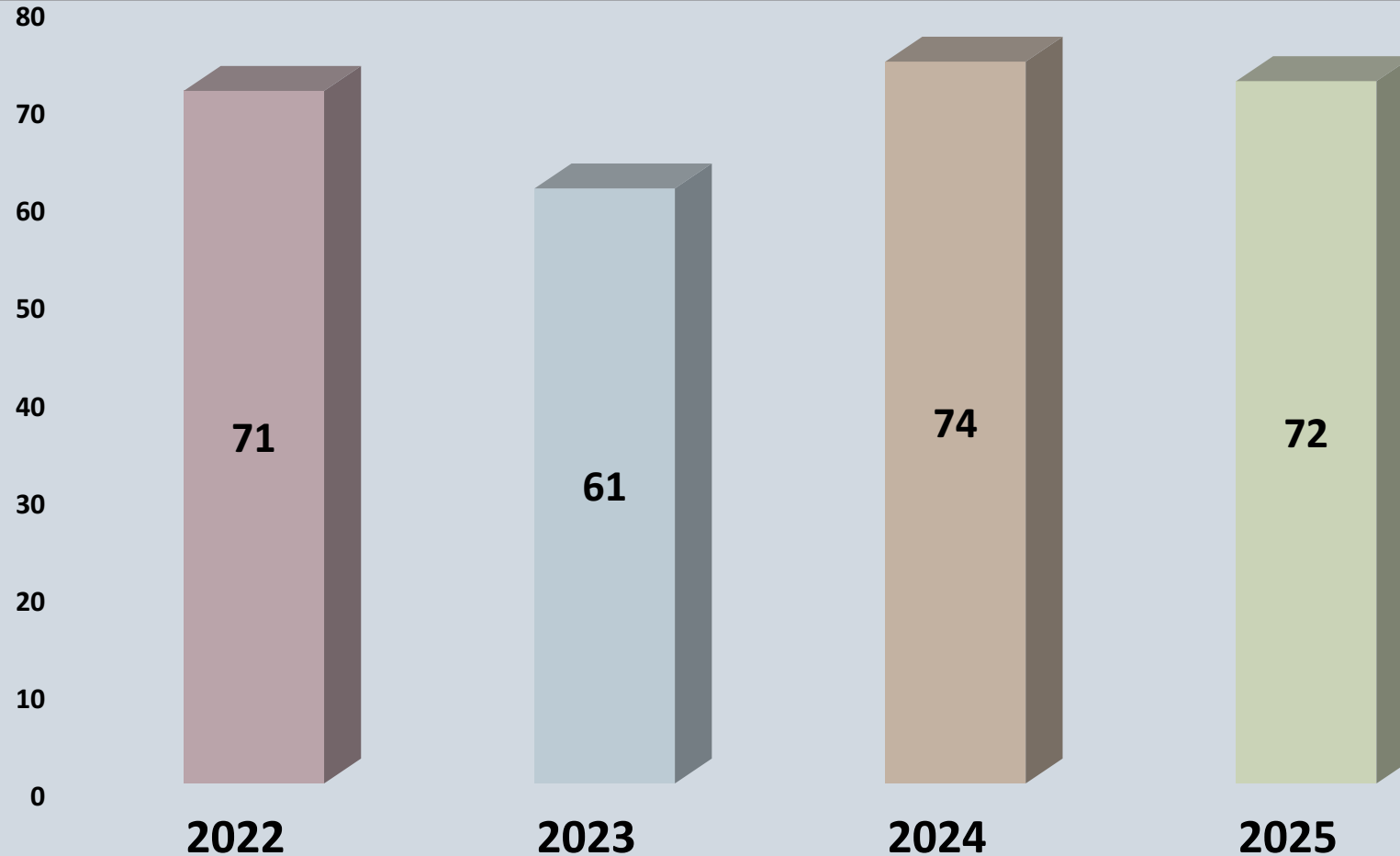
Robbery

2022 - 2025



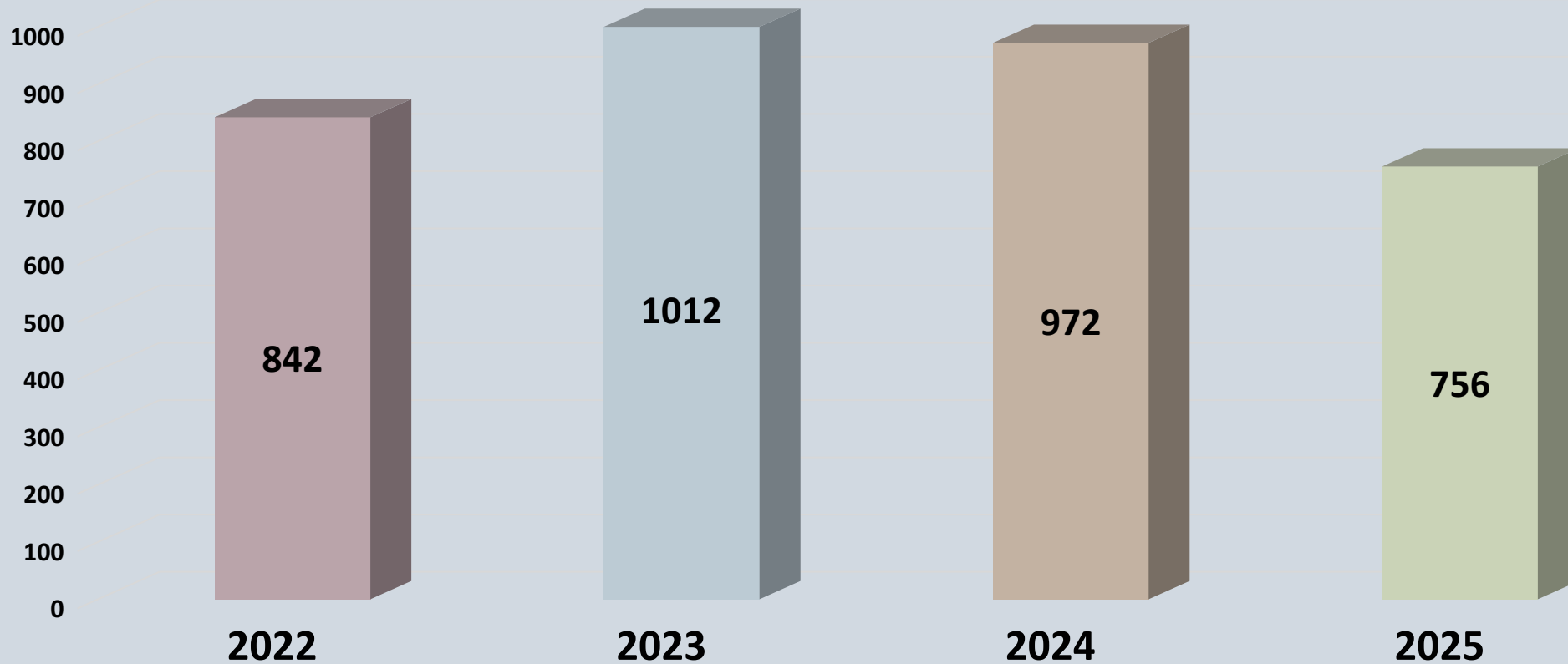


Sexual Assault 2022 - 2025





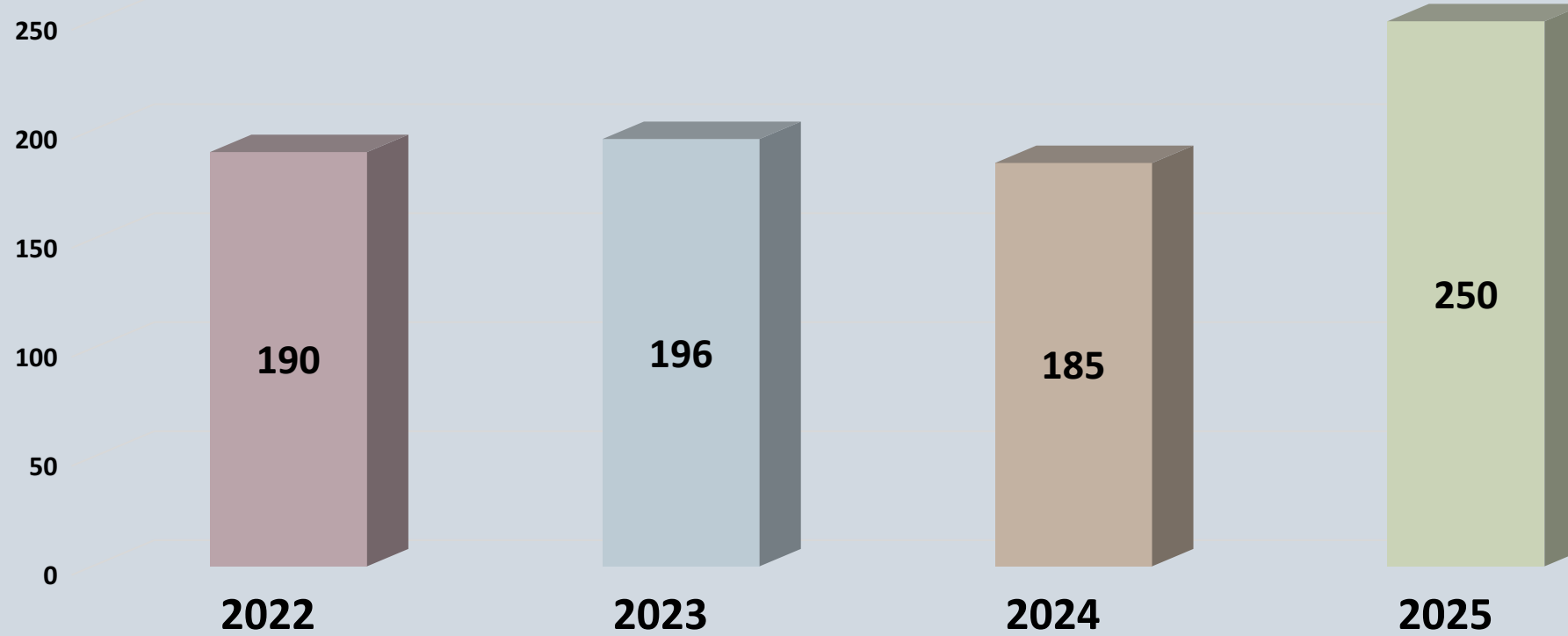
Assault (Aggravated and Simple) 2022 - 2025





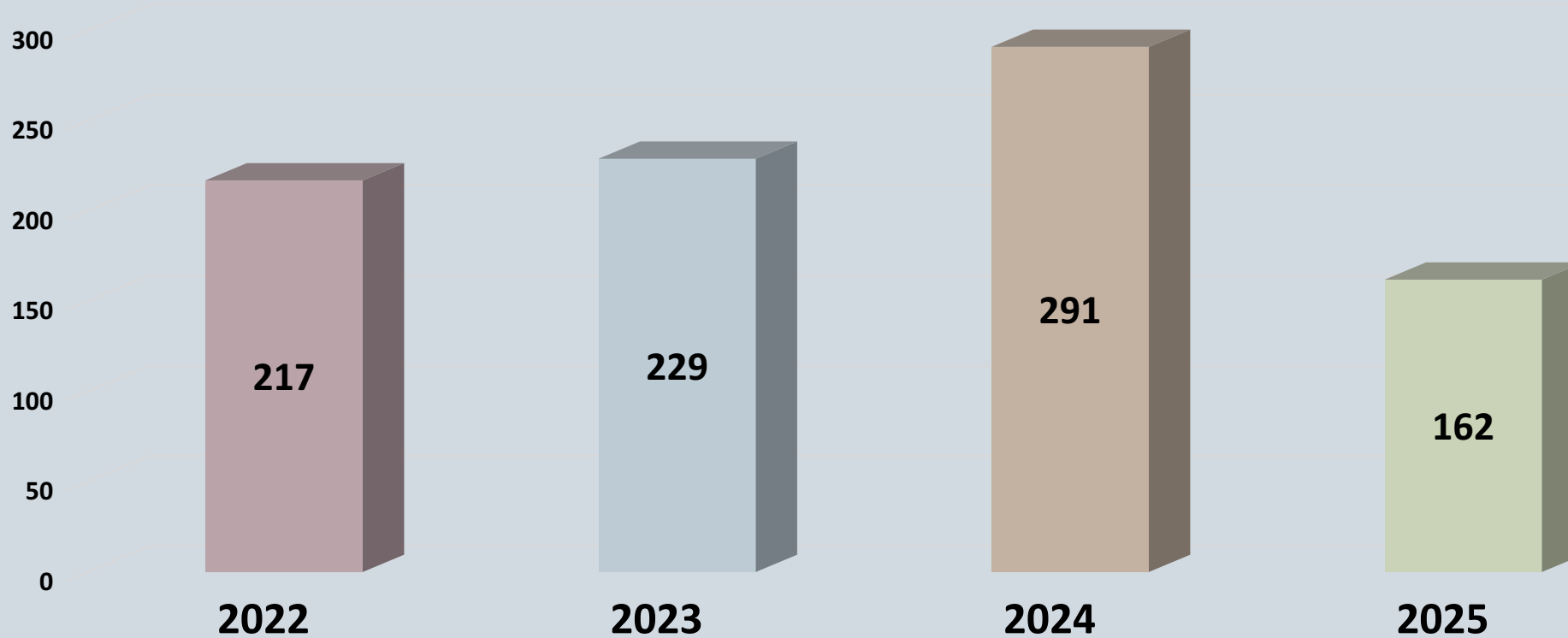
Burglary

2022 - 2025





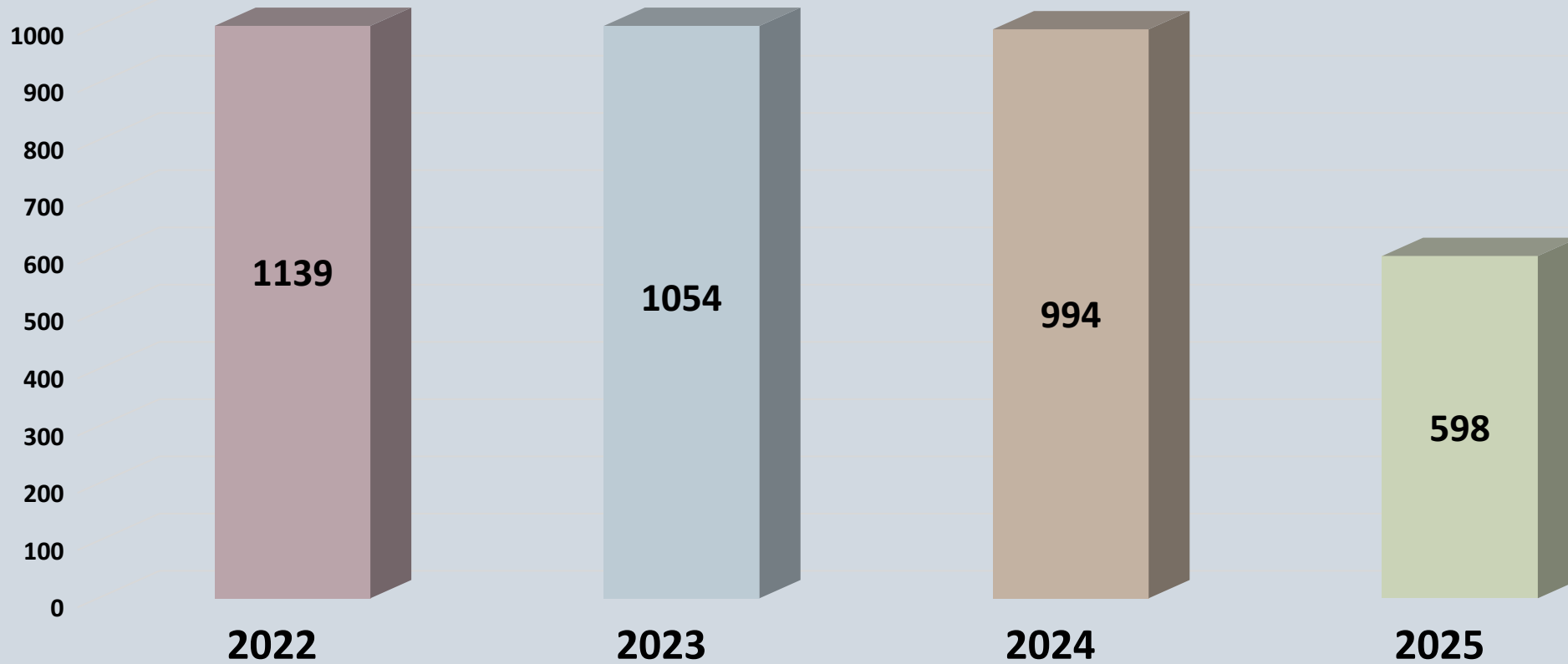
Burglary of Motor Vehicles 2022 - 2025





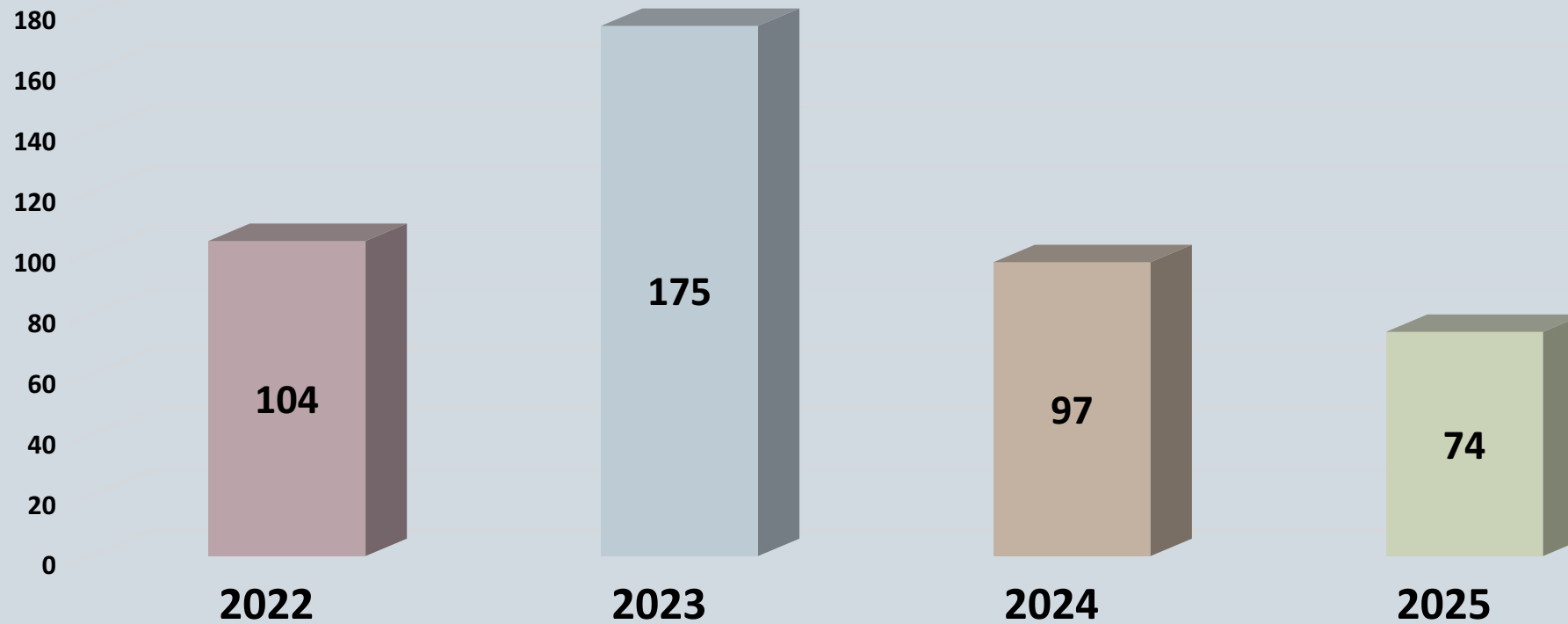
Other Theft 2022 – 2025

(Includes Larceny/Frauds/Forgery/ID Theft/Shoplifting)





Theft of Motor Vehicle 2022 - 2025





Summary

- * I want to commend our community and the men and women of the Texas City Police Department for working together in making our City a great place to live, work, and play.
- * The 2025 crime data reflects meaningful reductions and stabilizations across several offense categories.
- * We do not see this except through working with our community, our various civic groups, and business partners to make these measurable differences.

Questions?



CITY COMMISSION REGULAR MTG

(4) (c)

Meeting Date: 02/04/2026

Submitted By: Rhomari Leigh, City Secretary

Department: City Secretary

Information

ACTION REQUEST

Quarterly Investment Report (Finance)

BACKGROUND (Brief Summary)

RECOMMENDATION

Fiscal Impact

Attachments

attachment

Staff Report

INVESTMENT REPORT

City of Texas City

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October 1 to December 31, 2025



Contents

Market Recap	3
Investment Officers' Certification	4
Portfolio Overview	5
Portfolio Overview	6
Asset Allocation	7
Credit Rating Summary	8
Benchmark Comparison.	9
Fund Overview	10
Detail of Security Holdings	11
Earned Income	12
Investment Transactions.	13
Investment Transactions Totals.	14
Amortization and Accretion	15
Projected Cash Flows.	16
Projected Cash Flows Totals.	17
Disclosures & Disclaimers	18

Market Recap

December saw the return of official government data following the 43 day shutdown. After two months of relying on private sources, financial markets finally received delayed October and November readings on inflation, the labor market, economic growth, and consumer sentiment.

Labor market data remained overwhelmingly negative throughout December. Private sector employment data showed more weakness ahead of the FOMC meeting, with the November ADP report revealing a 32k decline in payrolls, the largest monthly drop since early 2023. Small businesses shed 120k jobs, the biggest pullback since May 2020, while larger firms managed modest gains. Challenger's layoff data showed more than 1.17 million job cuts year to date, already the highest since 2020. By the time the BLS finally released its combined October–November report, the unemployment rate had jumped to 4.6%, and the underemployment rate rose sharply to 8.7%, reflecting a combination of lower survey participation, discouraged workers re entering the labor force, and softening in economic conditions. Payrolls increased a modest 64k in November after a steep 105k decline in October, and the three month average pace of job growth slowed to just 22k, down from 62k prior to the shutdown.

The weak job market has fed directly into collapsing consumer confidence. Both the University of Michigan and Conference Board measures slid toward multi decade lows, with Michigan's current conditions index hitting its lowest reading in nearly fifty years. Confidence eroded further as households continued to struggle with higher prices, slower wage gains, and a cooling job market. Retail categories tied to discretionary spending showed weakening momentum, while hiring freezes broadened across cyclically sensitive sectors such as manufacturing, transportation, information services, and finance.

With October CPI data never collected, the November CPI release only provided year over year changes. Even with the data disruptions, the numbers were striking, headline CPI unexpectedly fell from 3.0% to 2.7%, while core CPI softened from 3.0% to 2.6%, both reaching their lowest levels since early 2021. Shelter costs showed a questionable

deceleration, posting their smallest two month increase since the early months of the pandemic. Economists warned that shutdown related distortions may unwind in the coming months, but the overall picture reinforced the idea that the Fed's restrictive stance is continuing to exert downward pressure on inflation.

The Federal Reserve delivered its third consecutive 25 basis point cut at the December 10 meeting, lowering the target range to 3.50%–3.75%. The vote was fractured, with three dissents, the most since 2019, as Chicago's Goolsbee and Kansas City's Schmid argued for no change while Governor Miran pushed for a larger 50 bp move. Chair Powell described the decision as a "close call," noting that neither inflation nor employment data made a compelling case for easing, but the committee felt "well positioned to wait and see" heading into 2026. The updated Summary of Economic Projections offered mixed signals: the 2026 GDP forecast was revised sharply higher to 2.3%, while core PCE was nudged down to 2.5%, supporting the view that tariff related inflation pressures might be fading.

Later in the month, the economy delivered another surprise when Q3 GDP was revised up to 4.3%, the strongest quarterly growth in two years and well above every major forecast. Personal consumption remained the engine of expansion, while net exports provided an unusually large boost as imports fell sharply. But the stronger growth also pushed the GDP price index up to 3.8%, and the core PCE index rose to 2.9%, complicating the Fed's inflation narrative and reinforcing the idea that rate cuts in early 2026 are assured. Strong GDP with rising unemployment will be a challenge for policymakers next year, especially in an economy increasingly shaped by rapid technological changes and investment.

As the year wraps, the economic landscape remains uncertain marked by strong top line growth but weakening labor momentum, easing inflation but distorted data, and a Fed that cut while signaling caution ahead. The path of monetary policy early in 2026 will hinge on whether the economy's apparent strength proves durable or whether the growing signs of labor market softening begin to dominate the narrative.

Investment Officers' Certification

This report is prepared for the City of Texas City (the "Entity") in accordance with Chapter 2256 of the Texas Public Funds Investment Act ("PFIA"). Section 2256.023(a) of the PFIA states that: "Not less than quarterly, the investment officer shall prepare and submit to the governing body of the entity a written report of the investment transactions for all funds covered by this chapter for the preceding reporting period." This report is signed by the Entity's investment officers and includes the disclosures required in the PFIA.

The investment portfolio complied with the PFIA and the Entity's approved Investment Policy and Strategy throughout the period. All investment transactions made in the portfolio during this period were made on behalf of the Entity and were made in full compliance with the PFIA and the approved Investment Policy.

Investment Officers

Cynthia Rushing
Chief Financial Officer

Portfolio Overview

Portfolio Summary

	Prior 30 Sep-25	Current 31 Dec-25
Par Value	196,527,067.20	195,986,572.29
Original Cost	196,527,067.20	195,950,764.21
Book Value	196,527,067.20	195,963,914.07
Market Value	196,527,067.20	195,964,742.29
Accrued Interest	0.00	0.00
Book Value Plus Accrued	196,527,067.20	195,963,914.07
Market Value Plus Accrued	196,527,067.20	195,964,742.29
Net Unrealized Gain/(Loss)	0.00	828.22

Income Summary

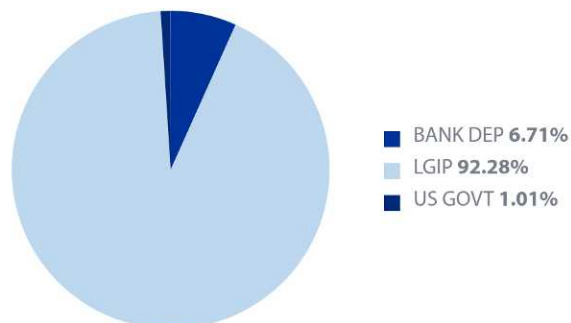
Current Period	1 Oct-25 to 31 Dec-25
Interest Income	1,923,709.01
Net Amortization/Accretion	13,149.86
Realized Gain/(Loss)	0.00
Net Income	1,936,858.87

Fiscal Year-to-Date	1 Oct-25 to 31 Dec-25
Net Income	1,936,858.87

Portfolio Characteristics

	Prior 30 Sep-25	Current 31 Dec-25
Yield to Maturity	4.202%	3.791%
Yield to Worst	4.202%	3.791%
Days to Final Maturity	1	2
Days to Effective Maturity	1	2
Duration	0.00	0.31

Asset Allocation

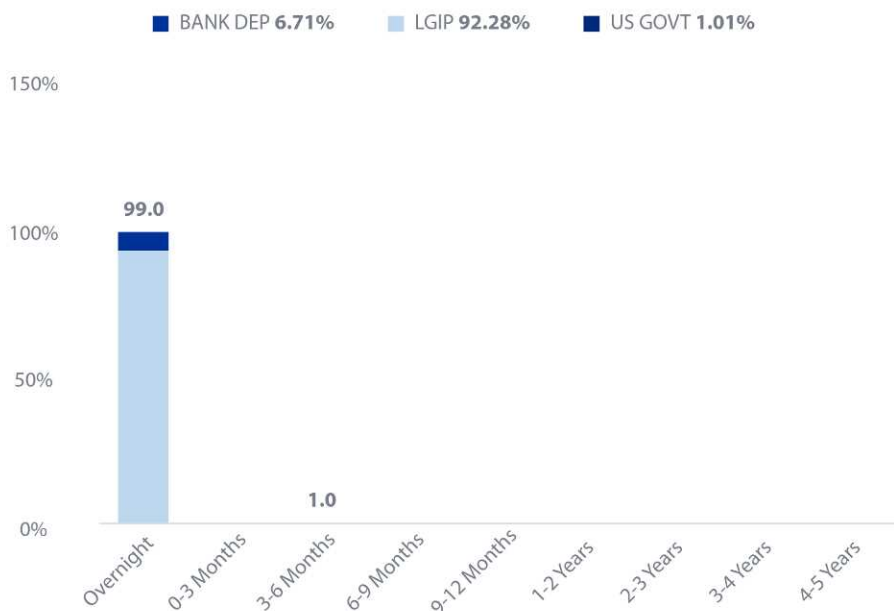


Transaction Summary

Transaction Type	Quantity	Principal	Interest	Total Amount	Realized Gain/Loss
Buy	13,314,266.83	(13,278,458.75)	0.00	(13,278,458.75)	0.00
Sell	(13,854,761.74)	13,854,761.74	0.00	13,854,761.74	0.00
MMFUND Dividends	0.00	0.00	1,923,709.01	1,923,709.01	0.00

Portfolio Overview

Maturity Distribution by Security Type



Top Ten Holdings

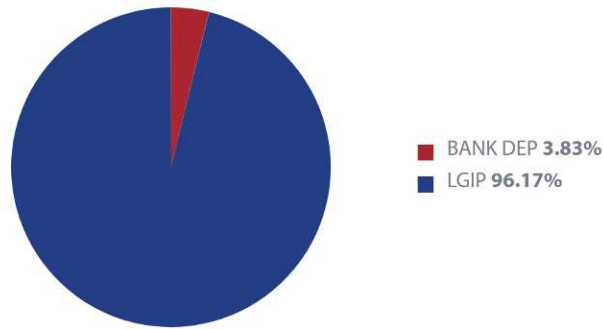
Issuer	Allocation
TEXSTAR	92.28%
Texas First Bank	6.71%
United States	1.01%

Maturity Distribution by Security Type

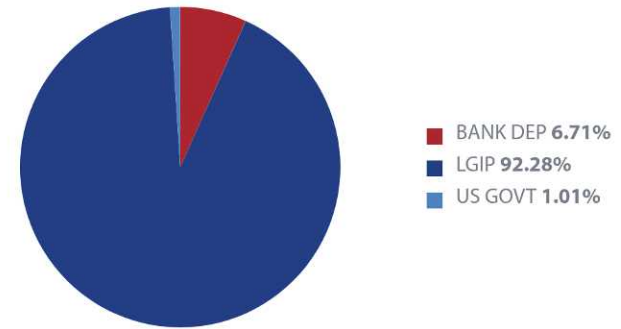
Security Type	Overnight	0-3 Months	3-6 Months	6-9 Months	9-12 Months	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Portfolio Total
BANK DEP	13,150,586.86	--	--	--	--	--	--	--	--	13,150,586.86
LGIP	180,835,985.43	--	--	--	--	--	--	--	--	180,835,985.43
US GOVT	--	--	1,977,341.78	--	--	--	--	--	--	1,977,341.78
Total	193,986,572.29	--	1,977,341.78	--	--	--	--	--	--	195,963,914.07

Asset Allocation

Asset Allocation by Security Type as of
30-Sep-2025



Asset Allocation by Security Type as of
31-Dec-2025



Book Value Basis Security Distribution

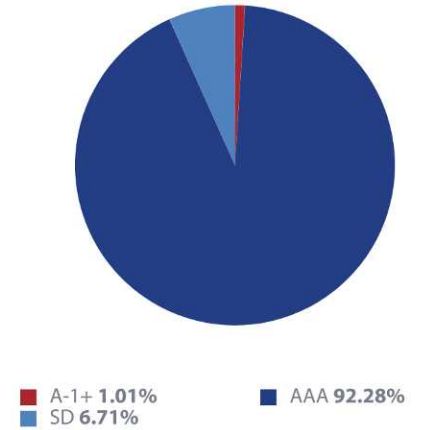
Security Type	Prior Balance 30-Sep-25	Prior Allocation 30-Sep-25	Change in Allocation	Current Balance 31-Dec-25	Current Allocation 31-Dec-25	Yield to Maturity
BANK DEP	7,531,722.12	3.83%	2.88%	13,150,586.86	6.71%	3.330%
LGIP	188,995,345.08	96.17%	(3.89%)	180,835,985.43	92.28%	3.825%
US GOVT	0.00	0.00%	1.01%	1,977,341.78	1.01%	3.759%
Portfolio Total	196,527,067.20	100.00%		195,963,914.07	100.00%	3.791%

Credit Rating Summary

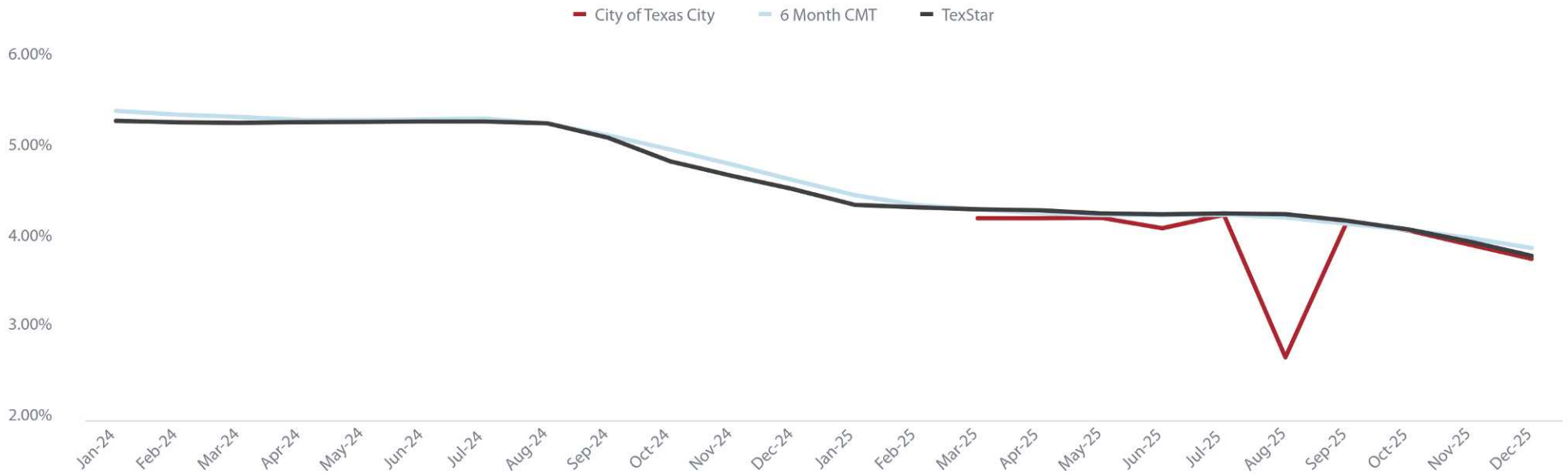
Rating Distribution

	Book Value	Portfolio Allocation
Secured Deposits (Insured or Collateralized)		
Demand Deposits	13,150,586.86	6.71%
Total Secured Deposits	13,150,586.86	6.71%
Local Government Investment Pools & Money Market Funds		
AAA	180,835,985.43	92.28%
Total Local Government Investment Pools & Money Market Funds	180,835,985.43	92.28%
Short Term Rating Distribution		
A-1+	1,977,341.78	1.01%
Total Short Term Rating Distribution	1,977,341.78	1.01%
Portfolio Total	195,963,914.07	100.00%

Allocation by Rating



Benchmark Comparison



Yield Overview

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
City of Texas City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.24	4.24	4.25	4.13	4.28	2.70	4.20	4.11	3.95	3.79
6 Month CMT	5.43	5.39	5.36	5.33	5.33	5.34	5.34	5.29	5.16	5.00	4.84	4.66	4.50	4.39	4.34	4.30	4.28	4.27	4.28	4.25	4.18	4.11	4.02	3.91
TexStar	5.32	5.30	5.30	5.31	5.31	5.31	5.31	5.29	5.13	4.87	4.71	4.56	4.39	4.36	4.34	4.33	4.30	4.28	4.30	4.29	4.21	4.12	3.98	3.82

Fund Overview

Fund Name	Prior Book Value	Prior Market Value	Changes to Market Value	Current Book Value	Current Market Value	Net Income	Days to Final Mty	YTM	YTW
Pooled Funds	196,527,067.20	196,527,067.20	(562,324.91)	195,963,914.07	195,964,742.29	1,936,858.87	2	3.791%	3.791%
Total	196,527,067.20	196,527,067.20	(562,324.91)	195,963,914.07	195,964,742.29	1,936,858.87	2	3.791%	3.791%

Detail of Security Holdings

CUSIP	Settle Date	Security Type	Security Description	CPN	Maturity Date	Next Call Date	Call Type	Par Value	Purch Price	Original Cost	Book Value	Mkt Price	Market Value	Days to Mty	Days to Call	YTM	YTW	Rating
Pooled Funds																		
TEXSTAR		LGIP	TexSTAR	3.825	12/31/25			180,835,985.43	100.000	180,835,985.43	180,835,985.43	100.000	180,835,985.43	1		3.825	3.825	AAA
TFB-HYMM		BANK DEP	Texas First Bk High Yld MM	3.330	12/31/25			13,150,586.86	100.000	13,150,586.86	13,150,586.86	100.000	13,150,586.86	1		3.330	3.330	SD
912797SM0	10/28/25	US GOVT	U.S. Treasury Bill	0.000	04/23/26			2,000,000.00	98.210	1,964,191.92	1,977,341.78	98.909	1,978,170.00	113		3.759	3.759	A-1+
Total Pooled Funds								195,986,572.29		195,950,764.21	195,963,914.07		195,964,742.29	2		3.791	3.791	
Grand Total								195,986,572.29		195,950,764.21	195,963,914.07		195,964,742.29	2		3.791	3.791	

Earned Income

CUSIP	Security Type	Detailed Security Description	Beginning Accrued	Interest Earned	Interest Rec'd/ Sold/Matured	Interest Purchased	Ending Accrued	Disc Accr/Prem Amort	Net Realized Gain/Loss	Net Income
Pooled Funds										
TEXSTAR	LGIP	TexSTAR	0.00	1,840,640.35	1,840,640.35	0.00	0.00	0.00	0.00	1,840,640.35
TFB-HYMM	BANK DEP	Texas First Bk High Yld MM	0.00	83,068.66	83,068.66	0.00	0.00	0.00	0.00	83,068.66
912797SM0	US GOVT	U.S. Treasury Bill 0.0 04/23/2026	0.00	0.00	0.00	0.00	0.00	13,149.86	0.00	13,149.86
Total Pooled Funds			0.00	1,923,709.01	1,923,709.01	0.00	0.00	13,149.86	0.00	1,936,858.87
Grand Total			0.00	1,923,709.01	1,923,709.01	0.00	0.00	13,149.86	0.00	1,936,858.87

Investment Transactions

CUSIP	Trade Date	Settle Date	Security Type	Security Description	Coupon	Maturity Date	Call Date	Par Value	Price	Principal Amount	Interest Purchased/Received	Total Amount	Realized Gain/Loss	YTM	YTW
Pooled Funds															
Buy															
912797SM0	10/27/25	10/28/25	US GOVT	U.S. Treasury Bill	0.000	04/23/26		2,000,000.00	98.210	1,964,191.92	0.00	1,964,191.92	0.00	3.759	3.759
TEXSTAR	11/29/25	11/29/25	LGIP	TexSTAR	0.000	12/31/25		1,246,313.07	100.000	1,246,313.07	0.00	1,246,313.07	0.00	3.979	3.979
TFB-HYMM	11/30/25	11/30/25	BANK DEP	Texas First Bk High Yld MM	0.000	12/31/25		10,067,953.76	100.000	10,067,953.76	0.00	10,067,953.76	0.00	3.509	3.509
Total Buy								13,314,266.83		13,278,458.75	0.00	13,278,458.75	0.00		
Money Market Funds															
TFB-HYMM	10/31/25	10/31/25	BANK DEP	Texas First Bk High Yld MM	0.000	12/31/25		0.00		0.00	15,102.90	15,102.90	0.00	--	--
TEXSTAR	10/31/25	10/31/25	LGIP	TexSTAR	0.000	12/31/25		0.00		0.00	660,802.19	660,802.19	0.00	--	--
TFB-HYMM	11/30/25	11/30/25	BANK DEP	Texas First Bk High Yld MM	0.000	12/31/25		0.00		0.00	31,426.07	31,426.07	0.00	--	--
TEXSTAR	11/30/25	11/30/25	LGIP	TexSTAR	0.000	12/31/25		0.00		0.00	594,327.28	594,327.28	0.00	--	--
TFB-HYMM	12/31/25	12/31/25	BANK DEP	Texas First Bk High Yld MM	0.000	12/31/25		0.00		0.00	36,539.69	36,539.69	0.00	--	--
TEXSTAR	12/31/25	12/31/25	LGIP	TexSTAR	0.000	12/31/25		0.00		0.00	585,510.88	585,510.88	0.00	--	--
Total Money Market Funds								0.00		0.00	1,923,709.01	1,923,709.01	0.00		
Sell															
TFB-HYMM	10/31/25	10/31/25	BANK DEP	Texas First Bk High Yld MM	0.000	12/31/25		(4,449,089.02)	100.000	4,449,089.02	0.00	4,449,089.02	0.00	--	--
TEXSTAR	11/30/25	11/30/25	LGIP	TexSTAR	0.000	12/31/25		(9,405,672.72)	100.000	9,405,672.72	0.00	9,405,672.72	0.00	--	--
Total Sell								(13,854,761.74)		13,854,761.74	0.00	13,854,761.74	0.00		

Investment Transactions Totals

Transaction Type	Quantity	Principal Amount	Interest	Total Amount	Realized G/L	YTM	YTW
Total Buy	13,314,266.83	(13,278,458.75)	0.00	(13,278,458.75)	0.00	3.590	3.590
Total Sell	(13,854,761.74)	13,854,761.74	0.00	13,854,761.74	0.00	3.878	3.878
Total Money Market Funds	0.00	0.00	1,923,709.01	1,923,709.01	0.00		

Amortization and Accretion

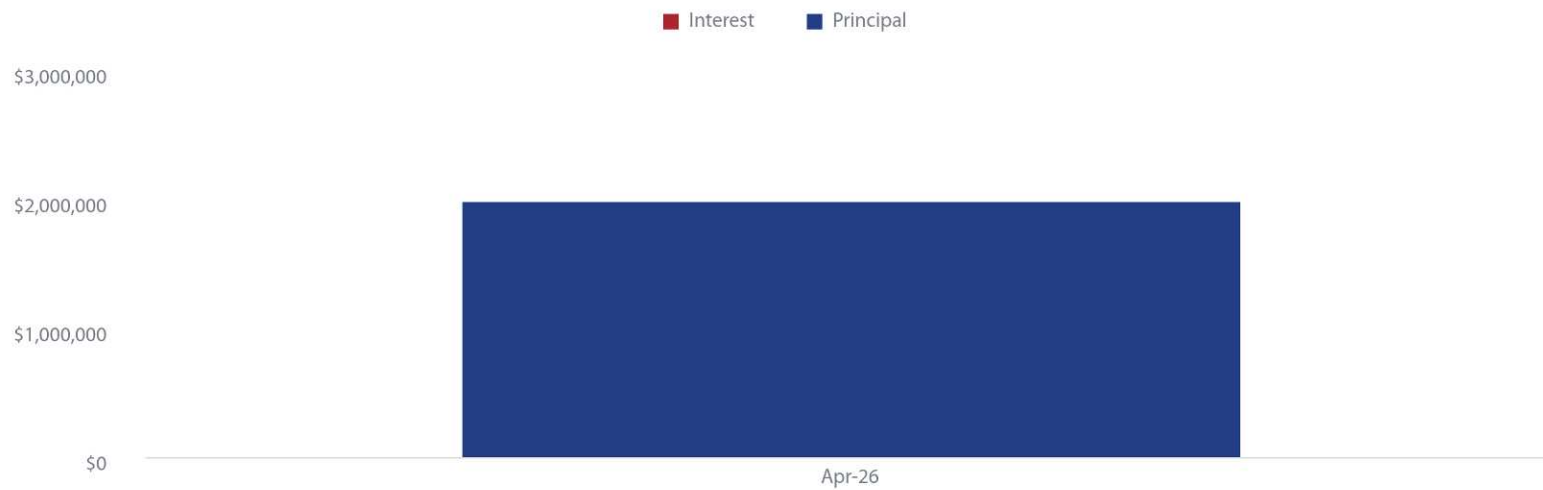
CUSIP	Settle Date	Security Type	Detailed Security Description	Purchase Qty	Orig Price	Original Cost	Amort/Accr for Period	Total Amort/Accr Since Purch	Remaining Disc/Premium	Ending Book Value
Pooled Funds										
912797SM0	10/28/25	US GOVT	U.S. Treasury Bill 0.0 04/23/2026	2,000,000.00	98.210	1,964,191.92	13,149.86	13,149.86	(22,658.22)	1,977,341.78
Total Pooled Funds				2,000,000.00		1,964,191.92	13,149.86	13,149.86	(22,658.22)	1,977,341.78
Grand Total				2,000,000.00		1,964,191.92	13,149.86	13,149.86	(22,658.22)	1,977,341.78

Projected Cash Flows

CUSIP	Detailed Security Description	Post Date	Interest	Principal	Total Amount
Pooled Funds					
912797SM0	U.S. Treasury Bill 0.0 04/23/2026	04/23/26		2,000,000.00	2,000,000.00
Grand Total				2,000,000.00	2,000,000.00

Projected Cash Flows Totals

Month and Year	Interest	Principal	Total Amount
April 2026		2,000,000.00	2,000,000.00
Total		2,000,000.00	2,000,000.00



Disclosures & Disclaimers

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It is not possible to directly invest in an index. Financial forecasts, rates of return, risk, inflation, and other assumptions may be used as the basis for illustrations. They should not be considered a guarantee of future performance or a guarantee of achieving overall financial objectives. Past performance is not a guarantee or a predictor of future results of either the indices or any particular investment. S&P rates the creditworthiness of individual bonds from: AAA highest to D lowest.

Investing in fixed income securities involves interest rate risk, credit risk, and inflation risk. Interest rate risk is the possibility that bond prices will decrease because of an interest rate increase. When interest rates rise, bond prices and the values of fixed income securities fall. When interest rates fall, bond prices and the values of fixed income securities rise. Credit risk is the risk that a company will not be able to pay its debts, including the interest on its bonds. Inflation risk is the possibility that the interest paid on an investment in bonds will be lower than the inflation rate, decreasing purchasing power.

Cash alternatives typically include money market securities and U.S. treasury bills. Investing in such cash alternatives involves inflation risk. In addition, investments in money market securities may involve credit risk and a risk of principal loss. Because money market securities are neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency, there is no guarantee the value of your investment will be maintained at \$1.00 per share, and your shares, when sold, may be worth more or less than what you originally paid for them. U.S. Treasury bills are subject to market risk if sold prior to maturity. Market risk is the possibility that the value, when sold, might be less than the purchase price.

Investing in stock securities involves volatility risk, market risk, business risk, and industry risk. The prices of most stocks fluctuate. Volatility risk is the chance that the value of a stock will fall. Market risk is the chance that the prices of all stocks will fall due to conditions in the economic environment. Business risk is the chance that a specific company's stock will fall because of issues affecting it. Industry risk is the chance that a set of factors particular to an industry group will adversely affect stock prices within the industry.

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TEXAS CITY INVESTMENT POLICY

- ❑ MUNICIPAL INVESTMENTS ARE REGULATED BY GOVERNMENT CODE:
CHAPTER 2256 – PUBLIC FUNDS INVESTMENT
 - ❑ INVESTMENT OBJECTIVES
 - ✓ PRESERVATION AND SAFETY OF PRINCIPAL
 - ✓ LIQUIDITY
 - ✓ YIELD
 - ❑ INVESTMENT ADVISORY SERVICE – HILLTOP SECURITIES
 - ❑ QUARTERLY REPORTING - 4Q FY25 (JULY, AUGUST AND SEPTEMBER)

INVESTMENT PORTFOLIO MANAGEMENT

Portfolio Summary

	Prior 30 Sep-25	Current 31 Dec-25
Par Value	196,527,067.20	195,986,572.29
Original Cost	196,527,067.20	195,950,764.21
Book Value	196,527,067.20	195,963,914.07
Market Value	196,527,067.20	195,964,742.29
Accrued Interest	0.00	0.00
Book Value Plus Accrued	196,527,067.20	195,963,914.07
Market Value Plus Accrued	196,527,067.20	195,964,742.29
Net Unrealized Gain/(Loss)	0.00	828.22

❑ TRANSFERRED \$2.5M FROM TEXAS FIRST BANK (TFB) MONEY MARKET TO TFB OPERATING ACCOUNT

❑ INTEREST EARNED IN 1Q FY26 - \$1.9M

INVESTMENT PORTFOLIO MANAGEMENT

Income Summary

Current Period	1 Oct-25 to 31 Dec-25
Interest Income	1,923,709.01
Net Amortization/Accretion	13,149.86
Realized Gain/(Loss)	0.00
Net Income	1,936,858.87

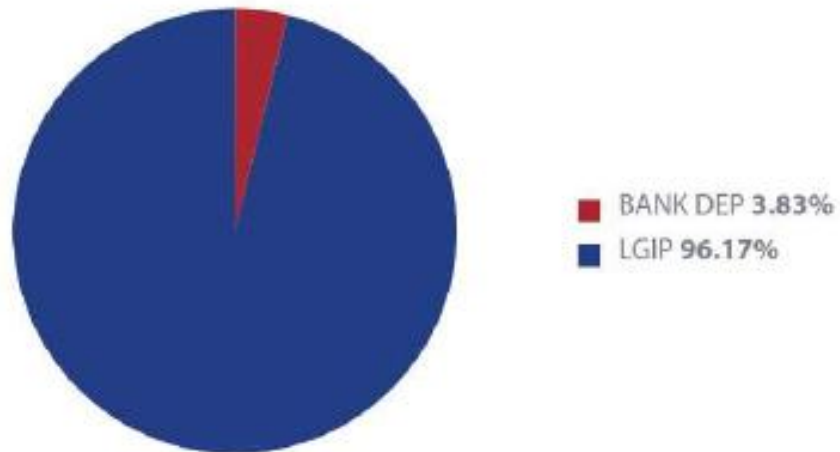
Fiscal Year-to-Date	1 Oct-25 to 31 Dec-25
Net Income	1,936,858.87

- ❑ INTEREST INCOME FOR 1Q FY26 - \$1.9M
- ❑ NET INCOME - \$1.9M

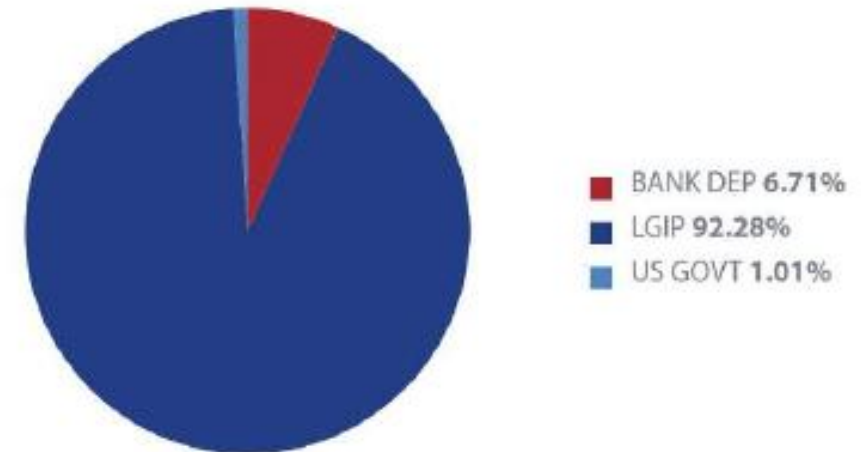
INVESTMENT PORTFOLIO MANAGEMENT

Asset Allocation

Asset Allocation by Security Type as of
30-Sep-2025



Asset Allocation by Security Type as of
31-Dec-2025

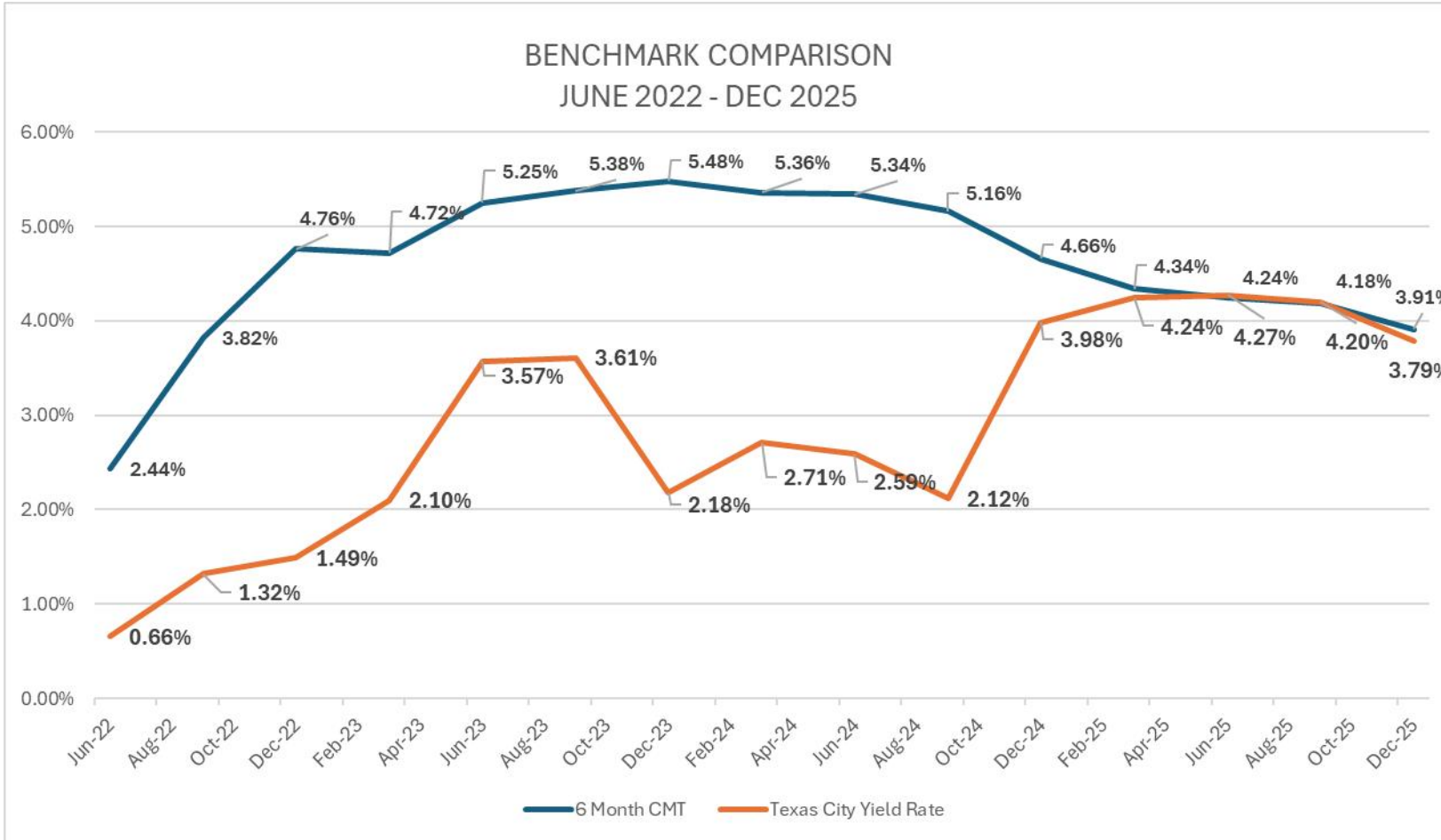


DETAIL OF SECURITY HOLDINGS

Detail of Security Holdings

CUSIP	Settle Date	Security Type	Security Description	CPN	Maturity Date	Next Call Date	Call Type	Par Value	Purch Price	Original Cost	Book Value	Mkt Price	Market Value	Days to Mty	Days to Call	YTM	YTW	Rating
Pooled Funds																		
TEXSTAR		LGIP	TexSTAR	3.825	12/31/25			180,835,985.43	100.000	180,835,985.43	180,835,985.43	100.000	180,835,985.43	1		3.825	3.825	AAA
TFB-HYMM		BANK DEP	Texas First Bk High Yld MM	3.330	12/31/25			13,150,586.86	100.000	13,150,586.86	13,150,586.86	100.000	13,150,586.86	1		3.330	3.330	SD
9127975M0	10/28/25	US GOVT	U.S. Treasury Bill	0.000	04/23/26			2,000,000.00	98.210	1,964,191.92	1,977,341.78	98.909	1,978,170.00	113		3.759	3.759	A-1+
Total Pooled Funds								195,986,572.29		195,950,764.21	195,963,914.07		195,964,742.29	2		3.791	3.791	
Grand Total								195,986,572.29		195,950,764.21	195,963,914.07		195,964,742.29	2		3.791	3.791	

INVESTMENT PORTFOLIO MANAGEMENT



❑ TEXAS CITY YIELD DROPPED TO 3.79% DUE TO INTEREST RATE CUTS BY THE FEDS

❑ IMPLEMENTING A PROTECTION STRATEGY

THANK YOU



Texas City
EST. 1911

CITY COMMISSION REGULAR MTG

(5) (a)

Meeting Date: 02/04/2026

Consider and take action on request for extension of time to Preliminary Zoning Approval for Willow Wood Subdivision.

Submitted For: Kim Golden, Transportation and Planning

Submitted By: Curt Kelly, Transportation and Planning

Department: Transportation and Planning

Information

ACTION REQUEST

Applicant Castlerock Communities requests a one-year extension of time from January 22, 2026, until January 22, 2027, on the preliminary zoning approval of the Willow Wood Subdivision to change from District A Single Family Residential to District I Planned Unit Development. Willow Wood Subdivision is 80 acres site located southeast of SH 3 and south of FM 1764.

BACKGROUND (Brief Summary)

On January 22, 2025, the City Commission held a public hearing upon advertised notice and thereafter voted to give preliminary zoning approval to the request by Castlerock Communities, Inc. to develop an 80-acre tract of land located southeast of State Highway 3 and south of FM 1764 as a single-family residential community, complete with stormwater detention facilities, parks and open space. The subdivision will develop 213 single family detached lots at various dimensions ranging from 6,000sft to 13,000sft, with homes expected to range in price from \$275,000 to \$375,000. There are no proposed non-residential uses. The community will incorporate walking/jogging trails as well as an approximate 7.1 acre park/green space with a playground, seating areas, and landscaped entry reserves. The subject tract is included in GCMUD 66 and subject to a Development Agreement approved by the City Commission in 2007 which requires development of the subject properties as a Planned Unit Development. The PUD rezoning application was presented to satisfy the requirements of the Development Agreement.

The extension of time is required to allow Castlerock Communities to complete construction of the necessary infrastructure. A Master Plan and Preliminary and Final Plats for Sections 1 and 2 have been approved for the subdivision, together with construction plans for construction of the necessary sewer, water, streets and drainage. Additional time is needed to complete a land-swap with adjacent property to allow the construction of additional detention capacity. It is anticipated construction will start in Sections 1 and 2 in calendar year 2026.

RECOMMENDATION

The request for extension of time to the preliminary zoning approval to change 80 acres located southeast of SH 3 and south of FM 1764 from District A Single Family Residential to District I Planned Unit Development is scheduled to be heard by the Planning Board at its regularly scheduled meeting on February 2, 2026. Staff will report the action of the Planning Board meeting to the City Commission.

Staff have reviewed the request for extension of time and recommend approval to the Planning Board and to the City Commission of the requested extension of the preliminary zoning approval from District A - Single Family Residential to District I - Planned Unit Development to allow Castlerock Communities additional time to complete construction of the infrastructure in Sections 1 and 2.

Fiscal Impact

Funds Available Y/N: N/A

Amount Requested: N/A

Source of Funds: N/A

Account #: N/A

Fiscal Impact:

No fiscal impact at this time

Attachments

Request for Extension of Time

Map

Staff Report to PB - 10,7,2024

Master Plan



To whom it may concern,

This letter is to request an extension of the Willow Wood subdivision master plan approval with the City of Texas City, Texas.

During the last year, Castlerock Communities has been working with Sherrington Humble engineers to produce design plans for sections 1 and 2 and are currently finalizing a land swap with an adjacent property owner to maximize detention volume.

Willow Wood development will be a multi-year project, and Castlerock Communities currently anticipate starting development of sections 1 and 2 in the 2026 calendar year.

Thank you for your consideration of this extension.

Signature :

A handwritten signature in blue ink, appearing to read "Bryan S. Smith", written over a horizontal line.

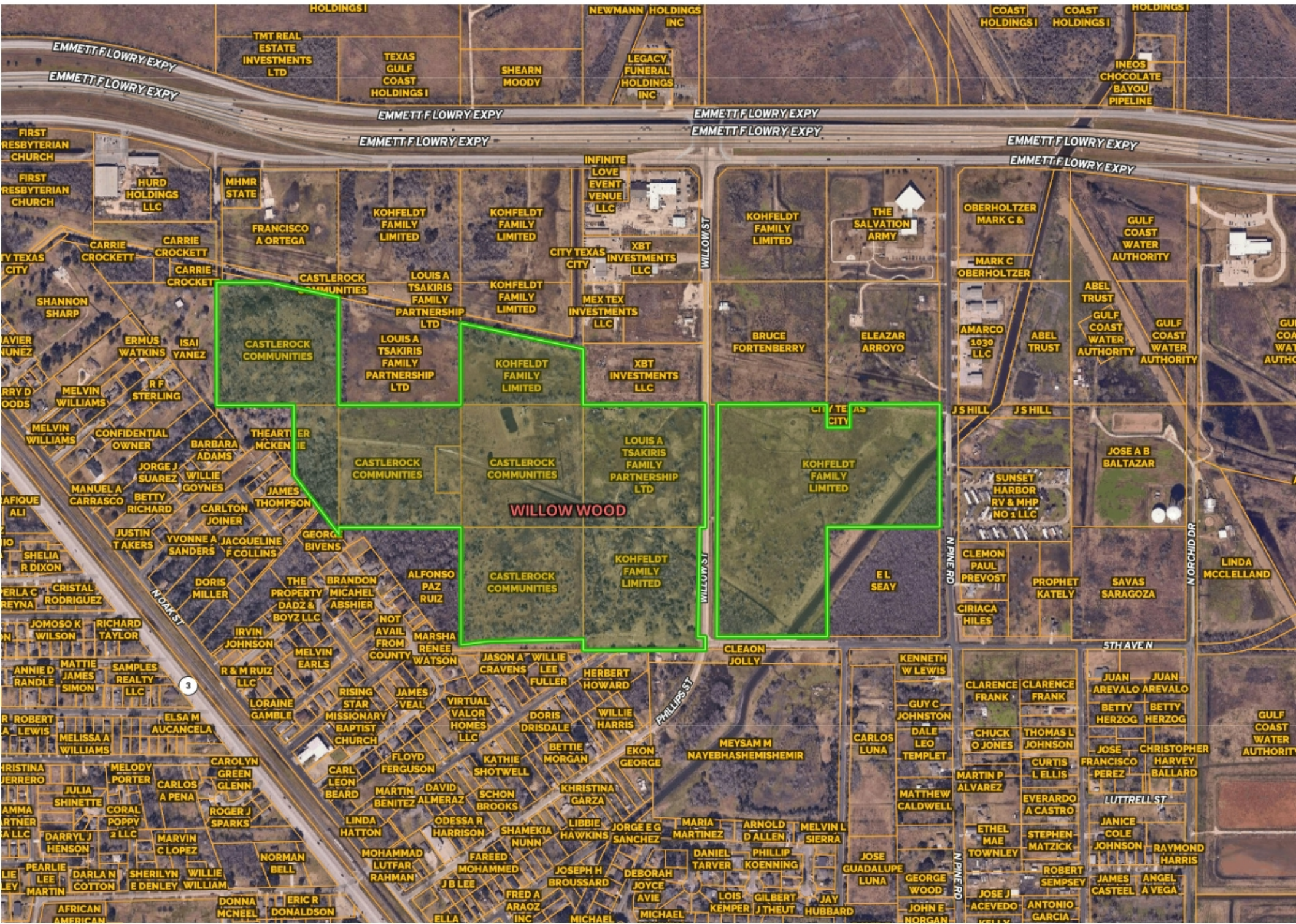
Date:

1-26-26

Bryan S. Smith

Executive Vice President Land

Castlerock Communities, LLC



EMMETT FLOWRY EXPY
EMMETT FLOWRY EXPY

EMMETT FLOWRY EXPY
EMMETT FLOWRY EXPY

EMMETT FLOWRY EXPY
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EMMETT FLOWRY EXPY
EMMETT FLOWRY EXPY

WILLOW WOOD

3

PHILLIPS ST

WILLOW ST

WILLOW ST

N PINE RD

N ORCHID DR

5TH AVE N

LUTTRELL ST

MHMR STATE

FRANCISCO A ORTEGA

KOHFELDT FAMILY LIMITED

KOHFELDT FAMILY LIMITED

INFINITE LOVE EVENT VENUE LLC

KOHFELDT FAMILY LIMITED

THE SALVATION ARMY

OBERHOLTZER MARK C &

GULF COAST WATER AUTHORITY

CARRIE CROCKETT

CARRIE CROCKETT

CASTLEROCK COMMUNITIES

LOUIS A TSAKIRIS FAMILY PARTNERSHIP LTD

KOHFELDT FAMILY LIMITED

CITY TEXAS CITY

XBT INVESTMENTS LLC

BRUCE FORTENBERRY

ELEAZAR ARROYO

AMARCO 1030 LLC

ABEL TRUST

GULF COAST WATER AUTHORITY

GULF COAST WATER AUTHORITY

CASTLEROCK COMMUNITIES

LOUIS A TSAKIRIS FAMILY PARTNERSHIP LTD

KOHFELDT FAMILY LIMITED

XBT INVESTMENTS LLC

LOUIS A TSAKIRIS FAMILY PARTNERSHIP LTD

KOHFELDT FAMILY LIMITED

SUNSET HARBOR RV & MHP NO 2 LLC

JOSE A B BALTAZAR

CLEMON PAUL PREVOST

PROPHET KATELY

SAVAS SARAGOZA

LINDA MCCLELLAND

THEART MCKEN

CASTLEROCK COMMUNITIES

CASTLEROCK COMMUNITIES

LOUIS A TSAKIRIS FAMILY PARTNERSHIP LTD

KOHFELDT FAMILY LIMITED

SUNSET HARBOR RV & MHP NO 2 LLC

JOSE A B BALTAZAR

CLEMON PAUL PREVOST

PROPHET KATELY

SAVAS SARAGOZA

LINDA MCCLELLAND

DORIS MILLER

THE PROPERTY DADZ & BOYZ LLC

ALFONSO PAZ RUIZ

CASTLEROCK COMMUNITIES

KOHFELDT FAMILY LIMITED

EL SEAY

CLEMON PAUL PREVOST

PROPHET KATELY

SAVAS SARAGOZA

LINDA MCCLELLAND

IRVIN JOHNSON

MELVIN EARLS

NOT AVAIL FROM COUNTY

CASTLEROCK COMMUNITIES

KOHFELDT FAMILY LIMITED

CLEON JOLLY

CLEMON PAUL PREVOST

PROPHET KATELY

SAVAS SARAGOZA

LINDA MCCLELLAND

R & M RUIZ LLC

LORAIN GAMBLE

RISING STAR MISSIONARY BAPTIST CHURCH

CASTLEROCK COMMUNITIES

KOHFELDT FAMILY LIMITED

CLEON JOLLY

CLEMON PAUL PREVOST

PROPHET KATELY

SAVAS SARAGOZA

LINDA MCCLELLAND

CAROLYN GREEN GLENN

CARL LEON BEARD

MARTIN ALMERAZ

CASTLEROCK COMMUNITIES

KOHFELDT FAMILY LIMITED

CLEON JOLLY

CLEMON PAUL PREVOST

PROPHET KATELY

SAVAS SARAGOZA

LINDA MCCLELLAND

MELVIN EARLS

ROGER J SPARKS

LINDA HATTON

CASTLEROCK COMMUNITIES

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ROGER J SPARKS

LINDA HATTON

CASTLEROCK COMMUNITIES

KOHFELDT FAMILY LIMITED

CLEON JOLLY

CLEMON PAUL PREVOST

PROPHET KATELY

SAVAS SARAGOZA

LINDA MCCLELLAND



Texas City

EST. 1911

ENGINEERING & PLANNING

STAFF REPORT

To: Planning Board - October 7, 2024

From: Kim Golden, P.E., Engineering & Planning *Golden*

CC: Doug Kneupper, P.E.

Date: October 4, 2024

Re: Willow Wood Subdivision – Master Plan and request to rezone from District A – Single Family Residential to District I – Planned Unit Development

Background: Willow Wood Subdivision - Applicant, Castlerock Communities, Inc, proposes to develop and **80-acre tract of land**, comprising nine individual parcels, located southeast of State Highway 3 and south of FM 1764 as a single-family residential community, complete with stormwater detention facilities, parks and open space. The subdivision will develop **213 single family detached lots at various dimensions ranging from 6,000sft to 13,000sft**, with homes expected to range in price from \$275,000 to \$375,000. There are no proposed non-residential uses. The community will incorporate walking/jogging trails as well as an approximate 7.1-acre park/green space with a playground, seating areas, and landscaped entry reserves.

The subject tract is included in GCMUD 66 and subject to a Development Agreement approved by the City Commission in 2007 which requires development of the subject properties as a Planned Unit Development. The application is presented to satisfy the requirements of the Development Agreement.

Existing Conditions: The subject tract is mostly flat with elevations ranging from 11 feet above sea level on the northern side of the tract to 14 feet above sea level on the southern side of the tract. The eastern portion of the site falls within the 100-year flood plain. Land uses near the tract include single family residential tracts, public use property and undeveloped property.

The adjacent properties to the north of this area are mostly undeveloped. Southwest of the site parcels consist of residential properties along State Highway 3, with a creek along the southeast boundary.

Staff analysis: The total lot yield of 213 lots is a proposed density of 2.7 units per acre. An important component of a viable residential development is providing parks and meaningful open spaces. The PUD Application and Exhibit B Conceptual Master Plan incorporates walking/jogging trails as well as 7.1 acres in parks in greenspace. Four dual amenity/detention ponds located to the north, south and east exceeds the requirements of the Subdivision Ordinance of one-half acre per 100 homes. Exhibit D-1 illustrates the Park and Trail Plan with Exhibit D-2 providing examples of the representative amenities.

"the place where COMMUNITY MATTERS"

1801 9th Avenue North * P.O. Drawer 2608 * Texas City, TX 77592-2608

(409) 948-3111 * www.texascitytx.gov

The PUD Application and Development Agreement require the creation of a Homeowner's Association that will be responsible for maintenance of parks and common areas. The HOA document should include strong language regarding the HOA's ability to keep the subdivision clean, attractive, and sustainable by abating nuisance and property maintenance type issues.

Willow Street, an existing local roadway runs through the site providing connections to FM 1764 to the north and Phillips Street to the south. Willow Street will be the access for both east and west sections of the project, but developer intends to add additional property for a future second entrance to the west.

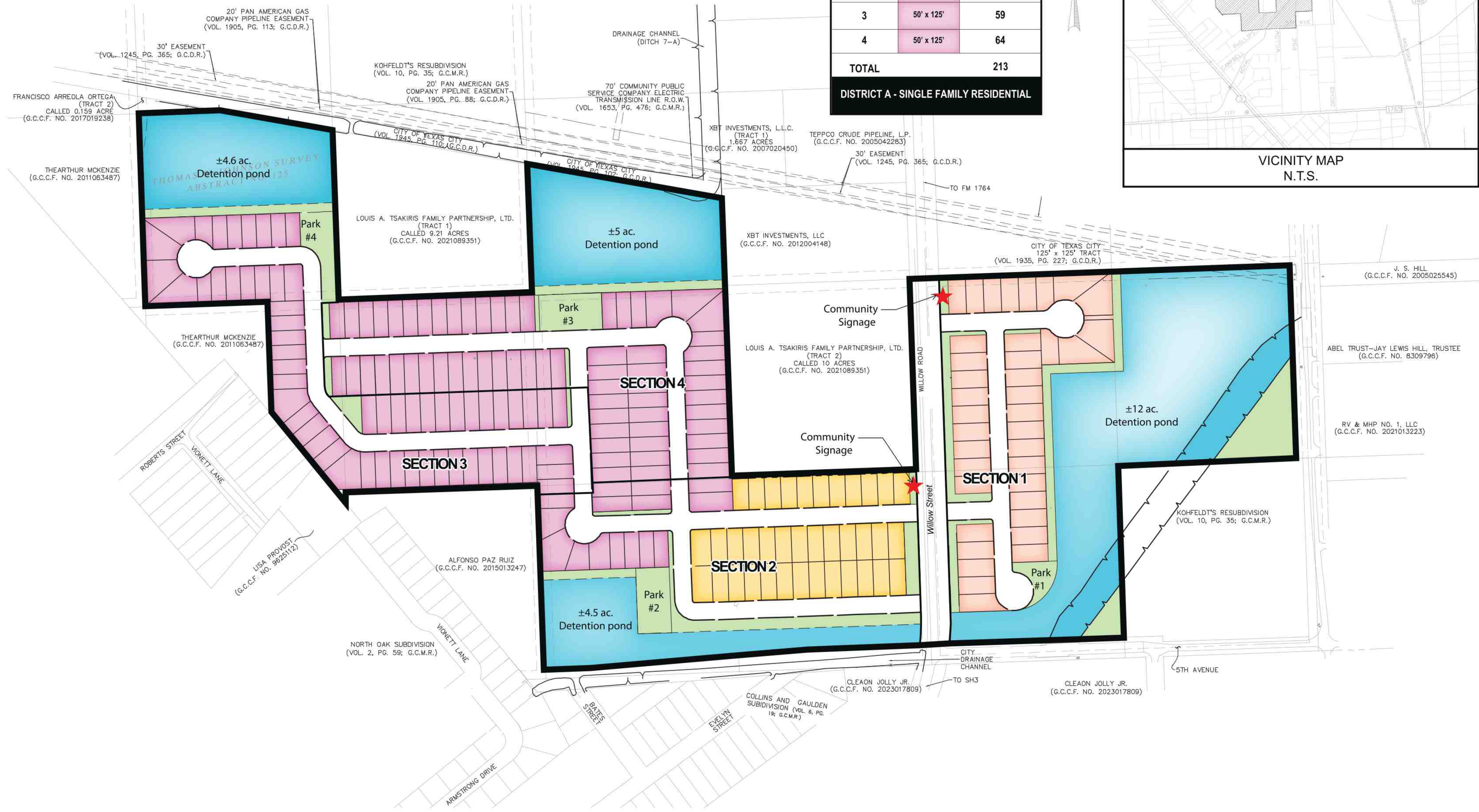
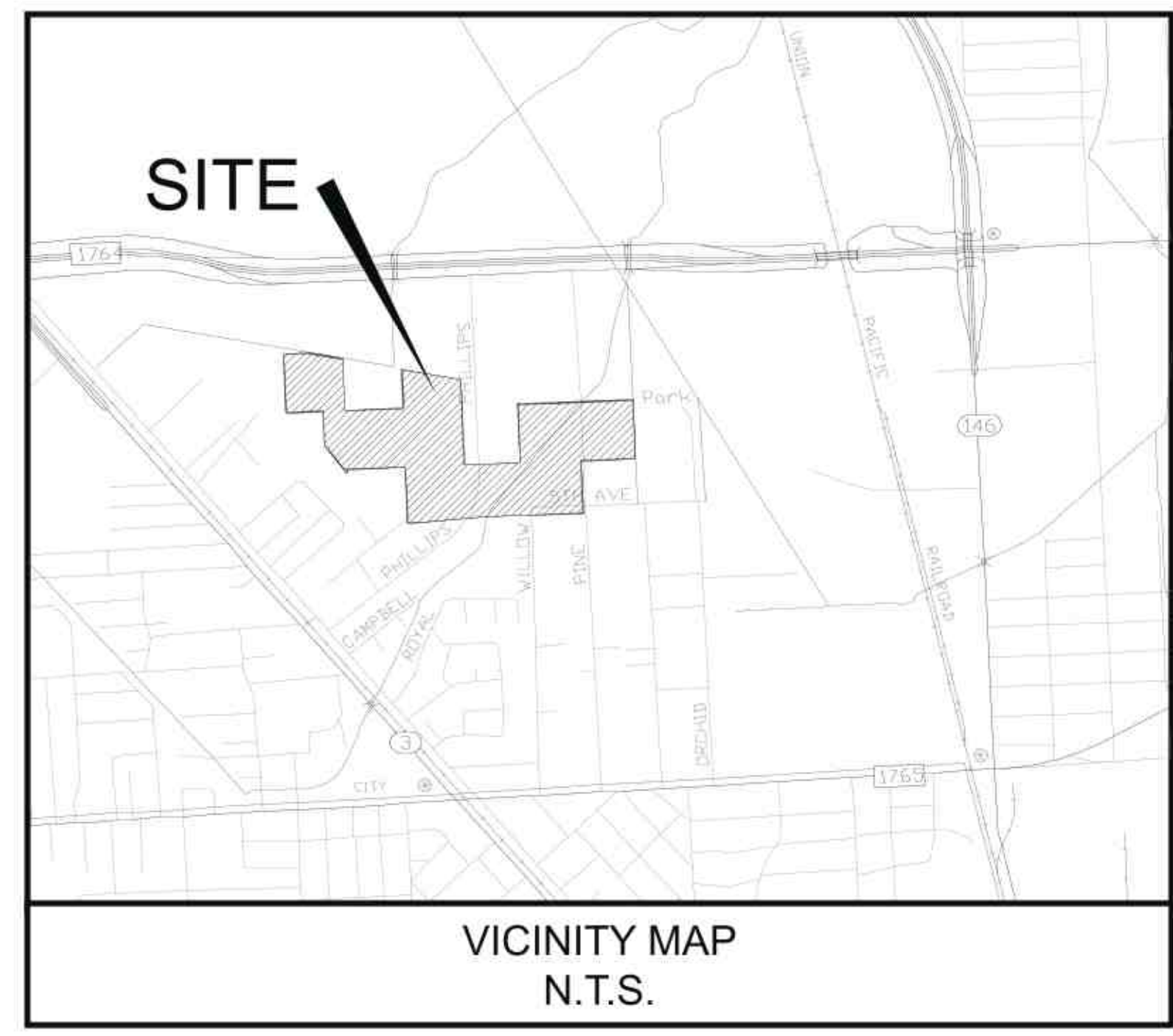
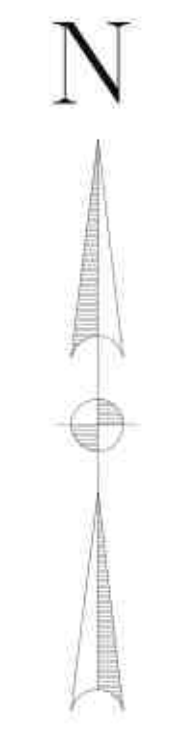
Water and sewer facilities are readily available to this project and can be extended from existing mains.

As noted, some of the site is located in the 100-year flood plain and much of the site provided storage. A thorough drainage impact analysis was provided with review and approval from the GCDD # 2.

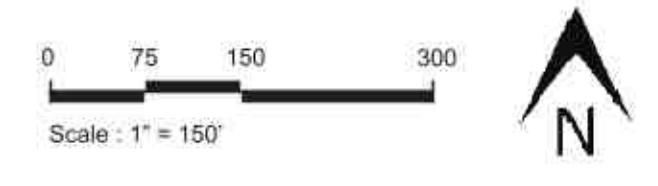
Developer indicates a willingness to adhere to the 60% masonry content reflected in the Development Agreement when approved in 2007. Developer also indicates it does not allow copper clad aluminum wire in the construction of homes and has no objection to such requirement in the Development Agreement.

RECOMMENDATION: City staff have reviewed this Subdivision Masterplan, Development Agreement and PUD Application and have no objection to approval of the masterplan or to the zoning change request. Staff recommends provision be made in the PUD to allow the additional property when acquired by the developer to provide for the construction of a second entrance. A limit should be determined for the number of permits which will issue until a second entrance is added to the master plan.

LOT TABLE - PROPOSED		
Section	Lot Size	No. of Lots
1	60' x 125'	38
2	55' x 125'	37
2	50' x 125'	15
3	50' x 125'	59
4	50' x 125'	64
TOTAL		213
DISTRICT A - SINGLE FAMILY RESIDENTIAL		



80 acre Master Plan - Willow Wood



Texas City, Galveston County, TX | May, 2024

OWNER / DEVELOPER:
CASTLEROCK COMMUNITIES
 2401 FOUNTAINVIEW DR.
 STE 215
 HOUSTON, TX 77057
 TEL: 713-600-7000

PLANNER:
PEA GROUP
 16060 DILLARD DRIVE
 STE 250
 HOUSTON, TX 77040
 TEL: 713-688-3530



Planned Unit District For
Willow Wood Development

Prepared For
Castlerock Communities Inc.



CASTLEROCK
COMMUNITIES

Planner:
PEA Group



August 29, 2024

TABLE OF CONTENTS

- I. INTRODUCTION
 - II. SITE INVENTORY ANALYSIS
 - A. Opportunities and Constraints
 - B. Surrounding Land Use
 - III. PROJECT DESCRIPTION
 - A. Land Use
 - B. Phasing
 - C. Street Circulation Concept
 - D. Open Space Amenities Plan
 - E. School District Zoning
 - IV. ZONING
 - A. Existing Zoning
 - B. Proposed / Future Zoning
 - V. UTILITIES
-
- EXHIBITS
 - A. Exhibit A-1 – Project Survey
 - B. Exhibit A-2 – Legal Description
 - C. Exhibit B – Conceptual Master Plan
 - D. Exhibit C – Phasing Plan
 - E. Exhibit D-1 – Park and Trail Plan
 - F. Exhibit D-2 – Community Park Image Board
 - G. Exhibit E – Zoning Map
 - H. Exhibit F – Development Timeline
 - I. Exhibit G – Development Agreement

I. INTRODUCTION

The following application is submitted under Section 160.050 "District I (PUD), Planned Unit Development".

This planned development document was created in accordance with City of Texas City (City) ordinances related to the "(PUD) Planned Unit Development". The purpose of this document is to encourage the development of the subject property and to promote the most compatible land use within the community.

The Willow Wood project is an 80-acre tract of land, comprising nine individual parcels, located southeast of State Highway 3 and south of FM 1764. Castlerock Communities Inc. (Developer) is the owner of Subject Tract, and it intends to develop the property as a single-family residential community, complete with stormwater detention facilities, parks, and open space.

The Subject Tract is party to a Development Agreement approved by the City in 2023 (Exhibit G – Development Agreement). This PUD application is presented to satisfy the zoning requirements of the Development Agreement.

II. SITE INVENTORY ANALYSIS

A. Opportunities and Constraints

Similar to surrounding properties, the Subject Tract is mostly flat with elevations ranging from approximately 11 feet above sea level on the northern side of the tract to 14 feet above sea level on the southern side of the tract. Existing physical constraints affecting development of the property include the following:

- The eastern portion of the Subject Tract (Parcel ID.186006) falls within 100-year Flood Zone
- The Subject Tract drains to 55' Galveston County Drainage District No. 2 Easement (G.C.C.F. No. 2000037094)

B. Surrounding Land Use

Land uses in proximity to the Subject Tract include single-family residential tracts, public use property and undeveloped property. Willow Street, an existing local roadway, runs through the Subject Tract, providing connections to state highway FM1764 to the north and Phillips Street to the south. The entrances on Willow Street offer access to both the western and eastern sections of the project. The adjacent parcels to the north of this area predominantly consist of undeveloped land. Southwest of the Subject Tract, neighboring parcels consist of residential family properties situated along State Highway 3. To the southeast lies a creek.

III. PROJECT DESCRIPTION

A. Land Use

Exhibit B – “Conceptual Master Plan” depicts the conceptual lotting plan with the proposed land uses for the tract. The 213 single family detached lots are designed at various dimensions, ranging from 6,000 to 13,000 square feet, with homes that are expected to range in sales price from \$275,000 to \$375,000. The community will incorporate walking/jogging trails as well as +/- 7.1 acres of park/greenspace with a playground, seating areas, and landscaped entry reserves as displayed on Exhibit D-1 – “Park and Trail Plan”.

The density of the project will be approximately 2.7 units per acre, and there will be no non-residential uses. Homes in the project will be a mix of one or two stories.

The property drains into four dual amenity/detention ponds located to the north, south, and east of the project. The east portion of this tract lies within the 100-year flood zone.

Land Use Table

Land Use Category	Acreage	% of Gross Acreage
Single Family	+/- 46.9	58.1%
Detention Pond	+/- 26	33%
Greenbelt and Parkland	+/- 7.1	8.9%
Total	+/- 80	100%

B. Phasing

The project comprises four distinct sections of single-family lots with varying dimensions. Section 1 and Section 2 constitute Phase 1, while Section 3 and Section 4 comprise Phase 2, as displayed on Exhibit C – “Phasing Plan”.

C. Street Circulation Concept

The main point of access to the project will be known as Willow Street. It is an existing 30’ roadway that connects to state highway FM 1764. The four entrances on Willow Street offer access to both the western and eastern sections of the project.

D. Park and Trail Plan

According to the Texas City code of ordinances, a minimum of one-half acre of land must be dedicated for public neighborhood park use for every 100 proposed dwelling units. Based upon the proposed number of dwelling units illustrated on Exhibit – B “Conceptual Master Plan” the developer is required to dedicate +/- 1.07 acres of parkland. In accordance with the parks and open space requirements, the community will incorporate walking/jogging trails as well as +/- 7.1 acres of parkland/green belt with a playground, seating areas, and landscaped entry reserves as displayed on Exhibit D-1 – “Park and Trail Plan” and Exhibit D-2 – “Community Park Image Board”.

The Developer will create a homeowner’s association (“HOA”) for the community. The HOA will be responsible for all subdivision and common area maintenance including the dual amenity/detention pond maintenance .

E. School District Zoning

The tract is zoned for Texas City ISD.

II. **ZONING**

A. Existing Zoning

As illustrated on the current Texas City Zoning Map on the City’s website, the project is zoned as “District A Single Family Residential”, permitting a minimum 50’ lot width and a minimum 120’ lot depth with a minimum square footage of 6,000. The existing zoning classifications for the subject property and surrounding properties are further illustrated on Exhibit E – “Zoning Map”.

B. Proposed / Future Zoning

The purpose of this document is to redefine the zoning to comply with the approved Master Plan by the Planning and Zoning Department, refer to Exhibit B “Conceptual Master Plan”. The lot dimensions to be permitted within this PUD shall be a minimum 50’ lot width and a minimum 120’ lot depth with a minimum square footage of 6,000. The minimum lot depth shall not apply to lots that front cul-de-sacs or knuckles, but the minimum lot width and square footage

requirements shall still apply. The Developer will abide by rules and regulations of the Texas City Code of Ordinances other than those being modified herein.

III. UTILITIES

All utilities including the water distribution system, sanitary sewer collection system, storm water drainage system, and dual amenity/detention facilities will be financed by the Developer with possible future reimbursement by Galveston County Municipal Utility District No. 66. Ultimately all utilities will be owned and maintained by the City of Texas City except the dual amenity/detention facilities, which will be owned by the MUD and maintained by the HOA.

(THIS SPACE INTENTIONALLY LEFT BLANK)

Exhibit 'A-2' Legal Description

November 7, 2023

***25.8200 acres of land in the Thomas W. Johnson Survey, Abstract No. 125,
City of Texas City, Galveston County, Texas***

A FIELD NOTE DESCRIPTION of a 25.8200 acre tract of land in the Thomas W. Johnson Survey, Abstract No. 125, City of Texas City, Galveston County, Texas; said 25.8200 acre tract being all of Blocks 1, 2 and 3, Subdivision Z, Kofeldt's Resubdivision, according to the map or plat recorded in Volume 10, Page 35 of the Galveston County Map Records, conveyed to Kohfeldt Family Limited Partnership, as recorded in Galveston County Clerk's File No. 9850274; save and except a 125-foot by 125-foot tract of land conveyed to the City of Texas City, as recorded in Volume 1935, Page 227 of the Galveston County Deed Records; save and except a 2.416 acre road right-of-way easement to the City of Texas City, as recorded in Galveston County Clerk's File No. 2003011771; save and except a 1.0606 acre public street or highway easement to the City of Texas City, as recorded in Volume 2759, Page 363 of the Galveston County Deed Records; save and except a 0.3030 acre public street, utility and drainage easement to the City of Texas City, as recorded in Volume 2335, Page 134 of the Galveston County Deed Records; and save and except a 30-foot wide portion of North Pine Road dedicated by said Kofeldt's Resubdivision, according to the map or plat recorded in Volume 10, Page 35 of the Galveston County Map Records; said tract being more particularly described by metes-and-bounds as follows with the bearings being based on Texas State Plane Coordinate System, South Central Zone (NAD83) per GPS Observations using National Geodetic Survey Continuously Operating Reference Stations:

BEGINNING at a 5/8-inch iron rod found in the east line of Willow Road (100 feet wide), as recorded in Galveston County Clerk's File Nos. 2002066705 and 2003011771, in the north line of said Block 2 of Subdivision Z and in the south line of Block 3, Subdivision R of said Kofeldt's Resubdivision for a northwest corner of this tract; from which a 5/8-inch iron rod with cap stamped "Walsh Surveying" found bears North 01° 53' 42" East - 660.00 feet;

THENCE, North 88° 06' 18" East - 590.00 feet with the north line of said Block 2 of Subdivision Z and with the south line of said Block 3 of Subdivision R to a 5/8-inch iron rod with cap stamped "McKim & Creed" set for the common corner of said Block 1 and 2 of Subdivision Z and Block 3 and 4 of Subdivision R, for the northwest corner of said 125-foot by 125-foot tract conveyed to the City of Texas City, and for a northeast corner of this tract; from which a 1/2-inch iron pipe found in the south right-of-way line of F.M. 1764 bears North 01° 53' 42" West - 1,270.00 feet;

THENCE, South 01° 53' 42" East - 125.00 feet with the east line of said Block 2 of Subdivision Z, with the west line of said Block 1 of Subdivision Z, and with the west line of said 125-foot by 125-foot tract to a 5/8-inch iron rod with cap stamped "McKim & Creed" set for the southwest corner of said 125-foot by 125-foot tract and for an interior corner of this tract;

THENCE, North 88° 06' 18" East - 125.00 feet with the south line of said 125-foot by 125-foot tract to a 5/8-inch iron rod with cap stamped "McKim & Creed" set for the southeast corner of said 125-foot by 125-foot tract and for an interior corner of this tract;

THENCE, North 01° 53' 42" West - 125.00 feet with the east line of said 125-foot by 125-foot tract to a 5/8-inch iron rod with cap stamped "McKim & Creed" set in the north line of said Block 1 of Subdivision Z and in the south line of said Block 4 of Subdivision R for the northeast corner of said 125-foot by 125-foot tract and for a northwest corner of this tract;

THENCE, North 88° 06' 18" East - 485.00 feet with the north line of said Block 1 of Subdivision Z and with the south line of said Block 4 of Subdivision R to a 5/8-inch iron rod with cap stamped "McKim & Creed" set in west right-of-way line of North Pine Road (100 feet wide at this point), according to the map or plat recorded in Volume 10, Page 35 of the Galveston County Map Records and as recorded in Volume 2335, Page 134 of the Galveston County Deed Records for a northeast corner of this tract;

THENCE, South 01° 53' 42" East - 660.00 feet with the west right-of-way line of said North Pine Road to a 5/8-inch iron rod with cap stamped "McKim & Creed" set in the south line of said Block 1 of Subdivision Z and in the north line of Block 4 of said Subdivision Z for a southeast corner of this tract;

THENCE, South 88° 06' 18" West - 610.00 feet with the south line of said Block 1 of Subdivision Z and with the north line of said Block 4 of Subdivision Z to a 5/8-inch iron rod with cap stamped "McKim & Creed" set for the common corner of said Blocks 1-4 of Subdivision Z and for an interior corner of this tract;

THENCE, South 01° 53' 42" East - 590.00 feet with the east line of said Block 3 of Subdivision Z and with the west line of said Block 4 of Subdivision Z to a 5/8-inch iron rod with cap stamped "McKim & Creed" set in the north right-of-way line of 5th Avenue (70 feet wide), as recorded in Volume 2759, Page 363 of the Galveston County Deed Records and in Galveston County Clerk's File No. 2002029711 for a southeast corner of this tract;


THENCE, South 88° 06' 18" West - 596.95 feet with the north right-of-way line of said 5th Avenue to a 5/8-inch iron rod with cap stamped "McKim & Creed" set at the intersection of the north right-of-way line of said 5th Avenue with the east right-of-way line of said Willow Road for the southwest corner of this tract;

THENCE, in a northerly direction with the east right-of-way line of said Willow Road and with a curve to the left having a radius of 800.00 feet, a central angle of 07° 33' 18", a length of 105.49 feet, and a chord bearing North 01° 52' 56" East - 105.41 feet to a 5/8-inch iron rod with cap stamped "McKim & Creed" set for a point-of-tangency;

THENCE, North 01° 53' 42" West - 1,144.82 feet with the east right-of-way line of said Willow Road to the POINT OF BEGINNING and containing 25.8200 acres of land.

Note: This metes-and-bounds description was compiled in conjunction with a survey performed on even date.

COMPILED BY:
MCKIM & CREED
Engineers, Surveyors, Planners
Stafford, Texas
Firm Registration No. 10177600
Job No. 08780-0005
Y:\legals\08780-0005_tract 1.docx


Robert Chris Kelly
Registered Professional Land Surveyor
State of Texas No. 6833



November 7, 2023

**8.5431 acres of land in the Thomas W. Johnson Survey, Abstract No. 125,
City of Texas City, Galveston County, Texas**

A FIELD NOTE DESCRIPTION of an 8.5431 acre tract of land in the Thomas W. Johnson Survey, Abstract No. 125, City of Texas City, Galveston County, Texas; said 8.5431 acre tract being all of Block 4, Subdivision Y, Kofeldt's Resubdivision, according to the map or plat recorded in Volume 10, Page 35 of the Galveston County Map Records, conveyed to Kohfeldt Family Limited Partnership, as recorded in Galveston County Clerk's File No. 9850274; save and except a 2.416 acre road right-of-way easement to the City of Texas City, as recorded in Galveston County Clerk's File No. 2003011771; and save and except a 1.0110 acre public street or highway easement to the City of Texas City, as recorded in Volume 2759, Page 363 of the Galveston County Deed Records; said tract being more particularly described by metes-and-bounds as follows with the bearings being based on Texas State Plane Coordinate System, South Central Zone (NAD83) per GPS Observations using National Geodetic Survey Continuously Operating Reference Stations:

COMMENCING FOR REFERENCE at a 5/8-inch iron rod with cap stamped "Survey 1" found for the southwest corner of Block 3, Subdivision Y of said Kofeldt's Resubdivision, for the southeast corner of Block 4, Subdivision X of said Kofeldt's Resubdivision, for the southeast corner of a 4.9905 acre tract of land conveyed to Alfonso Paz Ruiz, as recorded in Galveston County Clerk's File No. 2015013247, and for the southwest corner of a 0.7772 acre public street or highway easement to the City of Texas City (5th Avenue – unimproved right-of-way), as recorded in Galveston County Clerk's File No. 8326967;

THENCE, North 88° 01' 01" East - 660.00 feet with the south line of said Block 3 of Subdivision Y to a point for the southeast corner of said Block 3 of Subdivision Y, for the southwest corner of said Block 4 of Subdivision Y, for the southeast corner of said 0.7772 acre public street or highway easement, and for the southwest corner of said 1.0110 acre public street or highway easement (5th Avenue – unimproved right-of-way);

THENCE, North 01° 58' 59" West - 57.56 feet with the east line of said Block 3 of Subdivision Y and with the west line of said Block 4 of Subdivision Y to a 5/8-inch iron rod with cap stamped "McKim & Creed" set for the northeast corner of said 0.7772 acre public street or highway easement, for the northwest corner of said 1.0110 acre public street or highway easement, and for the southwest corner and POINT OF BEGINNING of this tract;

THENCE, North 01° 58' 59" West - 602.44 feet with the east line of said Block 3 of Subdivision Y and with the west line of said Block 4 of Subdivision Y to a 5/8-inch iron rod with cap stamped "McKim & Creed" set for the common corner of Blocks 1-4 of said Subdivision Y and for the northwest corner of this tract;

THENCE, North 88° 01' 01" East - 629.25 feet with the north line of said Block 4 of Subdivision Y and with the south line of said Block 1 of Subdivision Y to a 5/8-inch iron rod with cap stamped "McKim & Creed" set in the west right-of-way line of Willow Road (100 feet wide), as recorded in Galveston County Clerk's File Nos. 2002066705 and 2003011771 for the northeast corner of this tract;

THENCE, South 01° 53' 42" East - 484.77 feet with the west right-of-way line of said Willow Road to a 5/8-inch iron rod with cap stamped "McKim & Creed" set for the point-of-curvature of a curve to the right;

THENCE, in a southerly direction with the west right-of-way line of said Willow Road and with said curve to the right having a radius of 700.00 feet, a central angle of 08° 38' 48", a length of 105.64 feet, and a chord bearing South 02° 25' 42" West - 105.54 feet to a 5/8-inch iron rod found at the intersection of the west right-of-way line of said Willow Road with the north line of said 1.0110 acre public street or highway easement (5th Avenue) for the southeast corner of this tract;

THENCE, South 88° 01' 00" West - 390.38 feet with the north line of said 1.0110 acre public street or highway easement to a 5/8-inch iron rod with cap stamped "McKim & Creed" set for an angle point of said 1.0110 acre public street or highway easement and for an angle point of this tract;

THENCE, South 84° 55' 20" West - 230.34 feet with the north line of said 1.0110 acre public street or highway easement to the POINT OF BEGINNING and containing 8.5431 acres of land.

Note: This metes-and-bounds description was compiled in conjunction with a survey performed on even date.

COMPILED BY:
MCKIM & CREED
Engineers, Surveyors, Planners
Stafford, Texas
Firm Registration No. 10177600
Job No. 08780-0005
Y:\legals\08780-0005_tract 2.docx


Robert Chris Kelly
Registered Professional Land Surveyor
State of Texas No. 6833



November 7, 2023

***5.5924 acres of land in the Thomas W. Johnson Survey, Abstract No. 125,
City of Texas City, Galveston County, Texas***

A FIELD NOTE DESCRIPTION of a 5.5924 acre tract of land in the Thomas W. Johnson Survey, Abstract No. 125, City of Texas City, Galveston County, Texas; said 5.5924 acre tract being a portion of Block 3, Subdivision S, Kofeldt's Resubdivision, according to the map or plat recorded in Volume 10, Page 35 of the Galveston County Map Records, conveyed to Kohfeldt Family Limited Partnership, as recorded in Galveston County Clerk's File No. 9850274; said tract being more particularly described by metes-and-bounds as follows with the bearings being based on Texas State Plane Coordinate System, South Central Zone (NAD83) per GPS Observations using National Geodetic Survey Continuously Operating Reference Stations:

COMMENCING FOR REFERENCE at a 5/8-inch iron rod with cap stamped "Survey 1" found for the southwest corner of Block 3, Subdivision Y of said Kofeldt's Resubdivision, for the southeast corner of Block 4, Subdivision X of said Kofeldt's Resubdivision, for the southeast corner of a 4.9905 acre tract of land conveyed to Alfonso Paz Ruiz, as recorded in Galveston County Clerk's File No. 2015013247, and for the southwest corner of a 0.7772 acre public street or highway easement to the City of Texas City (5th Avenue – unimproved right-of-way), as recorded in Galveston County Clerk's File No. 8326967;

THENCE, North 01° 58' 59" West with the west line of said Block 3 of Subdivision Y, with the east line of said Block 4 of Subdivision X, and with the east line of said 4.9905 acre tract, at a distance of 660.00 feet pass a 5/8-inch iron rod with cap stamped "McKim & Creed" set for the common corner of Blocks 1 and 4 of Subdivision X, Blocks 2 and 3 of Subdivision Y of said Kofeldt's Resubdivision, and for the northeast corner of said 4.9905 acre tract and continuing with the west line of said Block 2 of Subdivision Y and with the east line of said Block 1 of Subdivision X for a total distance of 1,320.00 feet to a 5/8-inch iron rod with cap stamped "McKim & Creed" set for the common corner of said Block 1 of Subdivision X, said Block 2 of Subdivision Y, Block 3 of said Subdivision S, Block 4 of Subdivision T of said Kofeldt's Resubdivision, and for the southwest corner and POINT OF BEGINNING of this tract; from which a 5/8-inch iron rod found for the common corner of said Blocks 3 and 4 of Subdivision T and Blocks 1 and 2 of Subdivision X of said Kofeldt's Resubdivision bears South 88° 01' 01" West - 660.00 feet;

THENCE, North 01° 58' 59" West - 439.20 feet with the west line of said Block 3 of Subdivision S and with the east line of said Block 4 of Subdivision T to a 5/8-inch iron rod with cap stamped "McKim & Creed" set for the southwest corner of a 50-foot wide strip of land conveyed to the City of Texas City, as recorded in Volume 1945, Page 102 of the Galveston County Deed Records, for the southeast corner of a 50-foot wide strip of land conveyed to the City of Texas City, as recorded in Volume 1945, Page 110 of the Galveston County Deed Records and for the northwest corner of this tract;


THENCE, South 79° 59' 26" East - 674.73 feet with the southwest line of said 50-foot wide strip to a 5/8-inch iron rod with cap stamped "McKim & Creed" set in the east line of said Block 3 of Subdivision S and in the west line of Block 4 of said Subdivision S for the northeast corner of this tract;

THENCE, South 01° 58' 59" East - 299.00 feet with the east line of said Block 3 of Subdivision S and with the west line of said Block 4 of Subdivision S to a 5/8-inch iron rod with cap stamped "McKim & Creed" set for the common corner of said Blocks 3 and 4 of Subdivision S, Blocks 1 and 2 of Subdivision Y and for the southeast corner of this tract;

THENCE, South 88° 01' 01" West - 660.00 feet with the south line of said Block 3 of Subdivision S and with the north line of said Block 2 of Subdivision Y to the POINT OF BEGINNING and containing 5.5924 acres of land.

Note: This metes-and-bounds description was compiled in conjunction with a survey performed on even date.

COMPILED BY:
MCKIM & CREED
Engineers, Surveyors, Planners
Stafford, Texas
Firm Registration No. 10177600
Job No. 08780-0005
Y:\legals\08780-0005_tract 5.docx


Robert Chris Kelly
Registered Professional Land Surveyor
State of Texas No. 6833



November 7, 2023

41.2614 acres of land being a 42.0419 acre tract save and except a 0.7805 acre tract in the Thomas W. Johnson Survey, Abstract No. 125, City of Texas City, Galveston County, Texas

A FIELD NOTE DESCRIPTION of a 42.0419 acre tract of land in the Thomas W. Johnson Survey, Abstract No. 125, City of Texas City, Galveston County, Texas; said 42.0419 acre tract being a portion of Blocks 2 and 3 of Subdivision X, Kofeldt's Resubdivision, according to the map or plat recorded in Volume 10, Page 35 of the Galveston County Map Records, conveyed to John Smyrl, as recorded in Galveston County Clerk's File No. 2003012161, being all of Block 1, Subdivision X and a portion of Block 3, Subdivision T of said Kofeldt's Resubdivision, conveyed to John Paul Smyrl, Junior, as recorded in Galveston County Clerk's File No. 9958175, and being all of Blocks 2 and 3, Subdivision Y of said Kofeldt's Resubdivision, conveyed to John Paul Smyrl, Junior, as recorded in Galveston County Clerk's File No. 9958175 and also conveyed to Charles J. Anderson and John P Smyrl, as recorded in Galveston County Clerk's File No. 8326966; save and except a 0.7772 acre public street or highway easement to the City of Texas City, as recorded in Galveston County Clerk's File No. 8326967; said tract being more particularly described by metes-and-bounds as follows with the bearings being based on Texas State Plane Coordinate System, South Central Zone (NAD83) per GPS Observations using National Geodetic Survey Continuously Operating Reference Stations:

COMMENCING FOR REFERENCE at a 5/8-inch iron rod with cap stamped "Survey 1" found for the southwest corner of said Block 3 of Subdivision Y, for the southeast corner of Block 4 of said Subdivision X, for the southeast corner of a 4.9905 acre tract of land conveyed to Alfonso Paz Ruiz, as recorded in Galveston County Clerk's File No. 2015013247, and for the southwest corner of said 0.7772 acre public street or highway easement (5th Avenue – unimproved right-of-way);

THENCE, North 01° 58' 59" West - 30.00 feet with the west line of said Block 3 of Subdivision Y, with the east line of said Block 4 of Subdivision X, with the east line of said 4.9905 acre tract, and with the west line of said 0.7772 acre public street or highway easement to a 5/8-inch iron rod with cap stamped "McKim & Creed" set for the northwest corner of said 0.7772 acre public street or highway easement and for a southwest corner and POINT OF BEGINNING of this tract;

THENCE, North 01° 58' 59" West - 630.00 feet with the west line of said Block 3 of Subdivision Y, with the east line of said Block 4 of Subdivision X, and with the east line of said 4.9905 acre tract to a 5/8-inch iron rod with cap stamped "McKim & Creed" set for the common corner of Block 1 and 4 of said Subdivision X and Block 2 and 3 of said Subdivision Y, for the northeast corner of said 4.9905 acre tract, and for an interior corner of this tract;

THENCE, South 88° 01' 01" West - 660.00 feet with the common line of said Blocks 1 and 4 of Subdivision X and with the north line of said 4.9905 acre tract to a 5/8-inch iron rod found for the common corner of Blocks 1-4 of said Subdivision X, for the northwest corner of said 4.9905 acre tract, and for an interior corner of this tract;

THENCE, South 01° 58' 59" East - 37.30 feet with the common line of Blocks 3 and 4 of said Subdivision X and with the west line of said 4.9905 acre tract to a 5/8-inch iron rod with cap stamped "McKim & Creed" set in the northeast line of a tract of land conveyed to Lisa Provost, as recorded in Galveston County Clerk's File No. 9625112 for an angle point of said 4.9905 acre tract and for a south corner of this tract; from which a 1-inch iron pipe found for an angle point of Lot 51, North Oak Subdivision, according to the map or plat recorded in Volume 2, Page 59 of the Galveston County Map Records bears South 39° 12' 52" East - 82.29 feet;

THENCE, North 39° 46' 31" West - 101.55 feet with the northeast line of said Provost tract to a 5/8-inch iron rod with cap stamped "McKim & Creed" set for an angle point;

THENCE, North 38° 40' 51" West - 65.05 feet with the northeast line of said Provost tract to a point for the east corner of Lot 15, L. Vionett Second Subdivision, according to the map or plat recorded in Volume 14, Page 36 of the Galveston County Map Records, for the north corner of said Provost tract and for an angle point of this tract;

THENCE, North 39° 45' 26" West - 231.85 feet with the northeast line of said L. Vionett Second Subdivision to a 5/8-inch iron rod with cap stamped "McKim & Creed" set for the south corner of a tract of land conveyed to Thearthur McKenzie, as recorded in Galveston County Clerk's File No. 2011063487 and for a southwest corner of this tract;

THENCE, North 01° 58' 03" West - 381.63 feet with the east line of said McKenzie tract to a 3/8-inch iron rod found in the north line of said Block 2 of Subdivision X and in the south line of said Block 3 of Subdivision T for a northeast corner of said McKenzie tract and for an interior corner of this tract;

THENCE, South 88° 01' 01" West - 416.98 feet with the north line of said Block 2 of Subdivision X, with the south line of said Block 3 of Subdivision T, and with the north line of said McKenzie tract to a 5/8-inch iron rod found for the common corner of said Block 2 of Subdivision X, Block 3 of Subdivision T, Block 4 of Subdivision U, and Block 1 of Subdivision W of said Kofeldt's Resubdivision, for an interior corner of said McKenzie tract and for an interior corner of this tract;

THENCE, North 01° 58' 59" West - 660.00 feet with the west line of said Block 3 of Subdivision T, with the east line of said Block 4 of Subdivision U, and with the east line of said McKenzie tract to a 5/8-inch iron rod with cap stamped "McKim & Creed" set for the common corner of Blocks 2 and 3 of said Subdivision T and Blocks 1 and 4 of said Subdivision U, for a northeast corner of said McKenzie tract and for a northwest corner of this tract;

THENCE, North 88° 01' 01" East - 280.57 feet with the common line of said Blocks 2 and 3 of Subdivision T to a 5/8-inch iron rod with cap stamped "McKim & Creed" set for the west corner of a 50-foot wide strip of land conveyed to the City of Texas City, as recorded in Volume 1945, Page 98 of the Galveston County Deed Records, for the south corner of a 50-foot wide strip of land conveyed to the City of Texas City, as recorded in Volume 1979, Page 47 of the Galveston County Deed Records, and for an angle point of this tract;

THENCE, South 79° 59' 26" East - 387.90 feet with the southwest line of said 50-foot wide strip to a 5/8-inch iron rod with cap stamped "McKim & Creed" set in the common line of Block 3 and 4 of said Subdivision T for the southeast corner of said 50-foot wide strip and for the southwest corner of a 50-foot wide strip of land conveyed to the City of Texas City, as recorded in Volume 1945, Page 110 of the Galveston County Deed Records for a northeast corner of this tract; from which a 5/8-inch iron rod found in the south right-of-way line of F.M. 1764 bears North 01° 58' 59" West - 692.44 feet;

THENCE, South 01° 58' 59" East - 579.40 feet with the common line of said Blocks 3 and 4 of Subdivision T to a 5/8-inch iron rod found for the common corner of said Blocks 3 and 4 of Subdivision T and said Blocks 1 and 2 of Subdivision X for an interior corner of this tract;

THENCE, North 88° 01' 01" East with north line of said Block 1 of Subdivision X and with the south line of said Block 4 of Subdivision T, at a distance of 660.00 feet pass a 5/8-inch iron rod with cap stamped "McKim & Creed" set for the common corner of Block 1 of Subdivision X, Block 2 of Subdivision Y, Block 3 of Subdivision S, and Block 4 of Subdivision T and continuing with the north line of said Block 2 of Subdivision Y and with the south line of said Block 3 of Subdivision S for a total distance of 1,320.00 feet to a 5/8-inch iron rod with cap stamped "McKim & Creed" set for the common corner Blocks 1 and 2 of said Subdivision Y, Blocks 3 and 4 of said Subdivision S, and for a northeast corner of this tract;

THENCE, South 01° 58' 59" East with the common line of Blocks 1 and 2 of said Subdivision Y, at a distance of 660.00 feet pass a 5/8-inch iron rod with cap stamped "McKim & Creed" set for the common corner of said Blocks 1-4 of Subdivision Y and continuing with the common line of Blocks 3 and 4 of said Subdivision Y for a total distance of 1,262.44 feet to a 5/8-inch iron rod with cap stamped "McKim & Creed" set for the northeast corner of said 0.7772 acre public street or highway easement to the City of Texas City, for the northwest corner of a 1.0110 acre public street or highway easement to the City of Texas City, as recorded in Volume 2759, Page 363 of the Galveston County Deed Records, and for a southeast corner of this tract;

THENCE, South 84° 55' 20" West - 510.54 feet with the north line of said 0.7772 acre public street or highway easement to a 5/8-inch iron rod with cap stamped "McKim & Creed" set for an angle point 0.7772 acre public street or highway easement and for an angle point of this tract;

THENCE, South 88° 01' 00" West - 150.20 feet with the north line of said 0.7772 acre public street or highway easement to the POINT OF BEGINNING and containing 42.0419 acres of land, save and except 0.7805 acre of land leaving a net area of 41.2614 acres; said 0.7805 acre tract described as follows:

***0.7805 acre of land in the Thomas W. Johnson Survey, Abstract No. 125,
City of Texas City, Galveston County, Texas***

A FIELD NOTE DESCRIPTION of a 0.7805 acre tract of land in the Thomas W. Johnson Survey, Abstract No. 125, City of Texas City, Galveston County, Texas; said 0.7805 acre tract being out of Block 1, Subdivision X, Kofeldt's Resubdivision, according to the map or plat recorded in Volume 10, Page 35 of the Galveston County Map Records, conveyed to George and Minna Braun Family Limited Partnership, as recorded in Galveston County Clerk's File No. 2004013806; said tract being more particularly described by metes-and-bounds as follows with the bearings being based on Texas State Plane Coordinate System, South Central Zone (NAD83) per GPS Observations using National Geodetic Survey Continuously Operating Reference Stations:

COMMENCING FOR REFERENCE at a 5/8-inch iron rod with cap stamped "Survey 1" found for the southwest corner of Block 3, Subdivision Y of said Kofeldt's Resubdivision, for the southeast corner of Block 4, Subdivision X of said Kofeldt's Resubdivision, for the southeast corner of a 4.9905 acre tract of land conveyed to Alfonso Paz Ruiz, as recorded in Galveston County Clerk's File No. 2015013247, and for the southwest corner of a 0.7772 acre public street or highway easement to the City of Texas City (5th Avenue - unimproved right-of-way), as recorded in Galveston County Clerk's File No. 8326967;

THENCE, North 01° 58' 59" West with the west line of said Block 3 of Subdivision Y, with the east line of said Block 4 of Subdivision X, and with the east line of said 4.9905 acre tract, at a distance of 660.00 feet pass a 5/8-inch iron rod with cap stamped "McKim & Creed" set for the common corner of Blocks 1 and 4 of Subdivision X and Blocks 2 and 3 of Subdivision Y and for the northeast corner of said 4.9905 acre tract and continuing with the west line of said Block of Subdivision Y and with the east line of said Block 1 of Subdivision X for a total distance of 846.00 feet to a point for the southeast corner and POINT OF BEGINNING of this tract;

THENCE, South 88° 01' 01" West - 136.00 feet to a point for the southwest corner of this tract;

THENCE, North 01° 58' 59" West - 250.00 feet to a point for the northeast corner of this tract;

THENCE, North 88° 01' 01" East - 136.00 feet to a point in the west line of said Block 2 of Subdivision Y and in the east line of said Block 1 of Subdivision X for the northeast corner of this tract; from which a 5/8-inch iron rod with cap stamped "McKim & Creed" set for the common corner of said Block 1 of Subdivision X and Block 2 of Subdivision Y bears North 01° 58' 59" West - 224.00 feet;

THENCE, South 01° 58' 59" East - 250.00 feet with the west line of said Block 2 of Subdivision Y and with the east line of said Block 1 of Subdivision X to the POINT OF BEGINNING and containing 0.7805 acre of land.

Note: This metes-and-bounds description was compiled in conjunction with a survey performed on even date.

COMPILED BY:
MCKIM & CREED
Engineers, Surveyors, Planners
Stafford, Texas
Firm Registration No. 10177600
Job No. 08780-0005
Y:\legals\08780-0005_tract 3.docx


Robert Chris Kelly
Registered Professional Land Surveyor
State of Texas No. 6833



November 7, 2023

**0.7805 acre of land in the Thomas W. Johnson Survey, Abstract No. 125,
City of Texas City, Galveston County, Texas**

A FIELD NOTE DESCRIPTION of a 0.7805 acre tract of land in the Thomas W. Johnson Survey, Abstract No. 125, City of Texas City, Galveston County, Texas; said 0.7805 acre tract being out of Block 1, Subdivision X, Kofeldt's Resubdivision, according to the map or plat recorded in Volume 10, Page 35 of the Galveston County Map Records, conveyed to George and Minna Braun Family Limited Partnership, as recorded in Galveston County Clerk's File No. 2004013806; said tract being more particularly described by metes-and-bounds as follows with the bearings being based on Texas State Plane Coordinate System, South Central Zone (NAD83) per GPS Observations using National Geodetic Survey Continuously Operating Reference Stations:

COMMENCING FOR REFERENCE at a 5/8-inch iron rod with cap stamped "Survey 1" found for the southwest corner of Block 3, Subdivision Y of said Kofeldt's Resubdivision, for the southeast corner of Block 4, Subdivision X of said Kofeldt's Resubdivision, for the southeast corner of a 4.9905 acre tract of land conveyed to Alfonso Paz Ruiz, as recorded in Galveston County Clerk's File No. 2015013247, and for the southwest corner of a 0.7772 acre public street or highway easement to the City of Texas City (5th Avenue – unimproved right-of-way), as recorded in Galveston County Clerk's File No. 8326967;

THENCE, North 01° 58' 59" West with the west line of said Block 3 of Subdivision Y, with the east line of said Block 4 of Subdivision X, and with the east line of said 4.9905 acre tract, at a distance of 660.00 feet pass a 5/8-inch iron rod with cap stamped "McKim & Creed" set for the common corner of Blocks 1 and 4 of Subdivision X, Blocks 2 and 3 of Subdivision Y and for the northeast corner of said 4.9905 acre tract and continuing with the west line of said Block 2 of Subdivision Y and with the east line of said Block 1 of Subdivision X for a total distance of 846.00 feet to a point for the southeast corner and POINT OF BEGINNING of this tract;

THENCE, South 88° 01' 01" West - 136.00 feet to a point for the southwest corner of this tract;

THENCE, North 01° 58' 59" West - 250.00 feet to a point for the northeast corner of this tract;

THENCE, North 88° 01' 01" East - 136.00 feet to a point in the west line of said Block 2 of Subdivision Y and in the east line of said Block 1 of Subdivision X for the northeast corner of this tract; from which a 5/8-inch iron rod with cap stamped "McKim & Creed" set for the common corner of said Block 1 of Subdivision X and Block 2 of Subdivision Y bears North 01° 58' 59" West - 224.00 feet;

THENCE, South 01° 58' 59" East - 250.00 feet with the west line of said Block 2 of Subdivision Y and with the east line of said Block 1 of Subdivision X to the POINT OF BEGINNING and containing 0.7805 acre of land.

Note: This metes-and-bounds description was compiled in conjunction with a survey performed on even date.

COMPILED BY:
MCKIM & CREED
Engineers, Surveyors, Planners
Stafford, Texas
Firm Registration No. 10177600
Job No. 08780-0005
Y:\legals\08780-0005_tract 4.docx




Robert Chris Kelly
Registered Professional Land Surveyor
State of Texas No. 6833

Exhibit 'B' Conceptual Master Plan

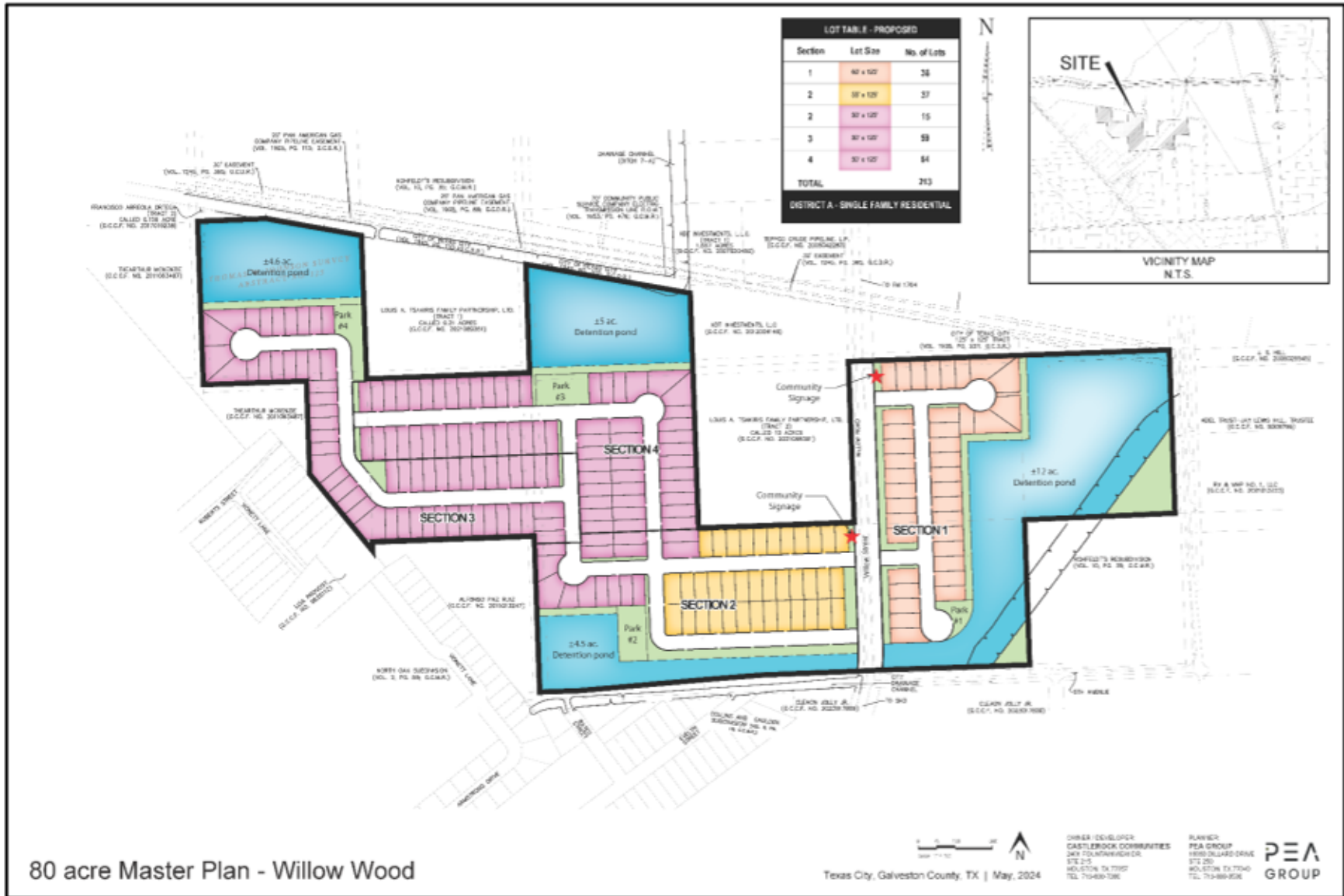
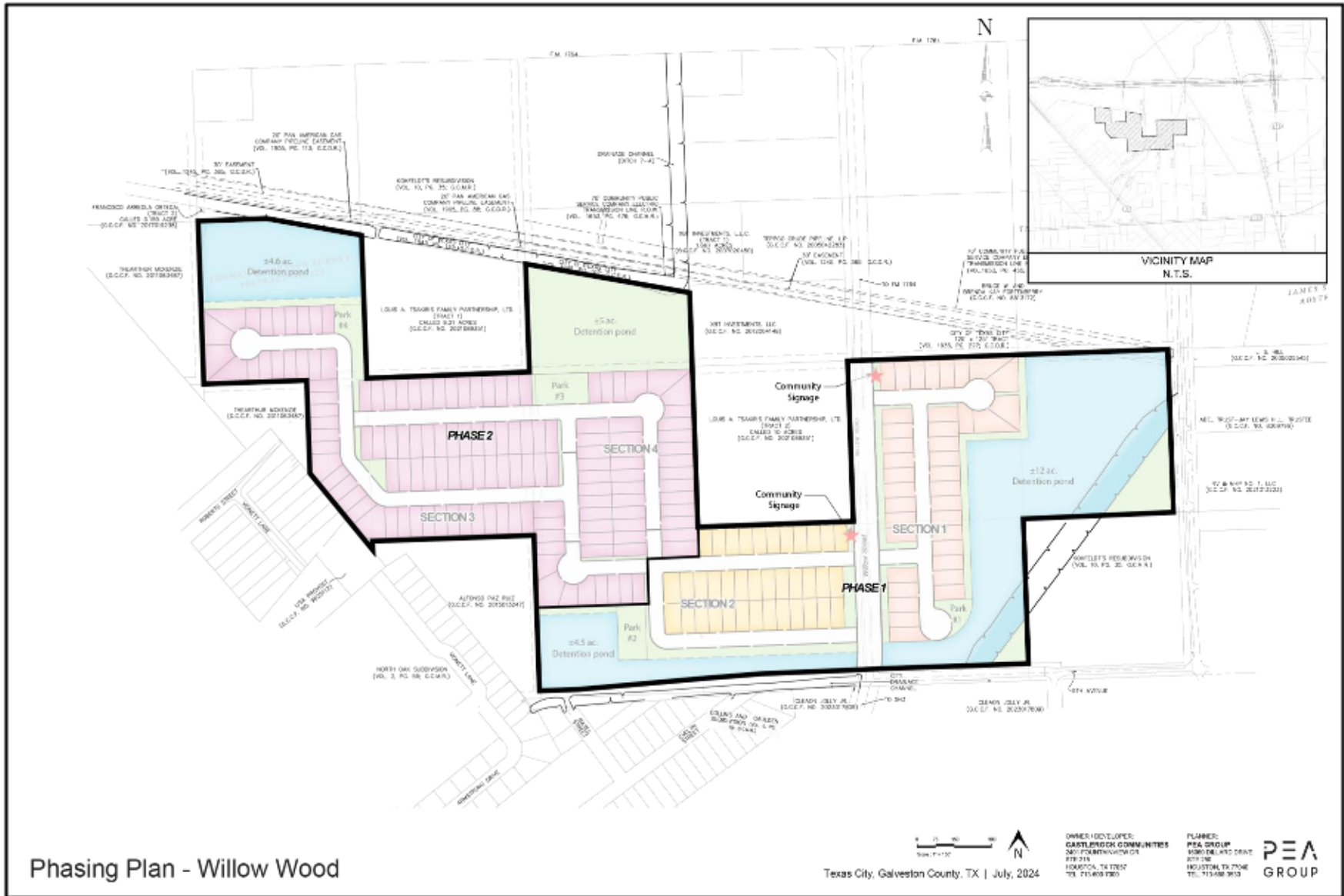


Exhibit 'C' Phasing Plan



Phasing Plan - Willow Wood

Texas City, Galveston County, TX | July, 2024

OWNER / DEVELOPER: **CARLETON COMMUNITIES**
2601 FORT BEND AVENUE
FPO 216
HOUSTON, TX 77057
TEL: 713.683.1900

PLANNER: **PEA GROUP**
6000 FORT LINDA DRIVE
SUITE 200
HOUSTON, TX 77058
TEL: 713.686.9103

PEA GROUP

Exhibit 'D-1' Park and Trail Plan

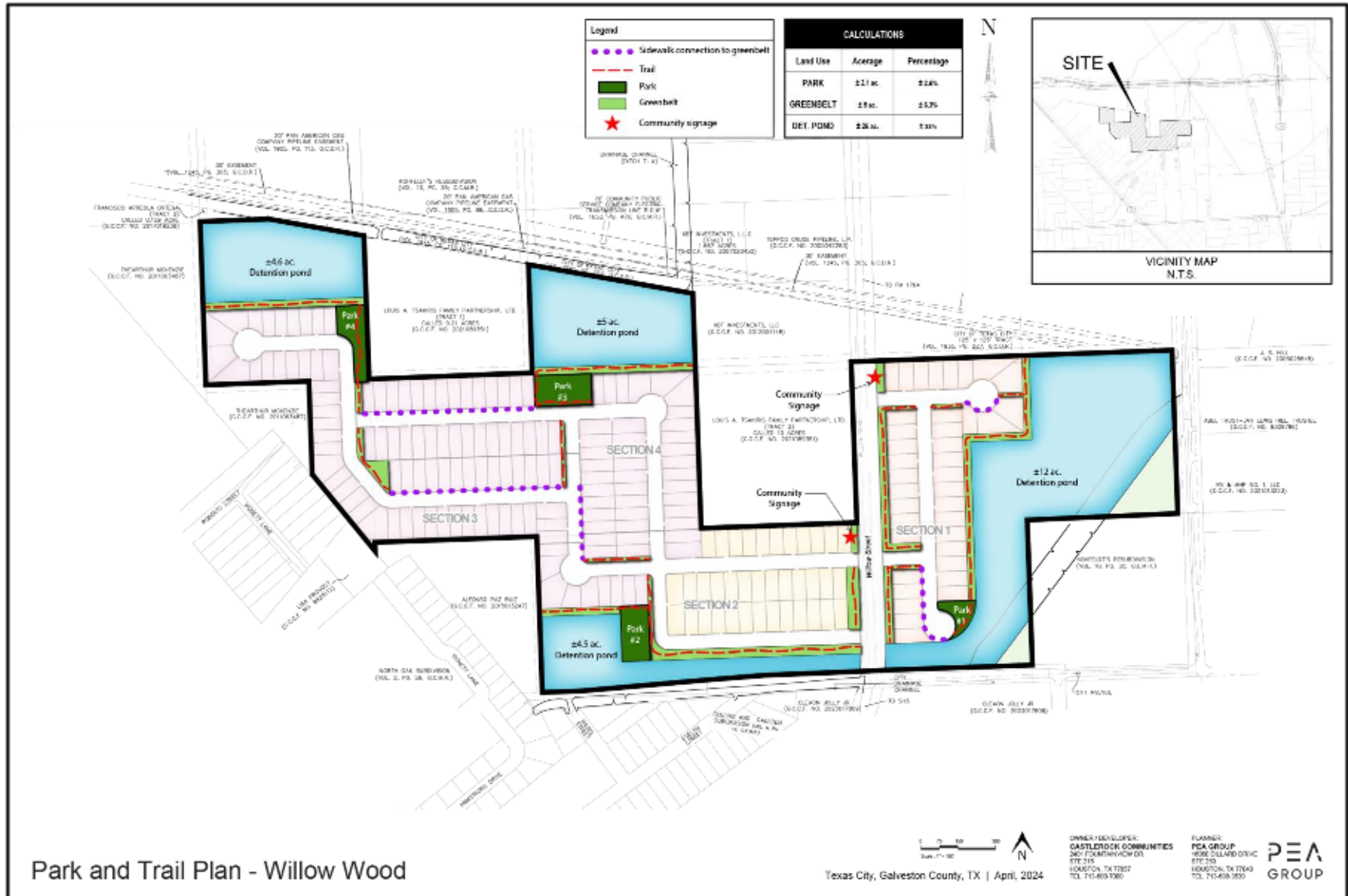


Exhibit 'D-2' Community Park Image Board

Site Furnishing



Bench



Trash receptacle



Aluminum pet station

Pavillion



Open timber truss with column



Square steel pavillion

Free Standing Play Equipment



2 Arch



Apollo spinner and tree fort



Swing set



Spring rider

Playground Equipment



Playground equipment:
2 to 5 years



Playground equipment:
5 to 12 years

Community Park Image Board - Willow Wood

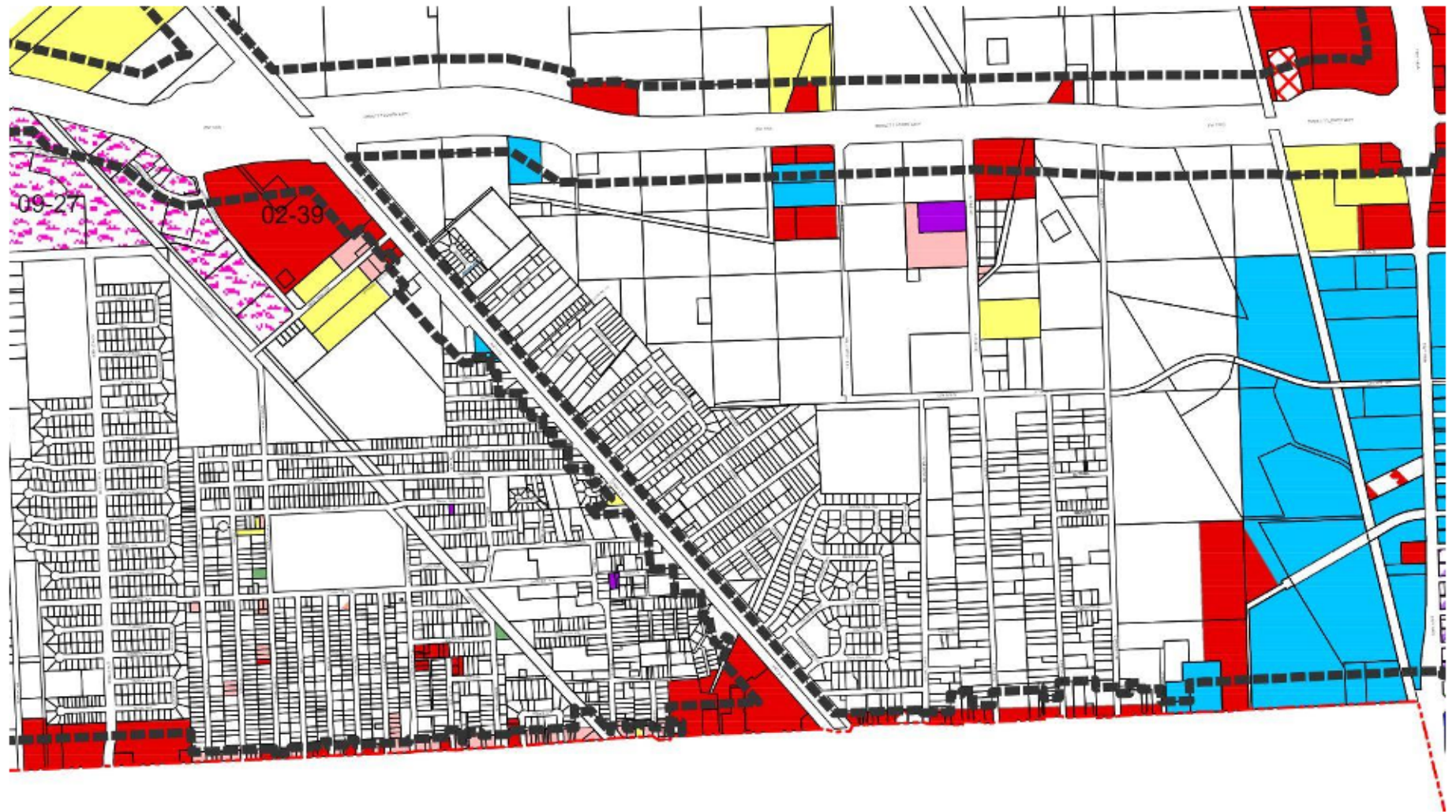
Texas City, Galveston County, TX | May, 2024

OWNER / DEVELOPER:
GARDENHOCK COMMUNITIES
3414 POSTALMANEVEN
STE 214
HOUSTON, TX 77057
TEL: 713-966-7289

PLAYERS:
PEA GROUP
3905 DILLARD DRIVE
STE 200
HOUSTON, TX 77049
TEL: 281-866-8600



Exhibit 'E' Zoning Exhibit



<h2 style="margin: 0;">CITY OF TEXAS CITY ZONING</h2>	<p>Legend</p> <table border="0" style="font-size: small;"> <tr> <td style="padding-right: 5px;">ZONING</td> <td style="padding-right: 5px;">B</td> <td style="padding-right: 5px;">D-1</td> <td style="padding-right: 5px;">E-3</td> <td style="padding-right: 5px;">G</td> <td style="padding-right: 5px;">D</td> <td style="padding-right: 5px;">PUD</td> <td style="padding-right: 5px;">ZONING DISTRICT</td> <td style="padding-right: 5px;">ENVIRONMENTAL OVERLAY DISTRICT</td> </tr> <tr> <td style="padding-right: 5px;">ZONE</td> <td style="padding-right: 5px;">C</td> <td style="padding-right: 5px;">E</td> <td style="padding-right: 5px;">E-4</td> <td style="padding-right: 5px;">G-2</td> <td style="padding-right: 5px;">O-2</td> <td style="padding-right: 5px;">S-2</td> <td style="padding-right: 5px;">CENTRAL BUSINESS OVERLAY DISTRICT</td> <td style="padding-right: 5px;">GATEWAY CORRIDOR OVERLAY DISTRICT</td> </tr> <tr> <td style="padding-right: 5px;"></td> <td style="padding-right: 5px;">A-1</td> <td style="padding-right: 5px;">C-1</td> <td style="padding-right: 5px;">E-1</td> <td style="padding-right: 5px;">F</td> <td style="padding-right: 5px;">H</td> <td style="padding-right: 5px;">I</td> <td style="padding-right: 5px;">I.D.D.</td> <td style="padding-right: 5px;">CITY LIMITS (LAND ONLY)</td> </tr> <tr> <td style="padding-right: 5px;"></td> <td style="padding-right: 5px;">A-2</td> <td style="padding-right: 5px;">D</td> <td style="padding-right: 5px;">E-2</td> <td style="padding-right: 5px;">F-1</td> <td style="padding-right: 5px;">I</td> <td style="padding-right: 5px;">CMU</td> <td style="padding-right: 5px;">L.S.D.</td> <td></td> </tr> </table>	ZONING	B	D-1	E-3	G	D	PUD	ZONING DISTRICT	ENVIRONMENTAL OVERLAY DISTRICT	ZONE	C	E	E-4	G-2	O-2	S-2	CENTRAL BUSINESS OVERLAY DISTRICT	GATEWAY CORRIDOR OVERLAY DISTRICT		A-1	C-1	E-1	F	H	I	I.D.D.	CITY LIMITS (LAND ONLY)		A-2	D	E-2	F-1	I	CMU	L.S.D.		<p style="font-size: x-small; margin-top: 5px;">EST. 1911 PUBLIC RECORD 102 APR. 13, 2011</p>
ZONING	B	D-1	E-3	G	D	PUD	ZONING DISTRICT	ENVIRONMENTAL OVERLAY DISTRICT																														
ZONE	C	E	E-4	G-2	O-2	S-2	CENTRAL BUSINESS OVERLAY DISTRICT	GATEWAY CORRIDOR OVERLAY DISTRICT																														
	A-1	C-1	E-1	F	H	I	I.D.D.	CITY LIMITS (LAND ONLY)																														
	A-2	D	E-2	F-1	I	CMU	L.S.D.																															

Exhibit F

Development Timeline

Plan to begin development improvements during 3rd and 4th quarter of 2025 with homebuilding to start in 2026.

**The anticipated dates are subject to change due to fluctuating market conditions*

Exhibit 'G' Development Agreement

RESOLUTION NO. 07-101

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A DEVELOPMENT AGREEMENT WITH HIGHWAY 66 PARTNERS, LTD. IN CONNECTION WITH THE DEVELOPMENT OF APPROXIMATELY 310 ACRES OF LAND; PROVIDING THAT THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, on November 2, 2005, the City Commission adopted Resolution No. 05-130 consenting to the inclusion of 248 acres in a municipal utility district; and

WHEREAS, subsequent to the adoption of Resolution No. 05-130, the owners and developers acquired additional land that they wish to be included in the municipal utility district, making the total 310 acres; and

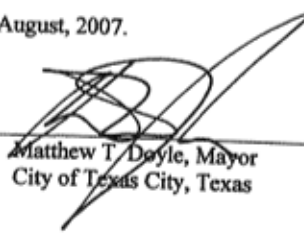
WHEREAS, City staff and consultants recommend the Developer (Highway 66 Partners, Ltd.) and City enter into a development agreement to provide the terms and conditions that will govern the development of the Property.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF TEXAS CITY, TEXAS:


SECTION 1: That the City Commission of the City of Texas City, Texas, authorizes the Mayor to negotiate and execute a Development Agreement with Highway 66 Partners, Ltd. in substantially the same form as Exhibit "A," attached hereto and made a part hereof for all purposes.

SECTION 2: That this Resolution shall be in full force and effect from and after its passage and adoption.

PASSED AND ADOPTED this 15th day of August, 2007.


Matthew T. Doyle, Mayor
City of Texas City, Texas

ATTEST:


Pamela A. Lawrence
City Secretary

APPROVED AS TO FORM: 

Robert Geryais
City Attorney

DEVELOPMENT AGREEMENT

This DEVELOPMENT AGREEMENT (this "Agreement"), is made and entered into as of _____, 2007, by and between the CITY OF TEXAS CITY, TEXAS, a home rule municipality located in Galveston County, Texas (the "City"), and HIGHWAY 66 PARTNERS, LTD., a Texas limited partnership (the "Developer").

RECITALS

The Developer owns or has under contract approximately 318 acres of land more fully described in Exhibit A, attached hereto (the "Property"). The Property shall also include any additional land annexed into the District (as defined below) with the City's consent. The Developer proposes to develop the Property as a residential community (the "Project"). The Property is currently located within the corporate limits of the City of Texas City, Texas (the "City").

The Developer determined that the creation of Galveston County Municipal Utility District No. 66 (the "District") over the Property was necessary for the provision of water, sewer, and drainage facilities, canals, and certain road and street improvements necessary to develop the Property.

The City has consented to the creation of the District.

The City and the Developer have determined that they are authorized by the Constitution and laws of the State of Texas to enter into this Agreement and have further determined that the terms, provisions, and conditions hereof are mutually fair and advantageous to each.

AGREEMENT

For and in consideration of these premises and of the mutual promises, obligations, covenants, and benefits contained herein, the City and the Developer contract and agree as follows:

ARTICLE 1 DEFINITIONS

The terms "City," "Developer," "District," "Project," and "Property" shall have the meanings provided for them in the Recitals, above. Except as may be otherwise defined, or the context clearly requires otherwise, capitalized terms and phrases used in this Agreement shall have the meanings as follows:

PUD means the Planned Unit Development for the Property to be adopted pursuant to the City's Zoning Code, Section 40-48 in effect as of the effective date of this Agreement.

Utility Services Agreement means the utility services agreement entered into between the City, the Developer, and the District.

Zoning Code means the City's Revised Zoning Ordinance in effect as of the date of this Agreement.

ARTICLE 2 OBLIGATIONS OF THE CITY

2.01. Acquisition of Easements for Off-Site Utilities. The City will acquire all off-site water and wastewater easements and sites needed to serve the Property using capital recovery fees paid by the Developer and other developers. The City will cooperate with the Developer to insure that all such easements and sites are acquired in a timely manner that supports the completion of the off-site water and sewer facilities in a manner that meets the Developers plan for developing the Property, subject to the requirements of section 4.6 and 4.7 of this Agreement and the terms and conditions of the Utility Services Agreement to be entered into between the City, the District, and the Developer.

ARTICLE 3 OBLIGATIONS OF THE DEVELOPER

3.01. Municipal Use Sites. The Developer agrees to contribute \$500 per lot to the City for the construction of the municipal use facilities (including but not limited to police, fire and EMS, library, satellite office or utility dispatch uses) to be constructed to serve the area of the City in which the Property is located, with such contribution to be paid at the time the final plat for a phase of development on the Property is filed for recordation.

3.02. Property owners' association. The Developer agrees to create one or more property owners' association to serve the Property and to include all of the Property in at least one of such property owners' association. The Developer further agrees to submit to the Mayor of the City or his designee for review and comment prior to recordation all rules of the property owners' association(s) created to serve the Property and all deed restrictions proposed for the Property. The Developer will provide copies of its commercial deed restrictions and commercial development covenants, if any, to the City for review and approval by the Mayor or his designee at least 60 days prior to filing same.

3.03. Maintenance of certain improvements. The Developer agrees to form one or more property owners association, which shall have as one of their stated purposes to permanently maintain through assessments all lakes, ponds, and other detention facilities and open ditches, open drainage channels, canals, and other open stormwater drainage improvements, parks and recreation facilities, landscaping, and monumentation developed as part of the Project (the "Non-City Improvements") to the extent that the District is not responsible for maintaining such Non-City Improvements. The Developer acknowledges and agrees that the Non-City Improvements will be maintained by the District or by the property owners' association or associations serving the Property, as appropriate, and that the City shall never have the responsibility to own, operate or maintain the Non-City Improvements.

3.04. Cost reimbursement. The Developer shall reimburse the City for professional consulting fees, including legal and engineering, reasonably incurred by the City in connection with the creation and organization of the District, including the review and approval of this Agreement, the Utility Services Agreement, Planned Unit Development, and any other agreements between the City, the Developer and the District. To aid in review and evaluation of the proposed development, the City shall engage the services of consultants and legal counsel. The City will enter into engagement letters and/or service agreements with its consultants and legal counsel. The City will be the client for purposes of these consulting and legal engagements. However, the Developer agrees to be responsible, on behalf of the City, for all fees, expenses, and other costs associated with the City's consulting and legal engagements.

The Developer further agrees to counter-sign the engagement letters between the City and its consultants and legal counsel to acknowledge the Developer's financial responsibility thereunder. The City's consultants and legal counsel shall submit invoices for fees, expenses, and other costs incurred on behalf of the City to the Developer (with a copy to the City) on a monthly basis and such invoices will be payable within thirty days of receipt. The Developer agrees that it will provide payment to the City's consultants and legal counsel accordingly on behalf of the City. The Developer's obligation under this section is cumulative with any other cost reimbursement arrangements previously or subsequently entered into between the City and the Developer.

3.06. Dry Utilities. The Developer agrees that all dry utilities, such as electric, gas, telephone and cable, shall be placed underground throughout the Property; provided, however, that "three-phase" power lines may be elevated and may be placed in easements along the perimeter of the Property and within the interior of the Property as may be required by the power provider to serve the Property. Unless otherwise approved by the City and the Developer and unless no reasonable alternative is available to the power provider for the location of said poles, no elevated three-phase power or larger poles may be placed along any major roads or highways. The Developer agrees that public street light poles throughout the Project shall be

galvanized metal or concrete; provided, however, the Developer may use light poles made out of a material that is of a higher quality than concrete, as determined by the Mayor or his designee. Decorative and specialty light poles are acceptable on private property and along private streets; provided, however, that the City shall never be responsible for maintenance of such light poles.

3.06. 25th Avenue Improvements. The Developer will pay for the cost of extending the northern two lanes of 25th Avenue for approximately 300 feet to the southwest side of Highway 3 and installing related storm drainage facilities (the "25th Avenue Paving Project"); provided, however, that (a) the Developer is not responsible for any paving or other road work on the north side of Highway 3, (b) such costs do not include the relocation of any utilities or pipelines, and (c) such costs do not exceed \$150,000.

3.07 Property Values. The Developer recognizes that a significant portion of the City's consideration for entering into this Agreement and consenting to the creation of the District is the Developer's representations that it would achieve an average home value in the District of \$160,000 (the "Target Value"). The Developer agrees to make to the City a payment in lieu of taxes (the "PILOT") to compensate the City for any loss of tax revenue attributable to the Developer's failure to achieve the Target Value on the dwelling units that are used to support the financial feasibility of the District's first bond issue, over the life of the first bond issue. The PILOT shall be calculated by first multiplying the City's then current total tax rate by the difference between the Target Value and the certified appraised value, as determined by the Galveston County Appraisal District, of the average completed home in the District on January 1 of the year in which the District sells its first series of bonds, divided by 100 (the "Estimated Annual Revenue Loss Calculation"). The Estimated Annual Revenue Loss Calculation shall be multiplied by a timing factor (the greater of 20 years or the term of the District's first bond issue) to arrive at the PILOT due from the Developer to the City. A table demonstrating the calculation of the PILOT is shown on Exhibit "B" attached hereto and incorporated herein for all purposes. The PILOT shall be paid within 30 days of the Developer's receipt from the District of its share of proceeds from the District's first bond issue.

ARTICLE 4 LAND AND DEVELOPMENT COVENANTS

4.01. Land Use. Developer shall submit to the City, for its review and approval, the plan for the development of the Property (the "General Plan") in accordance with Section 40-48 of the Zoning Code in effect as of the effective date of this Agreement. Developer shall develop or cause any undeveloped Property to be developed in accordance with the latest General Plan approved by the City.

4.02 Planned Unit Development. (a) Developer agrees that development of the Property shall be in accordance with the Zoning Code and the General Plan, as the General Plan may be amended in accordance with the provisions of the Zoning Code and the terms of the PUD.

(b) The Developer and City recognize that it is in the interest of the Developer and the City that part of the Property be used to further the economic development interests of both the Developer and the citizens of the City, including attracting desirable businesses and industry to provide highly skilled jobs and to maintain an appropriate balance between the City's residential and non-residential tax base. Therefore, the Project shall be developed as a PUD in accordance with the Zoning Code. The Developer agrees to comply with all of the procedures provided for a PUD in the Zoning Code. The PUD shall include but not be limited to: (1) proposed land uses; (2) maximum number of housing units; (3) number of lots; (4) sizes of the lots; (5) housing types; (6) prospective commercial uses; (7) street and circulation system/arterial plan; (8) development schedule; (9) request for variance to the development code; (10) typical street cross section with proposed landscape standards; (11) bulk head material; (12) estimated construction value of housing by lot size; (13) proposed amenities plan; (14) utility (water and sewer) plant and sites and trunk line locations; (15) storm water plan; (16) Municipal Utility District boundaries; (17) any likely alternative development scenario; and (18) if a municipal services site is dedicated, it must be shown in the PUD Conceptual Plan.

4.03 Development Covenants. The Developer agrees to adopt deed restrictions and other restrictive covenants, and promulgate the Developer's guidelines regarding development standards, consistent with the PUD, the Zoning Code and any relevant City ordinances and regulations. The Developer will provide copies of its residential deed restrictions and residential development covenants to the City for review and comment by the Mayor or his designee no later than prior to the approval of the first residential development covenants for review and comment no later than prior to the approval of the PUD. The Developer agrees to require Sub-developers to abide by the Developer's development standards and provide for enforcement mechanisms for restrictive covenants.

4.04. Marketing Cooperation. The Developer will share non-confidential marketing information with the City relating to the marketing of the Project, and will solicit recommendations to assist the marketing of the Project from the City. The City will designate a contact person for this purpose.

4.05 Notice. Developer agrees to provide notice to the Mayor or his designee of any material proposed changes, amendments or revisions to the PUD, the Property, or the Project prior to taking any action on such change.

**ARTICLE 5
TERM AND DEFAULT**

5.01. Term. This Agreement shall be in effect as of the date set forth on the first page hereof, and shall terminate 50 years thereafter, unless terminated earlier as specifically provided herein.

5.02. Default.

a. A party shall be deemed in default under this Agreement (which shall be deemed a breach hereunder) if such party fails to materially perform, observe or comply with any of its covenants, agreements or obligations hereunder or breaches or violates any of its representations contained in this Agreement.

b. Before any failure of any party to perform its obligations under this Agreement shall be deemed to be a breach of this Agreement, the party claiming such failure shall notify, in writing, the party alleged to have failed to perform of the alleged failure and shall demand performance. No breach of this Agreement may be found to have occurred if performance has commenced to the reasonable satisfaction of the complaining party within 30 days of the receipt of such notice. Upon a breach of this Agreement, the non-defaulting Party shall be entitled to specific performance. Regardless of any other provision, neither Party shall be entitled to recover money damages for breach of this Agreement or a tort related to this Agreement. Except as otherwise set forth herein, no action taken by a party pursuant to the provisions of this Section pursuant to the provisions of any other section of this Agreement shall be deemed to constitute an election of remedies and all remedies set forth in this Agreement shall be cumulative and non-exclusive of any other remedy either set forth herein or available to any Party at law or in equity. Each of the parties shall have the affirmative obligation to mitigate its damages in the event of a default by the other party.

**ARTICLE 6
MISCELLANEOUS PROVISIONS**

6.01. Approvals and consents. Approvals or consents required or permitted to be given under this Agreement shall be evidenced by an ordinance, resolution or order adopted by the governing body of the appropriate party or by a certificate executed by a person, firm or entity previously authorized to give such approval or consent on behalf of the party. Approvals and consents shall be effective without regard to whether given before or after the time required for giving such approvals or consents.

6.02. Address and notice. Any notice to be given under this Agreement shall be given in writing, addressed to the party to be notified as set forth below, and may be

given either by depositing the notice in the United States mail postage prepaid, registered or certified mail, with return receipt requested; by messenger delivery; or by telecopy. Notice deposited by mail shall be effective three days after posting. Notice given in any other manner shall be effective upon receipt by the party to be notified. For purposes of notice, the addresses of the parties shall be as follows:

If to the City, to:
Mayor
City of Texas City, Texas
P.O. Box 2608
Texas City, Texas 77592

If to Developer, to:
Hwy 66 Partners, Ltd.
Attn: Phil Newton
1514 3rd Street
Seabrook, Texas, 77586

cc to the District to:
Galveston County Municipal Utility
District No. 66
c/o: McDonald & Sechrist LLP
770 South Post Oak Lane, Suite 410
Houston, Texas 77056
Attn: Terrie L. Sechrist

The parties shall have the right from time to time to change their respective addressees by giving written notice of such change to the other party at least 15 days prior to the effective date of the change.

6.03. Assignability; successors and assigns. All covenants and agreements contained by or on behalf of a party in this Agreement shall bind its successors and assigns and shall inure to the benefit of the other parties, their successors and assigns. The parties may assign their rights and obligations under this Agreement or any interest herein, only with the prior written consent of the other party, which consent shall not be unreasonably withheld, and any assignment without such prior written consent, including an assignment by operation of law, is void and of no effect; provided that, the Developer may make a collateral assignment in favor of a lender without consent. This Section shall not be construed to prevent the Developer from selling lots, parcels or other portions of the Land in the normal course of business. If such assignment of the obligations by the Developer hereunder is effective, the Developer shall be deemed released from such obligations. If any assignment of the obligations by the Developer hereunder is deemed ineffective or invalid, the Developer shall remain liable hereunder.

6.04. No additional waiver implied. The failure of either party to insist upon performance of any provision of this Agreement shall not be construed as a waiver of the future performance of such provision by the other party.

6.05. Reservation of rights. All rights, powers, privileges and authority of the parties hereto not restricted or affected by the express terms and provisions hereof are reserved by the parties and, from time to time, may be exercised and enforced by the parties.

6.06. Parties in interest. This Agreement shall be for the sole and exclusive benefit of the parties hereto and shall not be construed to confer any rights upon any third parties.

6.07. Merger. This Agreement embodies the entire understanding between the parties and there are no representations, warranties, or agreements between the parties covering the subject matter of this Agreement.

6.08. Modification; Exhibits. This Agreement shall be subject to change or modification only with the mutual written consent of the City and the Developer. The exhibits attached to this Agreement are incorporated by this reference for all purposes.

6.09. Captions. The captions of each section of this Agreement are inserted solely for convenience and shall never be given effect in construing the duties, obligations or liabilities of the parties hereto or any provisions hereof, or in ascertaining the intent of either party, with respect to the provisions hereof.

6.10. Interpretations. This Agreement and the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of this Agreement. This agreement, although drafted by the City, shall be construed fairly and reasonably and not more strictly against the City than the Developer because both parties were represented by legal counsel in the negotiation and review of this Agreement.

6.11. Severability. If any provision of this Agreement or the application thereof to any person or circumstances is ever judicially declared invalid, such provision shall be deemed severed from this Agreement and the remaining portions of this Agreement shall remain in effect.

6.12. Authority within City limits. Regardless of any other provision, nothing herein shall impair or restrict any authority, powers or rights of the City within the incorporated limits of the City.

[EXECUTION PAGES FOLLOW]

AGREED AND ACCEPTED as of the date first above written.

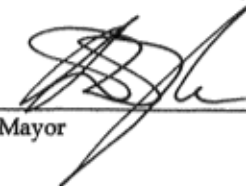
HWY 66 PARTNERS, LTD.,
a Texas limited partnership

By: Jabaz Development Co., Inc.,
a Texas corporation,
its general partner

By: _____
Phil Newton, President

AGREED AND ACCEPTED as of the date first above written.

CITY OF TEXAS CITY, TEXAS



Mayor

ATTEST: _____

City Secretary

(SEAL)

APPROVED AS TO FORM:

City Attorney

City of Texas City
 Highway 66 Partners
 Payment in Lieu of Taxes Calculation

I. Estimated Annual AV Value Loss Calculation		
A.	\$ 160,000	Target Value per Dwelling Unit
B.	\$ [REDACTED]	(-) Average value per dwelling unit (calculated as the total number of A1 properties at the time of the bond sale / total value of all A1 properties as of the time of the bond sale, to be provided by MUD TAC per GCAD records)
C.	\$ 160,000	(=) Variance between target value per dwelling unit and average value per dwelling unit
D.	\$ 160,000	Variance between target value per dwelling unit and average value per dwelling unit
E.	\$ [REDACTED]	(*) Total A1 properties at the time of the bond sale to be provided by MUD TAC per GCAD records
F.	\$ -	(=) Estimated AV Loss
II. Estimated Annual Revenue Loss Calculation		
G.	\$ -	Estimated AV Loss
H.	\$ -	(/) 100
I.	\$ 0.45624	(*) Texas City Tax Rate (at time of bond sale)
J.	\$ -	(=) Estimated Annual Taxes Lost
III. Payment in Lieu of Taxes Calculation		
K.	\$ -	Estimated Annual Taxes Lost
L.	\$ [REDACTED]	(*) Timing factor (20, or the term of the bonds, whichever is greater)
M.	\$ -	(=) Total Payment at time of sale

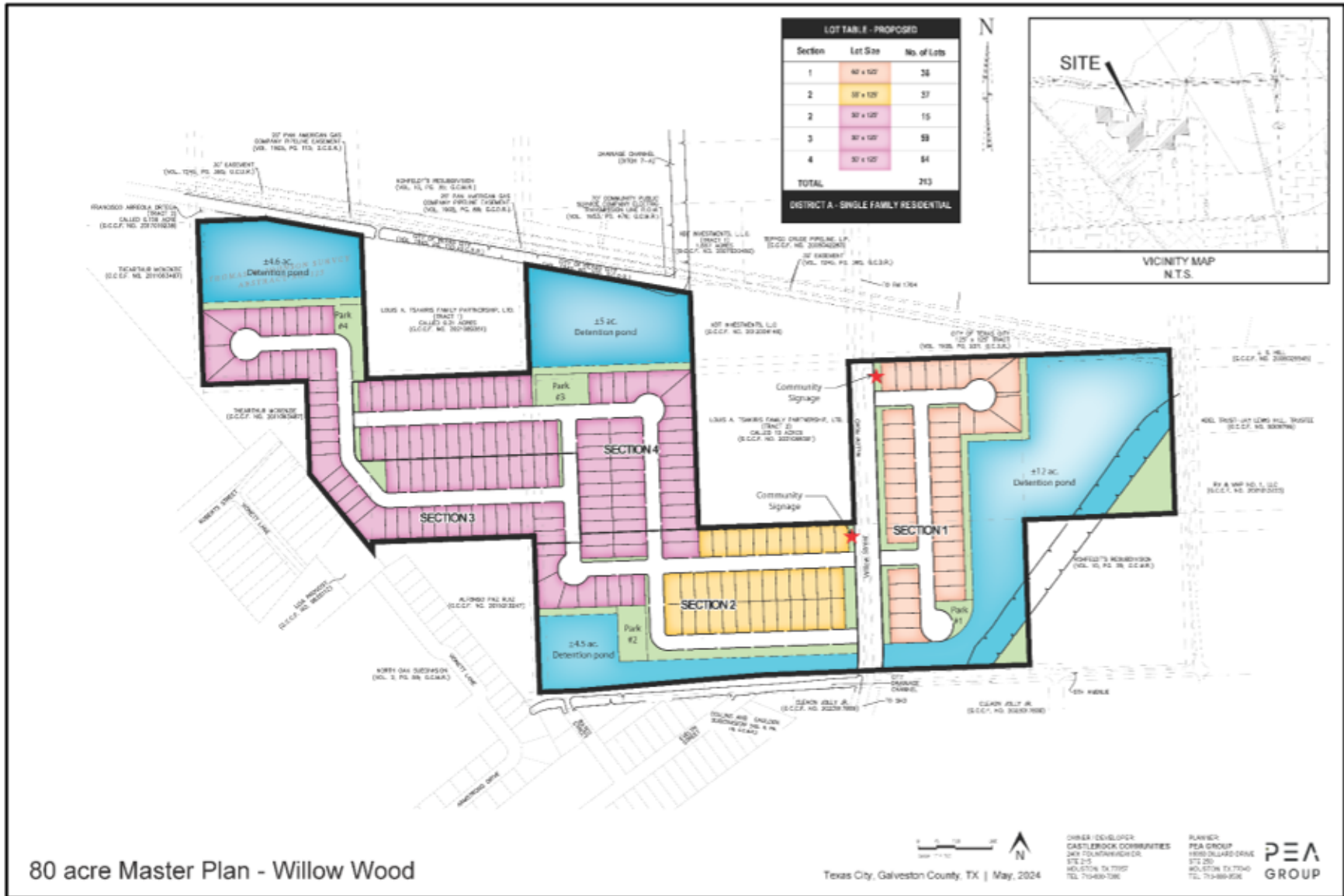
I. Estimated Annual AV Value Loss Calculation

A.	\$160,000	Target Value per Dwelling Unit
B.	\$130,000	(-) Average value per dwelling unit (calculated as the total number of A1 properties at the time of the bond sale/total value of all A1 Properties as of the time of the bond sale, to be provided by MUD TAC per GCAD records)
C.	\$30,000	(=) Variance between target value per dwelling unit and average value per dw
D.	\$30,000	Variance between target value per dwelling unit and average value per dwellir
E.	84	(*) Total A1 properties at the time of the bond sale to be provided by MUD TAC per GCAD records
F.	<u>\$2,520,000</u>	(=) estimated AV loss

II. Estimated Annual Revenue Loss Calculation

G.	\$2,520,000	Estimated AV Loss
H.	\$25,200	(/) 100
I.	\$0.4562	(*) Texas city Tax Rate (at time of bond sale)
J.	\$11,497	(=) Estimated Annual Taxes Lost
K.	\$11,497	Estimated Annual Taxes Lost
L.	20	(*) Timing Factor (20 or the term of the bonds, whichever is greater)
M.	\$229,945	(=) Total Payment at time of sale

Exhibit 'B' Conceptual Master Plan



CITY COMMISSION REGULAR MTG

(7) (a)

Meeting Date: 02/04/2026

Submitted By: Brianna Galicia, City Attorney Office

Department: City Attorney Office

Information

ACTION REQUEST

Approve City Commission Minutes for January 21, 2026 meeting. (City Secretary)

BACKGROUND (Brief Summary)

RECOMMENDATION

Fiscal Impact

Attachments

CC Minutes 01-21-26

REGULAR CALLED CITY COMMISSION MEETING

MINUTES

WEDNESDAY, JANUARY 21, 2026 – 5:00 P.M.
KENNETH T. NUNN COUNCIL ROOM – CITY HALL

A Regular Called Meeting of the City Commission was held on Wednesday, JANUARY 21, 2026, at 5:00 P.M. in the Kenneth T. Nunn Council Room in City Hall, Texas City, Texas. A quorum having been met, the meeting was called to order at 5:00 p.m. by Mayor Dedrick D. Johnson.

1. ROLL CALL

Present: Dedrick D. Johnson, Mayor
Thelma Bowie, Commissioner At-Large, Mayor Pro Tem
Abel Garza, Jr. , Commissioner At-Large
DeAndre' Knoxson, Commissioner District 1
Keith Love, Commissioner District 2
Chris Sharp, Commissioner District 3
Jami Clark, Commissioner District 4

2. INVOCATION

Led by Pastor Terry Ray at Cross Pointe Community Church.

3. PLEDGE OF ALLEGIANCE

Led by District 1 Commissioner DeAndre' Knoxson.

4. PROCLAMATIONS AND PRESENTATIONS

a. Service Awards

Randy Sanchez	Inspection	01/11/2016	10 years
Raymond Mason	Public Works	01/24/2011	15 years
Ray Batts	Sanitation	01/30/2006	20 years
John Stevenson	Fire	01/09/2006	20 years

b. Proclaiming January as Human Trafficking Awareness Month

5. REPORTS

a. City Secretary's Office Annual Report

Rhomari Leigh, City Secretary, gave a PowerPoint presentation on the events in her office for 2025.

6. PUBLIC COMMENTS

There were none.

7. CONSENT AGENDA

Commissioner At-Large, Mayor Pro Tem Thelma Bowie, made a motion to approve Consent Agenda items 7a, b, c, and d. The motion was seconded by Commissioner District 4, Jami Clark.

- a. Approve City Commission Minutes for January 7, 2026 meeting. (City Secretary)

Vote: 7 - 0 CARRIED

- b. Consider and take action on Resolution No. 2025-006, awarding ITB 2026-006 and entering into a contract with Cotton Commercial to replace the roof at Moore Memorial Library. (Public Works)

Vote: 7 - 0 CARRIED

- c. Consider and take action on Resolution No. 2026-007, approving the purchase of a new Sanitary and Stormwater Sewer-Line Inspection Camera Van from Chastang Ford through HGAC AM10-23. (Public Works- Utilities)

Vote: 7 - 0 CARRIED

- d. Consider and take action on Resolution No. 2026-010, awarding RFP 2026-003 Financial Audit Services and entering into a contract with Forvis Mazars, LLP. (Finance)

Vote: 7 - 0 CARRIED

8. REGULAR ITEMS

- a. Consider and take action on Resolution No. 2026-008, approving the purchase of (2) International Harvester 20yd rear load garbage trucks from Holt Truck Centers of Texas LLC. through HGAC Contract HT06-20. (Public Works- Sanitation)

Jack Haralson, Public Works Director, recommends that the City of Texas City approves the purchase of equipment for the Sanitation Department.

Motion by Commissioner At-Large Abel Garza, Jr., Seconded by Commissioner District 1 DeAndre' Knoxson

Vote: 7 - 0 CARRIED

- b. Consider and take action on Resolution No. 2026-009, awarding Bid No. 2026-001 Golf Course Pedestrian Bridge Replacement Project and entering into a contract with Carlson McClain Construction Co., LLC. (Public Works and Rec & Tour)

Jack Haralson, Public Works Director, recommends that the City of Texas City award the Golf Course Pedestrian Bridge Replacement Project to Carlson McClain Construction Company, LLC. for a total amount of \$532,040.00.

Motion by Commissioner District 4 Jami Clark, Seconded by Commissioner At-Large, Mayor Pro Tem Thelma Bowie

Vote: 7 - 0 CARRIED

9. COMMISSIONERS' COMMENTS

10. MAYOR'S COMMENTS

As audiovisual recording of this meeting is available on the City's website and retained by the CSO for two years at the date of the adoption of the minutes to which the meeting corresponds.

11. STAFF ANNOUNCEMENTS

12. ADJOURNMENT

Having no further business, Commissioner At Large Abel Garza, Jr. made a MOTION to ADJOURN at 5:35 p.m.; the motion was SECONDED by Commissioner District 1 DeAndre' Knoxson. All present voted AYE. MOTION CARRIED.

DEDRICK D. JOHNSON, MAYOR

ATTEST:

Rhomari Leigh, City Secretary
Date Approved:

CITY COMMISSION REGULAR MTG

(7) (b)

Meeting Date: 02/04/2026

Submission of PY 2024 Consolidated Annual Performance Evaluation Report (CAPER)

Submitted For: Patricia Mata, Community Development/ Grant Admin

Submitted By: Patricia Mata, Community Development/ Grant Admin

Department: Community Development/ Grant Admin

Information

ACTION REQUEST

Review and approve the Consolidated Annual Performance Evaluation Report (CAPER) for the City's CDBG activities for PY 2024, submission to the U.S. Department of Housing and Urban Development.

BACKGROUND (Brief Summary)

The City of Texas City Community Development Department prepared the 2024 Consolidated Annual Performance & Evaluation Report (CAPER), an evaluation of the process of the 2024 Annual Action Plan. Detailing progress made from October 1, 2024, through September 30, 2025, towards achieving the goals set in the FY 2020-2024 Consolidated Plan & Strategy (Con Plan). The CAPER was available for public comment for 15 days from January 05, 2026, to January 22, 2026. The City considered all written or oral comments from citizens in preparing the CAPER. A summary of these comments, including those not accepted and the reasons for their rejection, if any, will be provided date of the commission meeting and attached to the CAPER. The final CAPER and public comments will be submitted to HUD and made available for citizens to review on the City's website.

RECOMMENDATION

Staff recommends approval and submission of PY 2024 CAPER to the U.S Department of Housing and Urban Development.

Fiscal Impact

Funds Available Y/N:

Amount Requested:

Source of Funds:

Account #:

Fiscal Impact:

This item has no fiscal impact.

Attachments

PY 2024 CAPER

Resolution

CR-05 - Goals and Outcomes

Progress the jurisdiction has made in carrying out its strategic plan and its action plan. 91.520(a)

This could be an overview that includes major initiatives and highlights that were proposed and executed throughout the program year.

The City of Texas City Community Development Department prepared the 2024 Consolidated Annual Performance & Evaluation Report (CAPER), an evaluation of the process of the 2024 Annual Action Plan. Detailing progress made from October 1, 2024, through September 30, 2025, towards achieving the goals set in the FY 2020-2024 Consolidated Plan & Strategy (Con Plan).

The funds were utilized to support a range of initiatives, including Housing Rehabilitation, Housing Reconstruction, Commercial Rehabilitation, Neighborhood Cleanup and Beautification, Public Facilities and Improvement, and Transformation and Revitalization Planning. The Housing Rehabilitation Program targeted low-income families and individuals, providing essential repairs and improvements such as plumbing, electrical work, roofing, and structural repairs. By enhancing the quality of housing, the City aimed to improve living conditions, prevent homelessness, and preserve the housing stock. The Community Development Department has completed 14 projects for PY 2024

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)

Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee's program year goals.

Goal	Category	Source / Amount	Indicator	Unit of Measure	Expected – Strategic Plan	Actual – Strategic Plan	Percent Complete	Expected – Program Year	Actual – Program Year	Percent Complete
Administration/Planning	Administration/Planning	CDBG: \$ / General Fund: \$320000 / Federal Home Loan Bank: \$0 / TCEDC: \$0	Homeowner Housing Rehabilitated	Household Housing Unit	0	1	100%	0	1	

Administration/Planning	Administration/Planning	CDBG: \$ / General Fund: \$320000 / Federal Home Loan Bank: \$0 / TCEDC: \$0	Other	Other	0	0				
Expand Public Facilities	Non-Housing Community Development	CDBG: \$	Other	Other	3	0	0.00%			
Housing Reconstruction	Affordable Housing	CDBG: \$ / American Rescue Plan: \$	Homeowner Housing Rehabilitated	Household Housing Unit	5	3	60.00%	0	3	60.00%
Improve Access to Public Facilities	Non-Housing Community Development	CDBG: \$	Other	Other	0	0				
Improve Condition of Housing Stock	Affordable Housing	CDBG: \$ / General Fund: \$0 / American Rescue Plan: \$ / Federal Home Loan Bank: \$0 / TCEDC: \$0	Homeowner Housing Rehabilitated	Household Housing Unit	50	10	20.00%	10	10	100.00%
Improve Facades	Non-Housing Community Development	TCEDC: \$	Facade treatment/business building rehabilitation	Business	10	0	0.00%	10	0	0.00%

Improve Presentation of LMI areas.	Non-Housing Community Development	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	58	421	725.86%	4938	4938	100%
Improve Presentation of LMI areas.	Non-Housing Community Development	CDBG: \$	Public service activities for Low/Moderate Income Housing Benefit	Households Assisted	0	0		4938	0	0.00%
Improve Presentation of LMI areas.	Non-Housing Community Development	CDBG: \$	Buildings Demolished	Buildings	15	0	0.00%			
Improve Presentation of Low- to Mod-Areas		CDBG: \$ / General Fund: \$0 / Federal Home Loan Bank: \$0 / TCEDC: \$0	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	0		4938	0	0.00%
Modernize/Repair Public Housing Buildings	Affordable Housing Public Housing Non-Homeless Special Needs	CDBG: \$	Rental units rehabilitated	Household Housing Unit	25	0	0.00%			

Provide Housing Assistance	Affordable Housing Non-Homeless Special Needs	CDBG: \$ / General Fund: \$0 / Federal Home Loan Bank: \$0 / TCEDC: \$0	Public service activities for Low/Moderate Income Housing Benefit	Households Assisted	80	0	0.00%	500	0	0.00%
Provide Housing Assistance	Affordable Housing Non-Homeless Special Needs	CDBG: \$ / General Fund: \$0 / Federal Home Loan Bank: \$0 / TCEDC: \$0	Direct Financial Assistance to Homebuyers	Households Assisted	5	0	0.00%	2	0	0.00%
Provide Supportive Services & Employment for Youth	Non-Housing Community Development	CDBG: \$	Public service activities for Low/Moderate Income Housing Benefit	Households Assisted	6	0	0.00%			

Table 1 - Accomplishments – Program Year & Strategic Plan to Date

Assess how the jurisdiction’s use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.

Table 1 demonstrates that the jurisdiction’s use of CDBG funds is generally aligned with the priorities and objectives identified in the Strategic Plan, with the strongest performance occurring in housing rehabilitation and public service activities benefiting low- and moderate-income (LMI) residents. Highest priority activities, particularly those related to improving the condition of the housing stock, show meaningful progress. The “Improve Condition of Housing Stock” objective achieved 100 percent of its Program Year goal, with 10 homeowner housing units rehabilitated, and reached 20 percent of the broader Strategic Plan target of 50 units, indicating steady advancement toward long-term housing goals. Similarly, housing reconstruction activities, while at 60 percent of the Strategic Plan goal, did achieve the Program Year target, reflecting effective use of

CDBG and ARP funds within the reporting period.

Public service activities under the objective to “Improve Presentation of LMI Areas” significantly exceeded Strategic Plan expectations, with 421 persons assisted compared to an expected 58, representing over 700 percent completion to date, and full achievement of the Program Year goal of 4,938 persons assisted. This indicates a strong emphasis on service delivery to LMI populations and a successful deployment of CDBG resources to meet immediate community needs.

CR-10 - Racial and Ethnic composition of families assisted

Describe the families assisted (including the racial and ethnic status of families assisted).

91.520(a)

	CDBG
White	6
Black or African American	8
Asian	0
American Indian or American Native	0
Native Hawaiian or Other Pacific Islander	0
Total	14
Hispanic	2
Not Hispanic	0

Table 2 – Table of assistance to racial and ethnic populations by source of funds

Narrative

During the reporting period, CDBG-funded projects assisted a total of 16 families, reflecting a diverse racial and ethnic composition. Of the households served, six identified as White, eight identified as Black or African American, and two identified as Hispanic. This distribution demonstrates that CDBG resources were utilized to benefit households across multiple racial and ethnic groups, consistent with the program’s objective to address community development needs and support low- and moderate-income populations without discrimination.

CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	public - federal	666,014	143,280.40
General Fund	public - local	320,000	188,403.27
Other	public - federal	990,000	n/a
Other	public - local	990,000	n/a

Table 3 - Resources Made Available

Narrative

During PY' 2024, a total of \$143,280.40 was expended to provide housing rehabilitation, administration and planning, neighborhood cleanup, and beautification. The city has committed to paying for staff salaries and other expenses for the department to operate, allowing the entirety of the funds to benefit programs. The city did not receive other federal or local funds to leverage with CDBG funds.

Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
1867 Settlement District			
City Wide	10		
Greater Chelsea Manor			
Low and Moderate Income Areas	90	100%	Census Tract and Block Groups

Table 4 – Identify the geographic distribution and location of investments

Narrative

The attached map shows the area map on the Low- and Moderate-Income Area Data based on 2016-2020. The activities completed demonstrate that 100% of the funds used benefited Low and moderate-income areas, including: 722700.3, 722600.1, 722200.3, 722300.1, 722200.4, 722200.2, 722100.5. Many households qualified for the program based on household income, while other projects were conducted in Low and moderate-income areas.

Leveraging

Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.

The City will expend the remaining State and Local Fiscal Recovery Funds (SLFRF), also known as American Rescue Plan Act (ARPA) funds, in PY 2026. One of two Housing Reconstruction projects committed in 2022 was completed in March 2024, with total expenditures of \$296,352.27. The City also completed its final Housing Rehabilitation projects, leveraging \$5,000 to \$25,000 in ARPA funds with CDBG. No additional funding sources were leveraged with CDBG during the remainder of PY 2024.

CR-20 - Affordable Housing 91.520(b)

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

	One-Year Goal	Actual
Number of Homeless households to be provided affordable housing units	0	0
Number of Non-Homeless households to be provided affordable housing units	30	0
Number of Special-Needs households to be provided affordable housing units	0	0
Total	30	0

Table 11 – Number of Households

	One-Year Goal	Actual
Number of households supported through Rental Assistance	0	0
Number of households supported through The Production of New Units	0	0

	One-Year Goal	Actual
Number of households supported through Rehab of Existing Units	20	10
Number of households supported through Acquisition of Existing Units	0	0
Total	20	0

Table 12 – Number of Households Supported

Discuss the difference between goals and outcomes and problems encountered in meeting these goals.

The City of Texas City maintains an active First-Time Homebuyer Program; however, participation has been limited due to high mortgage interest rates and elevated home prices. To address these market barriers and strengthen housing readiness, the Community Development Department proposes offering free HUD-approved homebuyer education through a third-party provider. The six-week course covers financial management, basic banking, consumer rights, credit education, and homebuyer training. While current market conditions limit the City’s ability to deliver affordable ownership units, this initiative advances affordable housing goals by equipping prospective buyers with the knowledge and financial preparedness needed to make informed decisions and pursue sustainable homeownership when conditions improve.

Discuss how these outcomes will impact future annual action plans.

For the next Annual Action Plan, the Community Development Department will reanalyze local housing market conditions to assess the feasibility of first-time homebuyer activities under prevailing economic trends. Based on this assessment, the City anticipates adjusting performance goals by reducing the number of first-time homebuyers served and redirecting resources toward housing rehabilitation and preservation. This strategic shift will prioritize maintaining the existing housing stock, preventing further deterioration of affordable units, and ensuring continued benefit to low, and moderate-income households while remaining responsive to changing market conditions.

Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.

Number of Households Served	CDBG Actual	HOME Actual
Extremely Low-income	3	0
Low-income	4	0

Moderate-income	7	0
Total	14	0

Table 13 – Number of Households Served

Narrative Information

During the program year, the City’s CDBG-funded housing activities served a total of 14 households for which income eligibility was determined based on family size, in accordance with HUD requirements. Of these households, three were classified as extremely low-income, four were low-income, and seven were moderate-income. No households were served under HOME-funded activities during the reporting period. These outcomes demonstrate that CDBG resources continued to primarily benefit low- and moderate-income households, consistent with national objective requirements.

CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)

Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

Each year, the City and Community Development Department supports, if not participates, in the annual Point-In-Time (PIT) count led by the Galveston County Homelessness Coalition. In this annual survey, City volunteers and community leaders join to collect data and assess the needs of sheltered and unsheltered persons experiencing homelessness. Some of their needs include housing, health, mental health, social services, employment, education, and youth services. In turn, the City and Community Development Department have historically reported and encouraged community leaders to create initiatives and efforts to mitigate these issues.

Beyond data collection, outreach teams provide information and referrals to local resources such as emergency shelters, food assistance programs, and supportive services. The City uses PIT findings to inform local strategies and encourage community partners to develop initiatives that address identified gaps, ensuring that unsheltered and sheltered persons experiencing homelessness receive targeted support aimed at transitioning them toward stable housing and self-sufficiency.

Addressing the emergency shelter and transitional housing needs of homeless persons

While the City does not directly offer emergency and transitional shelter, the City will continue to make referrals to local agencies that provide these essential services. The Department is also reviving the project to supply grants to nonprofits that provide emergency shelter and transitional housing throughout Galveston County.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); and, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

The Mayor's Task Force on Homelessness convenes regularly to identify gaps and coordinate strategies with local service providers, health care facilities, corrections programs, veterans' services, and youth agencies. This collaboration ensures individuals at greatest risk are connected to housing and supportive services before a crisis occurs.

Throughout the program year, the Task Force and partner agencies assisted nearly 200 individuals and families who were experiencing or at risk of homelessness. Services included referrals to emergency housing, public housing programs, job placement resources, and social services that stabilize households and prevent shelter entry.

Additionally, the Community Development Department's Housing Rehabilitation Program helps low-income homeowners maintain safe, code-compliant housing. By providing repairs up to \$20,000 at no cost to the homeowner, the program prevents displacement and homelessness among vulnerable populations, including elderly and disabled residents, preserving affordable housing stock and neighborhood stability.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

Through Community Development and Mayor's Task Force on Homelessness programming throughout the year, the entities bring together community stakeholders that specialize in assisting homeless families, veterans, and unaccompanied youth make the transition into long term housing care. With representation from the Texas City Housing Authority as well, individuals are able to connect with entities and organizations through our programming to prevent homelessness.

Based on the feedback the City has received from the event, the Department has created a running database of Community Resources throughout the city, county, and state that provide an array of resources to homeless persons and those at-risk to serve as a starting point and way for residents to connect with key community stakeholders.

CR-30 - Public Housing 91.220(h); 91.320(j)

Actions taken to address the needs of public housing

To address the needs of public housing, the Community Development Department supports the Texas City Housing Authority through referrals and staying up to date on new policies and procedures that could affect public housing beneficiaries. The Texas City Housing Authority has not requested any assistance from the City.

Actions taken to encourage public housing residents to become more involved in management and participate in homeownership

The Texas City Housing Authority staff are informed of CDBG-funded programs, such as fair housing and the First-Time Homebuyer program.

Actions taken to provide assistance to troubled PHAs

Texas City Housing Authority is not a troubled Public Housing Authority.

CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)

Actions taken to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment. 91.220 (j); 91.320 (i)

The Community Development Department actively monitors city, state, and federal regulations to identify and address barriers to affordable housing, including zoning ordinances, land use controls, building codes, and development fees. In coordination with the City Attorney and Planning Division, the Department reviews proposed policy changes and advocates for measures that support housing affordability for housing projects.

During the program year, the Department continued implementing its Housing Rehabilitation Program, which reduces the impact of maintenance costs on low- and moderate-income homeowners at no cost to them. This program provides funds for essential repairs up to \$20,000 to offset the costs associated with owning a home to those often elderly or disabled in addition to being low-to-moderate income. This program helps preserve the existing affordable housing stock and prevents displacement, complementing broader efforts to reduce regulatory barriers and encourage reinvestment in older, often underserved neighborhoods.

Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)

The City of Texas City has taken targeted and adaptive actions to address obstacles to meeting underserved community needs, particularly in housing and public services. Recognizing market constraints such as high housing costs, elevated interest rates, and limited affordable inventory, the City has adjusted its strategies to focus on activities with the greatest immediate impact for low- and moderate-income residents.

Key actions include prioritizing housing rehabilitation and preservation to maintain the existing affordable housing stock, thereby preventing displacement and further deterioration of owner-occupied units. The City has also continued to leverage CDBG funds where feasible to maximize limited resources and ensure compliance with national objectives.

To address barriers to homeownership, the City maintains an active First-Time Homebuyer Program and is strengthening housing readiness through HUD-approved homebuyer education offered at no cost through third-party providers. This approach equips underserved households with essential financial and consumer knowledge, positioning them to pursue sustainable homeownership when market conditions improve.

Additionally, the City evaluates program performance annually and uses data-driven market analysis to realign goals and funding priorities in future Annual Action Plans. Through these

measures, Texas City demonstrates a responsive and proactive approach to overcoming obstacles and advancing equitable access to housing and services for underserved populations.

Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)

The Community Development Department's Inspector evaluates each home and the scope of work needed, and if any, lead-based paint hazards exist. The Housing rehabilitation program works with a third-party certified professional company that abates LBP hazards. No abatements were required for PY 2024.

Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)

The City of Texas City, through its Community Development Department, works to reduce the number of poverty-level families by targeting CDBG-funded activities that benefit low- and moderate-income households. These actions include investing in housing rehabilitation to preserve safe and affordable homes, supporting public service programs that address basic needs, maintaining a First-Time Homebuyer Program with homebuyer education to promote long-term economic stability, and prioritizing activities that improve living conditions and reduce cost burdens. Together, these efforts help stabilize households, prevent displacement, and support pathways toward self-sufficiency.

Actions taken to develop institutional structure. 91.220(k); 91.320(j)

The City of Texas City has taken several actions to develop and strengthen its institutional structure to effectively implement community development programs. The Community Development Department has focused on building internal capacity by hiring and training staff in federal program requirements, financial management, and compliance monitoring to ensure effective administration of CDBG and related programs.

Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)

The City actively collaborates with stakeholders, including local non-profits, service providers, housing developers, and other municipal departments, to coordinate resources, align priorities, and expand program impact. Planning activities, such as annual reviews of the Consolidated Plan, market analyses, and community needs assessments, inform decision-making and program design.

Through these efforts, Texas City has enhanced its organizational capacity, improved interdepartmental and community coordination, and established a robust framework to deliver housing, public services, and economic development initiatives in a structured, compliant, and sustainable manner.

Identify actions taken to overcome the effects of any impediments identified in the jurisdictions analysis of impediments to fair housing choice. 91.520(a)

Based on the City of Texas City's Analysis of Impediments to Fair Housing Choice completed in PY 2023, the City has taken targeted actions to address identified barriers and promote equitable access to housing. Key actions include:

1. **Enhancing Housing Opportunities:** The City continues to support housing rehabilitation and preservation programs that maintain safe, affordable housing across neighborhoods, particularly in areas with limited housing options.
2. **Promoting Fair Housing Education:** The Community Development Department provides outreach and education to residents, landlords, and service providers regarding fair housing rights, discrimination prevention, and available complaint procedures.
3. **Strengthening Partnerships:** The City collaborates with local non-profits, housing providers, and community stakeholders to expand housing opportunities for protected classes and underserved populations.
4. **Integrating Fair Housing into Planning:** Fair housing considerations are incorporated into all housing and community development planning activities, including the First-Time Homebuyer Program, housing rehabilitation efforts, and public service initiatives, ensuring that programs reduce segregation and barriers to choice.

Through these coordinated efforts, Texas City actively works to mitigate the effects of identified impediments, increase housing choice, and promote equitable access for all residents.

CR-40 - Monitoring 91.220 and 91.230

Describe the standards and procedures used to monitor activities carried out in furtherance of the plan and used to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

The City of Texas City employs established standards and procedures to monitor activities carried out in furtherance of its Consolidated Plan and to ensure long-term compliance with applicable federal, state, and local program requirements. All CDBG-funded activities are administered in accordance with HUD regulations, adopted local policies, and approved Annual Action Plans. The Community Development Department conducts ongoing financial and performance monitoring, including review of expenditures, eligibility documentation, national objective compliance, environmental clearance, and adherence to procurement and labor standards.

Subrecipients and contractors are monitored through written agreements, regular desk reviews, and on-site inspections, as applicable, to verify programmatic performance, timeliness, and recordkeeping. Corrective actions are required when deficiencies are identified, and follow-up is conducted to ensure resolution. The City also tracks long-term compliance for housing activities, including affordability requirements, property standards, and income eligibility, to ensure continued benefit to low- and moderate-income households using Neighborly and financial record software.

Citizen Participation Plan 91.105(d); 91.115(d)

Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.

For each report and official action taken in regard to CDBG funds, the Department provides ample notice to the public. Following the regulations set forth by the City's Citizen Participation Plan, the Department provides copies of CDBG reports and official actions and meetings at the Moore Memorial Public Library, City Hall, and the City Hall Annex. Depending on the official report, the document will be available at these locations for public comment for at least a 15-day period. Additionally, there may also be public hearings for official reports to receive public feedback.

In addition, the Department provides 24/7 access to the City's recent CDBG reports through the City's website. On the website, people are able to submit public comments during the public comment period through a Microsoft Form. Lastly, each report, CDBG action, and meeting, such

as the Citizen Advisory Committee, is posted for at least 15 days in the Galveston Daily News newspaper. The public is able to attend the meeting and also submit public comments regarding official agenda items.

CR-45 - CDBG 91.520(c)

Specify the nature of, and reasons for, any changes in the jurisdiction’s program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.

The City of Texas City has remained dedicated to consistently improving its programs, utilizing lessons from past program years and funding cycles. The Department has focused on expending funds in a timely manner by updating work cycles and flows, revisiting previous years’ projects and goals, establishing and maintaining community and governmental relationships, and reconciling current and previous years’ budgets. The largest accomplishments are captured through housing preservation.

Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?

No, the City of Texas City does not have any open Brownfields Economic Development Initiative grants.

[BEDI grantees] Describe accomplishments and program outcomes during the last year.

N/A

CR-58 – Section 3

Identify the number of individuals assisted and the types of assistance provided

Total Labor Hours	CDBG	HOME	ESG	HOPWA	HTF
Total Number of Activities	0	0	0	0	0
Total Labor Hours					
Total Section 3 Worker Hours					
Total Targeted Section 3 Worker Hours					

Table 15 – Total Labor Hours

Qualitative Efforts - Number of Activities by Program	CDBG	HOME	ESG	HOPWA	HTF
Outreach efforts to generate job applicants who are Public Housing Targeted Workers					
Outreach efforts to generate job applicants who are Other Funding Targeted Workers.					
Direct, on-the job training (including apprenticeships).					
Indirect training such as arranging for, contracting for, or paying tuition for, off-site training.					
Technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).					
Outreach efforts to identify and secure bids from Section 3 business concerns.					
Technical assistance to help Section 3 business concerns understand and bid on contracts.					
Division of contracts into smaller jobs to facilitate participation by Section 3 business concerns.					
Provided or connected residents with assistance in seeking employment including: drafting resumes, preparing for interviews, finding job opportunities, connecting residents to job placement services.					
Held one or more job fairs.					
Provided or connected residents with supportive services that can provide direct services or referrals.					
Provided or connected residents with supportive services that provide one or more of the following: work readiness health screenings, interview clothing, uniforms, test fees, transportation.					
Assisted residents with finding child care.					
Assisted residents to apply for, or attend community college or a four year educational institution.					
Assisted residents to apply for, or attend vocational/technical training.					
Assisted residents to obtain financial literacy training and/or coaching.					
Bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.					
Provided or connected residents with training on computer use or online technologies.					

Promoting the use of a business registry designed to create opportunities for disadvantaged and small businesses.					
Outreach, engagement, or referrals with the state one-stop system, as designed in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.					
Other.					

Table 16 – Qualitative Efforts - Number of Activities by Program

Narrative

There were no activities completed during PY 2024 that applied to Section 3.

RESOLUTION NO. 2026-011

A RESOLUTION APPROVING THE CONSOLIDATED ANNUAL PERFORMANCE EVALUATION REPORT (CAPER), FOR THE CITY'S CDBG ACTIVITIES FOR PROJECT YEAR 2024, TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT; AND PROVIDING THAT THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, the City is required to submit annually by December 30, 2025, a CAPER to HUD that describes the City's progress in meeting the goals in the Five-year Consolidated Plan; and

WHEREAS, it is recommended by the Director of Community Development & Grants Administration that the Fiscal Year - 2024 CAPER be submitted to HUD.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF TEXAS CITY, TEXAS:

SECTION 1: That the City Commission of the City of Texas City hereby authorizes the submission of this document (CAPER) to be approved in compliance with HUD regulations.

SECTION 2: That this resolution shall be in full force and effect from and after its passage and adoption.

PASSED AND ADOPTED this 4th day of February 2026.

Dedrick D. Johnson, Sr., Mayor
City of Texas City, Texas

ATTEST:

APPROVED AS TO FORM:

Rhomari D. Leigh
City Secretary

Kyle L. Dickson
City Attorney

CITY COMMISSION REGULAR MTG

(7) (c)

Meeting Date: 02/04/2026

Consider and take action on Resolution No. 2026-012 approving an agreement for the purchase and delivery of treated wastewater effluent between the City of Texas City and Valero Refining-Texas, L.P.

Submitted For: Kim Golden, Transportation and Planning

Submitted By: Curt Kelly, Transportation and Planning

Department: Transportation and Planning

Information

ACTION REQUEST

Consider and take action on Resolution No. 2025-156 regarding an agreement for the purchase and delivery of treated wastewater effluent between the City of Texas City and Valero Refining-Texas, L.P.

BACKGROUND (Brief Summary)

Valero Refining - Texas, LP owns and operates a petroleum refinery located in Texas City, TX. On July 10, 2013, the City of Texas City entered into an agreement with Valero Refining - Texas, L.P., pursuant to which Valero was granted a five (5)- year, non-exclusive option to purchase treated wastewater effluent for various approved uses, as specified in 30 TAC Chapter 210, including cooling tower make-up water. The Option Agreement has been extended through February 20, 2026 by various amendments approved by the City Commission.

Valero exercised the option by notice provided on August 29, 2024, and the parties have been working diligently to negotiate terms and draft a long-term agreement for the purchase of treated wastewater effluent and for the lease of property necessary to construct facilities to deliver the treated wastewater to the Valero refinery in Texas City.

The City of Texas City and Valero Refining - Texas, L.P. have reached an agreement for the delivery of treated wastewater to Valero upon terms which are acceptable to Valero and recommended to the City Commission by staff for approval. A copy of the final draft of the agreement is attached.

RECOMMENDATION

Staff recommend approval of the Agreement for the Delivery of Treated Wastewater between Valero Refining - Texas, L.P and the City of Texas City.

Fiscal Impact

Funds Available Y/N: N/A

Amount Requested: N/A

Source of Funds: N/A

Account #: N/A

Fiscal Impact:

No fiscal impact

Attachments

Final Draft Agreement
Resolution

Agreement for the Delivery of Treated Wastewater

**Between
Valero Refining – Texas, L.P. and The City of Texas City**

This Agreement for the Delivery of Treated Wastewater (the “Agreement”) is made by and between The City of Texas City (the “City”) and Valero Refining – Texas, L.P. (“Valero”). Valero and the City may hereinafter be referred to as a “Party” or collectively as the “Parties”.

WHEREAS, Valero owns and operates a petroleum refinery located at 1201 Loop 197 South, Texas City, TX 77590 Texas City, Texas (the “Refinery”);

WHEREAS, for purposes of this Agreement, the term “treated wastewater” shall mean the effluent discharged from the Texas City Wallace Knox Wastewater Treatment Plant (“TCWWTP”), which is compliant with the City’s applicable permits for the operation of a municipal wastewater treatment plant and meeting the quality requirements as set forth in 30 TAC Chapter 210 for Providers or Producers. For purposes of this Agreement, “Provider” shall mean a person or entity that distributes reclaimed water to a User(s) of reclaimed water. The reclaimed water Provider may also be a reclaimed water Producer. A “Producer” is a person or entity that produces reclaimed water by treating domestic wastewater or municipal wastewater, in accordance with a permit or other authorization of the Texas Commission on Environmental Quality (“TCEQ”), to meet the quality criteria established in 30 TAC Chapter 210.

WHEREAS, the Parties have entered into that certain Agreement Regarding an Option to Purchase Treated Wastewater Effluent, which option Valero exercised by notice provided on August 29, 2024, and which option the Parties deem fully performed and satisfied by the execution of this Agreement.

WHEREAS, the City and Valero would like to enter into an agreement for the delivery of treated wastewater to Valero for Valero’s use as a User for the approved purposes set forth in 30 TAC Chapter 210 including, but not limited to, cooling tower makeup. For purposes of this Agreement, a “User” is a person or entity utilizing reclaimed water for a beneficial use, in accordance with the requirements set forth in 30 TAC Chapter 210.

WHEREAS, it is contemplated the Parties will enter into the “Lease Agreement” as defined in Section I below.

NOW, THEREFORE, for and in consideration of mutual covenants herein contained, and other good and valuable consideration, it is agreed by and between the Parties as follows:

I. Definitions and Pre-Conditions to Treated Wastewater Delivery.

A. *Certain Definitions.* The following capitalized terms will have the following meanings in this Agreement:

“Bleach Injection Equipment” means a bleach tank, pumps, and any associated piping.

“Certificate of Substantial Completion” means a notice issued by a licensed professional engineer for Valero to the City certifying that the Infrastructure is Substantially Complete, including the date the Infrastructure became Substantially Complete.

“City Right-of-Way” means Segment 1, Segment 2 and Segment 3.

“City Connection Point” means a point at the intersection of Texas Avenue with 6th Street/Texas State Hwy 197, which is the end of Segment 3.

“City Connection Point Equipment” means equipment installed at the City Connection Point that will allow future connection by the City to the Pipeline.

“Custody Meter” means a water meter and all related equipment located between the TCWWTP and the Holding Tank. The Custody Meter shall be located at the Delivery Point.

“Delivery Commencement Date” means the sooner of ninety (90) days after the Infrastructure Completion Date or the date on which treated wastewater meeting the quantity and quality requirements set forth in this Agreement is ready and available for delivery to Valero.

“Delivery Point” means the location of the Custody Meter.

“*Effective Date*” means the date upon which this Agreement is approved by the City and Valero.

“Existing Pipeline” means an existing 16” water pipeline located within Segment 2.

“Holding Tank” means an above-ground tank sufficient to hold the treated wastewater, together with related infrastructure to connect to both the TCWWTP and to the Pipeline, including the Pump Station.

“Holding Tank Site” means a parcel of land adjacent to the TCWWTP, which the parties contemplate will be leased by Valero from the City under the Lease Agreement, on which Valero will construct the Holding Tank.

“Infrastructure” means the Pump Station, Holding Tank, Bleach Injection Equipment, Sampler, Custody Meter, Pipeline and City Connection Point Equipment.

“Infrastructure Completion Date” means the date on which the Infrastructure is Substantially Complete and ready to transport the treated wastewater. Valero will deliver to City a Certificate of Substantial Completion within thirty (30) days of the Infrastructure Completion Date.

“Initial Delivery Term” means a ten-year period beginning on the Delivery Commencement Date.

“Lease Agreement” means a contemplated written lease agreement documenting the following: (a) lease of the Holding Tank Site and the Existing Pipeline to Valero, (b) a license along existing roads on the TCWWTP connecting the Holding Tank Site to Bay Street allowing Valero vehicular and pedestrian access to the Holding Tank Site; and (c) the right to use the Existing Pipeline, and to connect the New Pipeline into the Existing Pipeline at both ends of the Existing Pipeline.

“New Pipeline” means a new 16” water pipeline to be constructed by Valero within Segment 1, Segment 3, and Segment 4, that connects with Existing Pipeline in Segment 2 to form, together with the Existing Pipeline, the Pipeline.

“Pipeline” means all water piping on the Holding Tank Site, together with the New Pipeline and the Existing Pipeline.

“Pump Station” means a water pumping station to be located on the Holding Tank Site.

“RERA Deadline” means the 3rd anniversary of the Effective Date.

“Real Estate Rights Acquisition” (RERA) means that Valero has: (i) executed a Lease Agreement with the City; (ii) obtained from the City a pipeline license agreement sufficient to install the New Pipeline in the City Right-of-Way; (iii) obtained from all relevant third parties real estate rights sufficient to install the New Pipeline in the Third Party Right-of-Way, and (iv) all necessary permits to construct and operate the Infrastructure.

“ROW Acquisition and Construction Period” means the time period between the Effective Date and the Delivery Commencement Date.

“Sampler” means a composite sampler or on-line analyzer located between the TCWWTP and the Holding Tank.

“Segment 1”, “Segment 2”, “Segment 3”, and “Segment 4” are all generally shown on the map attached as Exhibit 1.

“Segment 1” means the new pipeline that begins at the TCWWTP on the site where the effluent has received its final treatment. The new pipeline would then travel generally south along Bay Street Extension right-of-way to the intersection of Bay Street and 25th Avenue, a distance of approximately 4,500 linear feet, where the new pipeline will connect to the existing 16-inch reclaimed water line in Segment 2.

“Segment 2” means the existing Bay Street 16-inch reclaimed water pipeline that travels due south along Bay Street for approximately 9,000 feet to the intersection of Bay Street and Martin Luther King (1st Avenue South).

“Segment 3” means the new pipeline that will connect to Segment 2 at a point on Bay Street where it meets Texas Avenue, one block north of the actual end point of Segment 2. Beginning at the intersection of Texas Avenue and Bay Street, the new pipeline will connect to Segment 2 and travel due west along Texas Avenue approximately 3,000 linear feet to Loop 197.

“Segment 4” means the new pipeline that will travel from a connection to Segment 3 at the intersection of Texas Avenue and Loop 197 and travel generally along Loop 197 approximately 6,100 linear feet to the end point at or in the Refinery. The exact/final location of Segment 4, which will be located on Third Party Right-of-Way will be at Valero’s discretion based on its negotiations with the relevant third parties.

“Substantially Complete” means that date when the Infrastructure (i) has passed any required performance tests that are stipulated in the construction documents; and (ii) is certified by Valero or Valero’s representative as being complete or ready to be put into service, or being used for the purpose intended and a Certificate of Substantial Completion is issued; and (iii) only non-critical punch list items remain to be completed by the construction contractor(s). Non-critical punch list

items are items that do not measurably affect safety, protection of the environment, efficiency, or quality.

“Term” means the Initial Delivery Term, plus any renewal term that is exercised under Section V.B.

“Third Party Right-of-Way” is defined as Segment 4.

B. *ROW Acquisition and Construction Period.* The delivery and receipt of treated wastewater under this Agreement is pre-conditioned upon: (i) Real Estate Rights Acquisition; and (ii) construction of the Infrastructure. If the Real Estate Rights Acquisition is not completed by the RERA Deadline, then this Agreement shall terminate as of the RERA Deadline unless the parties have mutually agreed to extend the RERA Deadline in writing.

C. *Valero’s Acquisition of Rights.* Valero will use commercially reasonable efforts to achieve the Real Estate Rights Acquisition before the RERA Deadline, and understands that it will need to follow the City’s established procedures for bidding to enter into the Lease Agreement, and for acquiring the pipeline license agreement for the New Pipeline within the City Right-of-Way. The Real Estate Rights Acquisition will be at Valero’s sole cost. If Valero determines that it will not be possible to acquire the real estate rights for the New Pipeline within the Third Party Right-of-Way, it shall have the right to terminate this Agreement upon written notice to the City prior to the RERA Deadline.

D. *Design and Construction of Infrastructure.* Valero shall be responsible for the design and construction, in consultation with the City, of the Infrastructure for delivery of treated wastewater to Valero. Once constructed, Valero shall operate and maintain the Infrastructure from and after the Delivery Point. The Infrastructure shall be designed and constructed in accordance with any applicable laws, rules, regulations and ordinances and in a recognized and generally accepted good engineering and workmanlike manner and with the same degree of care, skill and diligence as is customary in the industry for similar jobs or projects. Once Valero completes the Real Estate Rights Acquisition, it will diligently pursue the construction of all Infrastructure, at its sole cost and expense, and it will provide at least 30 days’ notice prior to the anticipated Infrastructure Completion Date. Upon completion of the Infrastructure, and subject to Valero’s compliance with the terms of this Agreement, the Infrastructure shall be for the exclusive benefit of Valero during the Term. Valero shall own all Infrastructure constructed other than the Custody Meter and the Sampler. Valero shall lease but not own the Existing Pipeline. Valero shall provide a dedicated treated wastewater delivery main where the Pipeline connects to Valero’s onsite storage and/or process equipment at the Refinery. All equipment at the Refinery connecting into the Pipeline will comply with the all applicable laws relating to cross connections and backflow, including but not limited to 30 TAC Chapter 210.

E. *Custody Meter and Sampler.* The City shall install a Custody Meter and Sampler, the cost of which will be reimbursed by Valero as well as any replacement thereof unless due to the City’s failure to properly maintain. The Custody Meter shall be reasonably satisfactory to Valero. The Sampler and location of the Sampler shall be reasonably satisfactory to Valero. The City shall own the Custody Meter and the Sampler.

F. *Permits.* The City shall apply for and Valero shall assist in obtaining such permits from appropriate entities and agencies, including without limitation the Texas Commission on Environmental Quality (TCEQ), as may be necessary for construction of the delivery facilities. The cost of permits and any applications for the delivery of treated wastewater pursuant to this Agreement, if any, shall be reimbursed by Valero. The City shall assist and support Valero in connection with any approvals or permits sought by Valero which are not inconsistent with the City's interests, including any approvals or permits required by the Texas Department of Transportation (TxDOT). Valero shall assist and support the City in connection with any approvals or permits sought by the City which are not inconsistent with Valero's own interests. All direct, out-of-pocket costs incurred by the City in connection with the foregoing shall be reimbursed by Valero, including the reasonable fees of any professional consulting services provided for the City.

G. *City Review.* The City shall be entitled to review, approve and inspect the design and construction of all Infrastructure for compliance with applicable City ordinances and for the purpose of finding it acceptable for purposes of assuming the operation and maintenance of same, such approval not to be unreasonably withheld, conditioned or delayed. Valero's design and construction activities shall at all times, and upon reasonable advance notice, be available to City for inspection; provided, that City shall have no obligation to inspect except as may be its obligation according to otherwise applicable laws or permits.

H. *Reimbursement by Valero for City Expenses.* Valero will reimburse the City as provided in this Agreement, as and when invoiced by the City. Such payment for charges approved in invoices by Valero shall occur within thirty (30) calendar days after such invoice is received by Valero. If Valero determines that any such charges are not agreed upon, Valero shall provide to the City a reasonably detailed explanation within ten (10) calendar days of having received the related invoice as to such determination. However, Valero shall pay the portion of the invoice not in question within the agreed time. The Parties will seek to resolve all such disputes expeditiously and in good faith.

I. If either Party is unable to obtain any of the permits, easement, rights of ways, or other property or facilities necessary for the construction of the facilities contemplated in this Agreement or to operate as required to perform the obligations of this Agreement by the RERA Deadline the Agreement shall terminate as of the RERA Deadline unless the parties have mutually agreed to extend the RERA Deadline in writing.

J. If for any reason construction of the Infrastructure does not commence within four (4) years from the Effective Date the Agreement may be terminated by either Party upon not less than sixty (60) days written notice.

K. If for any reason construction of the Infrastructure is not Substantially Complete within five (5) years from the Effective Date the Agreement may be terminated by either Party upon not less than sixty (60) days written notice.

II. Treated Wastewater Delivery - Quantity.

A. *Quantity.* The City shall use commercially reasonable efforts to deliver to Valero treated wastewater produced at the TCWWTP during the Term. For purposes of this Agreement, "commercially reasonable efforts" shall mean efforts conducted in good faith and in accordance

with commonly accepted municipal water practices. Valero shall have the exclusive right to any and all treated wastewater produced at the TCWWTP up to two (2) million gallons per day (MGD) and the right of first refusal from two (2) MGD to four (4) MGD. The term “deliver” shall mean and require all commercially reasonable efforts to assure that the quality and quantities of treated wastewater provided for in this Agreement are available to Valero at the Delivery Point pursuant to the terms of this Agreement. For purposes of this Agreement, the quantity of treated wastewater delivered shall be that as measured by the City at the Delivery Point. The source of the treated wastewater will be the TCWWTP; however, the City may, at its option and sole discretion, substitute water from sources other than the TCWWTP in order to perform its obligations hereunder, if such water otherwise meets the quantity and quality requirements of this Agreement. Notwithstanding any other provision in this Agreement, the City has no obligation or liability whatsoever to make up for any insufficiency in the quality or quantity of treated wastewater it is able to provide to Valero when using commercially reasonable efforts and Valero has no obligation or liability whatsoever to take or pay for any treated wastewater not made available by the City and/or not meeting the quality requirements set forth in this Agreement.

B. Delivery Quantities. The Parties understand and agree that Valero may, in its sole discretion, elect not to take delivery of any amount of the treated wastewater to which it is entitled under this Agreement. Should Valero so elect, and provided that treated wastewater meeting the quality requirements set forth in this Agreement is available for delivery, Valero will pay for the Minimum Daily Delivery Amount (as defined in Section IV.A.) at the rate for undelivered treated wastewater set forth in Section IV of this Agreement. If Valero elects to take delivery of treated wastewater, then on or before the 20th day of each month, Valero shall notify the City of the amount of treated wastewater the City shall deliver to Valero the following month and the delivery schedule for such treated wastewater. The City shall deliver such amounts to Valero in accordance with the notifications. If the City fails to provide the requested and required quality and quantity of water, Valero need not make the payment for any amount, including the Minimum Daily Delivery Amount, that is not delivered that month. The City acknowledges and agrees that Valero may sell or transfer the treated wastewater to affiliated entities and/or third parties at terms solely within Valero’s discretion; provided, however, that any sales by Valero to third parties shall be restricted to those third parties performing work or other services at the Valero refinery or on property owned, leased or otherwise in the possession of Valero.

C. Right to Additional Wastewater. The City and Valero agree that in the event that the City has treated wastewater in excess of four (4) mgd available, the City may at its sole unfettered discretion offer such additional amounts as may be available to Valero for purchase at the price stated herein; provided, however, that City is under no obligation to offer such excess treated wastewater to Valero and Valero has no obligation to purchase such excess treated wastewater.

D. Metering.

1. The City shall be responsible for the maintenance and repair of the Custody Meter. Valero shall reimburse City for the cost of any required replacement of the Custody Meter unless due to the City’s failure to properly maintain. The City shall permit Valero’s employees or agents to enter upon the City’s premises at any reasonable time during regular business hours for the purpose of reading, inspecting or testing the accuracy of the metering equipment.

2. The City shall inspect, test, and calibrate the Custody Meter as required by 30 TAC Chapter 210 and any inaccuracy discovered by such test shall be promptly corrected by the City. Either Party shall have the right to have the Custody Meter tested at any time at its expense. An authorized representative of each Party shall be afforded a reasonable opportunity to be present at all meter inspections and tests. If at any time a meter is found inaccurate by more than 2%, an adjustment shall be made to compensate for the effect of such inaccuracy back to the last meter calibration. For example, if the meter is determined to be reading high by 5%, then the metered amount shall be adjusted down by 5% back to the last meter calibration, unless the Parties agree on a different period based on available data evidencing when the meter's accuracy changed.
3. If at any time a meter should fail to register or its registration should be so erratic as to be meaningless, the quantities such meter was intended to record shall be determined first by difference or balance, if possible, or if not, based on the previous representative monthly average usage per day for the pertinent meter. The Parties may also make metering and measurement adjustments based on a mutually agreed upon methodology.

III. Delivery and Title

- A. *Delivery.* The City shall deliver to Valero the treated wastewater sold by the City under this Agreement at the Delivery Point. Title to such treated wastewater shall pass to Valero upon delivery.
- B. *Title.* In the event that (a) the pendency of any unresolved proceeding involving issues of title significantly impairs Valero's use of treated wastewater under this Agreement, or (b) there is a non-appealable Order or Judgment that the City does not have full, clear and complete title, then Valero need make no further payments under this Agreement and the City need not make any further deliveries under this Agreement.

IV. Payment for Treated Wastewater.

- A. *Monthly Payments.* Except to the extent limited or provided elsewhere in this Agreement, Valero shall make payments to the City for treated wastewater as follows: (i) Valero shall make a payment each month ("Monthly Payment") to the City for Valero's metered usage of treated wastewater, as measured at the Delivery Point. For treated wastewater as measured at the Delivery Point, Valero will pay the City the current rate set by the Gulf Coast Water Authority ("GCWA") for raw water sold to municipal customers. In addition, Valero will pay the City's actual electric cost to pump the treated wastewater to Valero. In the event of a line break or major leak, the Parties will negotiate an adjustment to the Monthly Payment expeditiously and in good faith. (ii) If Valero, in its sole discretion, elects to take delivery of less than 2.00 mgd of treated wastewater, and provided that treated wastewater meeting the quality standards set forth in this Agreement is available for delivery, then it will pay the City at the rate described above for undelivered treated wastewater actually produced at the TCWWTP, up to 2.00 mgd (the "Minimum Daily Delivery Amount"). (iii) Valero shall become obligated for these payments beginning on the Delivery Commencement Date. (iv) Valero shall make the Monthly Payment to the City within forty-five (45) days of the end of each month.

B. Full and Fair Compensation. The cost of operating and maintaining the sampling and metering station at the Delivery Point, the costs of operating and maintaining the TCWWTP, including all utilities, chemicals and additives required to achieve the quality standards set forth in City's permit(s) are solely the City's costs. The Parties understand and agree that the rates agreed to in Section IV.A. and any cost adjustments pursuant to Sections IV.C. are full and fair compensation for treated wastewater that meets the quality standards set forth in Section VIII of this Agreement.

C. Cost Adjustment. The price for treated wastewater will be adjusted at such time or times as the GCWA adjusts its rate for raw water sold to municipal customers. Such adjustment will be effective as to Valero upon not less than thirty (30) days written notice, provided that no such rate changes will apply to any invoice already submitted by the City at such time or within such thirty (30) day period.

D. Lease and Pipeline License Payments. The payments for treated wastewater shall be in addition to payments made for any lease of property, infrastructure, and/or license agreement for pipeline right of way from the City for the conveyance of the treated wastewater to the Refinery.

E. Holding Fee Payment. Valero shall make the following payments as holding fees: (1) On the Effective Date Valero shall make a payment of \$37,500.00, and (ii) on the first day of January, 2027 and on each January 1 thereafter until the Delivery Commencement Date, Valero shall pay an annual holding fee of \$25,000 to the City of Texas City. If this Agreement is terminated for any reason prior to the Delivery Commencement Date, Valero shall not be responsible for the payment of any further annual holding fee from and after such date of termination.

V. Effective Date and Term.

A. Effective Date. The Effective Date of this Agreement is the date upon which it is approved by the City and Valero.

B. Term. The Initial Delivery Term will begin on the Delivery Commencement Date. After the Initial Delivery Term, this Agreement may be renewed for three (3) additional 5-year terms, in Valero's sole discretion, with all terms of this Agreement remaining the same provided Valero provides written notice to the City not less than ninety (90) days prior to the end of the initial term and any 5-year term thereafter. Further extension of the Term, if any, shall be subject to the mutual written agreement of the Parties.

VI. Compliance with Permits and the Law.

A. Valero. Valero agrees to use treated wastewater as authorized by applicable laws. Valero further agrees that treated wastewater shall only be used for those purposes allowed by the TCEQ described in 30 TAC 210 for water of Type II quality.

B. The City. The City, in performing under this Agreement, shall comply with the provisions of its permits as issued and regulated by the State of Texas.

C. Cooperation. Each Party will cooperate and use reasonable diligence to assist the other in meeting the requirements and obligations of the respective Parties under wastewater and other

permits necessary to perform this Agreement, including regulatory and reporting requirements. The Parties shall determine what modifications, if any, are necessary under existing permits or prior adjudications in order to carry out this Agreement.

D. Permits. The City agrees that it will take all necessary and appropriate action to the extent the same is within its control, to fulfill the requirements and obligations of the City's wastewater permits. The City shall be responsible for obtaining all permits and approvals necessary to the performance of its obligations under this Agreement.

VII. Priority of Rights and Drought Contingency

A. Priority of Valero's Rights. The City recognizes that curtailment of Valero's use of the treated wastewater during the Term would lead to substantial harm to Valero. Except as provided in this Section, there shall be no restrictions on Valero's rights to the quantity of treated wastewater provided for under this Agreement.

B. Cooperation. The City shall notify Valero in writing of its problems or concerns as to the ability to deliver the quantities of treated wastewater to which Valero is entitled. In the event the City makes such notification, Valero shall cooperate with the City to adjust the dates and times of delivery of treated wastewater; provided, however, that Valero shall not be required to take any action which it determines not to be in the best interests of the operation of the refinery.

C. Return Flows. Should any order of a court of competent jurisdiction, any federal, state or local laws, the rules, regulations, or orders of any federal or state agency or department, the United States Environmental Protection Agency, TCEQ, or the United States Department of Justice require return or environmental flows ("Required Environmental Flows") that result in a need for the City to increase return flows or reduce the amount of surface water that it receives and/or uses, the City shall work cooperatively with Valero and all of the City's customers and users, whether for potable water, raw water, or treated wastewater, to develop a water use plan to ensure there are adequate environmental flows considering, among other things, curtailment of nonessential uses of treated wastewater such as for irrigation or recreational purposes.

D. Water Use Restrictions. The City recognizes that having water users opt to use treated wastewater rather than raw or potable water reduces demand for the region's raw and potable water supplies. This reduced need for raw and potable water not only increases the availability of raw and potable water for other users but substitutes a supply that will be available without regard to drought or weather conditions. In recognition of the benefits attributable to Valero's use of treated wastewater, the City agrees that should the City opt to implement water use restrictions pursuant to the City's drought contingency plan, or similar water use reduction plan, Valero's use of treated wastewater effluent shall, to the fullest extent permitted by law, be exempt from any such reductions.

VIII. Quality.

A. State Standards. The City shall provide treated wastewater of at least Type II quality per 30 TAC Chapter 210 at the time of delivery or as otherwise required by the City's discharge permit, whichever shall be more stringent. If the treated wastewater does not meet the standards set forth above, Valero shall have the right to reject delivery of the treated wastewater and Valero shall not

be obligated to pay for same as its sole remedy. In the event testing demonstrates that the water quality does not consistently meet Type II, the Parties shall negotiate in good faith regarding additional treatment to be performed. Any additional treatment necessary to facilitate continued use of the treated wastewater by Valero in compliance with 30 TAC Chapter 210 shall be at Valero's sole discretion and expense. For purposes of clarity, the Parties acknowledge and agree that the City shall remain solely responsible for complying with its discharge permit and any costs associated therewith.

B. Sampling.

1. City. The treated wastewater shall be monitored, sampled, tested and treated as required by applicable law, 30 TAC 210 and the City's permits. The City shall be responsible for maintenance and repair of the sampler. Valero shall have access to all of the City's samples and test results. The City shall permit Valero's employees and agents to enter upon the City premises at any reasonable time during regular business hours while operating for the purpose of inspecting and testing the accuracy of the Sampler. The City shall inspect, test, and calibrate the Sampler as required by applicable law and its permits and any inaccuracy discovered by such test shall be promptly corrected by the City. Valero shall be afforded a reasonable opportunity to be present at all of the City's inspections and tests. For purposes of payment and compliance with the quality requirements in this Agreement, the Parties stipulate the City's test results as reported to the TCEQ shall control.
2. Valero. Valero reserves the right to conduct its own sampling at its sole expense of the quality of the treated wastewater for purposes of Valero's own process operations. Valero may install and operate at its sole expense continuous quality monitoring equipment at the TCWWTP for purposes of Valero's process operations.

C. Suspension of Service. If the City is unable to provide treated wastewater that meets the quality requirements of this Agreement, Valero has the right to require the City to suspend delivery of the treated wastewater until such time as the City can deliver treated wastewater that meets the quality requirements of this Agreement. Valero shall have no obligation to pay the Monthly Payment for the period of time that the City is unable to deliver treated wastewater that meets the quality requirements of this Agreement as its sole remedy.

D. Cooperation.

1. The Parties will cooperate with each other in the development of the contingency plan as required by 30 TAC Chapter 210 for the remedy of system failures, unauthorized discharges, or upsets.
2. Nothing requires Valero to agree to accept water that does not meet the quality requirements of this Agreement. The City acknowledges that Valero entered into a contract for the purchase of water from the Gulf Coast Water Authority on January 12, 2016, as amended. The City understands and agrees that Valero may take water pursuant to that contract and that this Agreement in no way affects, impairs, or limits Valero's right to receive water from the Gulf Coast Water Authority pursuant to that contract.

IX. Status of Delivery Facilities upon Expiration or Termination of the Agreement. Upon the termination or expiration of this Agreement, the City may elect: (i) to enter into another agreement with Valero upon terms to be determined at that time for the continued delivery of treated wastewater to Valero and for the attendant continued operation of the Infrastructure by Valero and/or the City as the Parties may agree at that time; or (ii) to have Valero remove the Infrastructure from the Holding Tank Site to the extent practicable and to restore the premises to as near original condition as is reasonably practicable under the circumstances; provided, however, that Valero shall have no obligation to remove any pipelines or other underground facilities to the extent that such facilities may be capped and/or abandoned in place under applicable law or regulation; or (iii) to take ownership of the Infrastructure, including the Pipeline, excluding Segment 4 of the Pipeline. IN THE EVENT OF (III) ABOVE, THE DELIVERY FACILITIES AND PIPELINE CONVEYANCE SYSTEM WILL BE CONVEYED TO THE CITY "AS IS AND WHERE IS" AND WITH ALL FAULTS, DEFECTS, AND ERRORS. VALERO MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WHETHER OF TITLE, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR USE OR OTHERWISE, ON THE DELIVERY FACILITIES AND PIPELINE CONVEYANCE SYSTEMS. VALERO WILL NOT HAVE ANY LIABILITY FOR ANY ERROR OR DEFECT IN THE DELIVERY FACILITIES AND PIPELINE CONVEYANCE SYSTEM OR ANY INABILITY OF THE CITY TO USE THE INFRASTRUCTURE, DELIVERY FACILITIES AND PIPELINE CONVEYANCE SYSTEM. VALERO DISCLAIMS ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, REGARDING THE INFRASTRUCTURE, DELIVERY FACILITIES AND PIPELINE CONVEYANCE SYSTEM INCLUDING, WITHOUT LIMITATION, ANY WARRANTY AS TO THE ACCURACY OF EQUIPMENT SPECIFICATIONS, OPERABILITY, NON-INFRINGEMENT AND ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND NO CLAIM FOR ANY ALLOWANCE UPON ANY OF THE ABOVE GROUNDS WILL BE CONSIDERED AFTER OWNERSHIP OF THE INFRASTRUCTURE, DELIVERY FACILITIES AND PIPELINE CONVEYANCE SYSTEM IS TRANSFERRED TO THE CITY. UNDER NO CIRCUMSTANCES WILL VALERO HAVE ANY LIABILITY, WHETHER ARISING IN CONTRACT, WARRANTY, TORT, NEGLIGENCE OR OTHERWISE FOR ANY DAMAGES SUSTAINED BY THE CITY ARISING OUT OF OR RELATED TO THE USE OR INABILITY TO USE THE INFRASTRUCTURE, DELIVERY FACILITIES AND THE PIPELINE CONVEYANCE SYSTEM, INCLUDING, WITHOUT LIMITATION, ANY INDIRECT, INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES, EVEN IF THE CITY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

X. Audit.

Each Party to this Agreement shall have the right at all reasonable times to examine, at its expense, the books and records of the other Party to the extent necessary to verify the accuracy of any statement, charge, computation or demand made under or pursuant to this Agreement, to verify the quality of treated wastewater delivered to Valero pursuant to this Agreement, to verify the treated wastewater production of the TCWWTP, or the quantities of treated wastewater delivered or discharged under this Agreement, or with regard to the performance of any other duty or obligation of either Party related to this Agreement. Valero's and the City's books shall be retained and available for examination for as long as necessary to make any adjustments or corrections provided herein; provided, however, that neither party shall be required to retain any records beyond the retention period imposed by applicable law. Any invoice for treated wastewater shall

be final as to both Parties unless questioned within two (2) years after the statement has been provided.

XI. Termination of Service and Agreement.

A. Valero.

1. **Amount and Quality of Water.** Valero may terminate this Agreement by giving the City ninety (90) days written notice of intent to terminate the Agreement based on a failure to deliver treated wastewater in the amounts required by this Agreement for thirty (30) days or for the inability to deliver treated wastewater that meets the quality requirements of this Agreement for thirty (30) days.
2. **Material Breach.** Valero may terminate this Agreement for a material breach of the Agreement by the City provided Valero has provided the City with sixty (60) days written notice and an opportunity to cure the alleged breach within the 60-day notice period. Examples of a material breach include, but are not limited to: (1) the City fails to maintain the facilities as set forth in Section VIII.B.1(b); and/or (2) the City fails to comply with the terms of Section VII.
3. **Insolvency.** If the City becomes insolvent, enters bankruptcy, receivership or other like proceeding (voluntarily or involuntarily), or makes an assignment for the benefit of creditors, Valero shall have the right, in addition to any other rights it may have hereunder or by law, to terminate this Agreement by giving the City written notice; whereupon Valero shall be relieved of all further obligations hereunder, except to pay the reasonable value of the City's prior performance, but not more than the Agreement price.
4. **Refinery Closure.** If Valero decides, in its sole discretion, to close the Refinery, then upon not less than six (6) months' notice, Valero shall have the right to terminate this Agreement. At the end of the six-month notice period, Valero shall have no further obligation to pay the Monthly Payment.
5. **Breach of Lease Agreement or Pipeline License Agreement.** —Any uncured breach of the Lease Agreement or Pipeline License Agreement shall be considered a breach of this Agreement and grounds for termination of this Agreement.

B. City

1. **Nonpayment for Treated Wastewater or other fees or costs.** In the event Valero fails to timely pay for treated wastewater or any other fees or costs due under this Agreement, the City may interrupt service under this Agreement or terminate this Agreement following sixty (60) days written notice to Valero and an opportunity to cure by Valero paying uncontested amounts within the 60-day notice period. Valero has the right to dispute invoices and this Agreement may not be terminated and neither will service be interrupted for failing to pay an amount contested in good faith.
2. **Material Breach.** The City may terminate this Agreement for a material breach of the Agreement by the Valero provided the City has provided Valero with sixty (60) days

written notice and an opportunity to cure the alleged breach within the 60-day notice period.

3. **Insolvency.** If Valero becomes insolvent, enters bankruptcy, receivership or other like proceeding (voluntarily or involuntarily), or makes an assignment for the benefit of creditors, the City shall have the right, in addition to any other rights it may have hereunder or by law, to terminate this Agreement by giving Valero written notice; whereupon the City shall be relieved of all further obligations hereunder, except to pay the reasonable value of Valero's prior performance, if any, but not more than the Agreement price.
4. **Breach of Lease Agreement or Pipeline License Agreement.** Any uncured breach of the Lease Agreement or Pipeline License Agreement shall be considered a breach of this Agreement and grounds for interruption of service or termination of this Agreement.

XII. Force Majeure.

Each Party shall be excused from performance (except for payment obligations), and shall incur no liability for any loss or damage due to any delay or failure to perform its obligations under this Agreement when caused by occurrences beyond the reasonable control of such Party, to include, but not be limited to, acts of governmental authority (other than those of a Party to this Agreement), acts of God (including, without limitation, unusually severe weather conditions, but excluding reasonably foreseeable weather conditions); strikes or other concerted acts of workmen; unavailability of labor or materials; failure or breakdown of equipment arising from causes beyond a Party's reasonable control (and expressly excluding breakdown caused by negligent (but excluding grossly negligent) maintenance or operation); fires and explosions (except to the extent caused by the negligence of a Party or those under its control); riots; war; rebellion; and sabotage (each of the foregoing, an event of "Force Majeure.")

A Party seeking to be excused from performance hereunder due to the occurrence of a Force Majeure event must notify the other Party orally or by facsimile or email as soon as reasonably possible (but in all events within five (5) business days) after the occurrence of the Force Majeure event, with a separate formal notice to follow within a reasonable time in accordance with the notice provisions hereof, specifying the nature and extent of the Force Majeure event, the anticipated duration of such Party's inability to fully perform hereunder as a result of such Force Majeure event, and the efforts such Party is undertaking to mitigate the impact of the Force Majeure event. A Party whose performance hereunder is impacted by a Force Majeure event must undertake diligent efforts to minimize the impact of such Force Majeure event on its performance.

XIII. Notices

Any notice provided for in this Agreement and any other notice, demand or communication which any Party may wish to send to any other Party relating to the subject matter of this Agreement shall be in writing and either delivered by recognized national overnight courier delivery service such as Federal Express, UPS or DHL, hand-delivered, or sent by regular U.S. postage prepaid, and addressed to the Party for which such notice, demand, or communication is intended at such Party's address as provided below.

If to Valero: Valero Refining – Texas, L.P.
1301 Loop 197 South
Texas City, TX 77590
Attn: Plant Manager/Vice President & General Manager

If to the City: City of Texas City
1801 9th Avenue North
Texas City, TX 77592
Attn. Mayor

Any Party may change its address for notice hereunder to any other address by giving written notice of such new address to the other Party in accordance with this Section. Any notice, demand, or other communication shall be in English, and shall be deemed given and effective as of the date of delivery. The inability to deliver because of a changed address of which proper notice was not given, or rejection or other refusal to accept any notice, demand or other communication, shall be deemed to be the receipt of the applicable notice, demand or other communication as of the date of such inability to deliver or rejection or refusal to accept.

The date of notice shall be the date it is received by the addressee or the office of the addressee, whichever is earlier.

XIV. Miscellaneous Provisions

A. *Complete Agreement.* This Agreement, the Lease Agreement, and any other licenses to install the New Pipeline within the City Right-of-Way, together, embody the entire agreement between the Parties hereto relating to the subject matter hereof, and supersedes and replaces in their entirety all prior understandings and agreements relating to the subject matter hereof.

B. *Severability.* Should any provision of this Agreement or portion hereof be declared invalid, void or unenforceable, it shall not affect the validity or enforcement of the remaining provisions or portion hereof which shall remain in full force and effect as if the Agreement had been executed without such invalid, void or unenforceable provision or portion hereof having been included.

C. *Assignment.* The City may not assign the Agreement and/or the Lease without the written consent of Valero. Valero may not assign the Agreement and/or the Lease without the written consent of the City, except to any party that is acquiring all or substantially all of the Refinery. In the event that the City outsources or privatizes operation of its wastewater treatment facilities, the City shall advise, in writing, to such proposed third-party operator or owner of the facilities of the existence of this Agreement and the City shall require any such operator or owner to agree to assume all of the City's rights and obligations under this Agreement.

D. *Modification and Waiver.* This Agreement may not be modified or amended except by an instrument in writing duly executed by both Parties. Either Party hereto may, by an instrument in writing, waive compliance with or breach of any term or provision of the Agreement by the other Party. The waiver by any Party hereto of compliance with or breach of any term or provision of the Agreement shall not be construed as a waiver of subsequent compliance or of any subsequent breach.

E. Authority. Each person executing the Agreement represents that he or she has been duly authorized to do so by the Party on whose behalf he or she is signing, and that in so doing he or she shall bind such Party to all of the terms hereof.

F. Counterparts. The Parties may execute this Agreement in identical multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but a single instrument.

G. Review. Each Party hereto acknowledges that it had ample opportunity to review this Agreement with an attorney of its choice prior to execution, and that it fully understands all of the terms and provisions hereof. Accordingly, both Parties waive the application of any rule or principle of law which would require any provision of this Agreement to be interpreted in the light most favorable to the non-drafting Party or in the light least favorable to the drafting Party.

H. Choice of Law; Dispute Resolution. **This Agreement shall be governed by and construed in accordance with the laws of the State of Texas (excluding any conflicts of law principles thereof) and applicable federal laws. Venue for any action arising out of or in connection with this Agreement shall be exclusively in the court(s) of competent jurisdiction in the City of Galveston, Galveston County, Texas.**

[Signatures of the Parties on Next Page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective upon approval by the City.

VALERO:

VALERO REFINING – TEXAS, L.P., BY
VALERO TEJAS COMPANY LLC, ITS
GENERAL PARTNER

CITY:

CITY OF TEXAS CITY

By: _____

Name:

Title:

Date: _____

By: _____

Name:

Title: Mayor

Date: _____

RESOLUTION NO. 2026-012

A RESOLUTION APPROVING AGREEMENT WITH VALERO REFINING-TEXAS, L.P., TO PURCHASE TREATED WASTEWATER, AND PROVIDING THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, the City Engineer recommends approval of the Agreement regarding the purchase of treated wastewater effluent between the City of Texas City and Valero Refining-Texas, L.P.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF TEXAS CITY, TEXAS:

SECTION 1: The City Commission approves the Agreement with Valero Refining-Texas, L.P. for the option to purchase treated wastewater effluent from the City of Texas City.

SECTION 2: That this Resolution shall be in full force and effect from and after its passage and adoption.

PASSED AND ADOPTED this 4th day of February 2026.

Dedrick D. Johnson, Sr., Mayor
City of Texas City, Texas

ATTEST:

APPROVED AS TO FORM:

Rhomari D. Leigh
City Secretary

Kyle L. Dickson
City Attorney

CITY COMMISSION REGULAR MTG

(7) (d)

Meeting Date: 02/04/2026

Write-off of Library fees and fines

Submitted For: Cheryl Loewen, Library

Submitted By: Cheryl Loewen, Library

Department: Library

Information

ACTION REQUEST

Consider authorizing the Director of Library Services to remove delinquent fees and fines that are attached to library patron accounts that expired prior to January 1, 2019.

BACKGROUND (Brief Summary)

It is the practice of Moore Memorial Public Library to delete all patron accounts that have been expired for seven years or more. This task is performed on an annual basis. Those accounts that have outstanding fines or fees attached cannot be deleted until those fines and fees have been removed. The library has no expectation of these fines being paid. The total amount of fines and fees to be deleted is \$16,584.39.

RECOMMENDATION

I recommend that the Director of Library Services is authorized to remove delinquent fees and fines that are attached to library patron accounts that expired prior to January 1, 2019.

Fiscal Impact

Funds Available Y/N:

Amount Requested:

Source of Funds:

Account #:

Fiscal Impact:

The total amount of fines and fees to be removed from patron accounts is \$16,584.39. The library has no expectation of recovering these funds.

Attachments

Resolution

RESOLUTION NO. 2026-013

A RESOLUTION AUTHORIZING THE WRITE-OFF OF DELINQUENT FEES AND FINES THAT ARE ATTACHED TO PATRON ACCOUNTS THAT EXPIRED PRIOR TO JANUARY 1, 2019; AND PROVIDING THAT THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, there is a need to remove delinquent fees and fines that are attached to patron accounts that expired prior to January 1, 2019; and

WHEREAS, the Director of Library Services is recommending that delinquent fees and fines that are attached to patron accounts that expired prior to January 1, 2019, be written off.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF TEXAS CITY, TEXAS:

SECTION 1: That the City Commission of the City of Texas City, Texas, as part of the 2025-2026 Fiscal Year, approves the write-off of delinquent fees and fines that are attached to patron accounts that expired prior to January 1, 2019, in the amount of \$ 16,584.39, and are deemed to be uncollectible.

SECTION 2: That this Resolution shall be in full force and effect from and after its passage and adoption.

PASSED AND ADOPTED this 4th day of February 2026.

Dedrick D. Johnson, Sr., Mayor
City of Texas City, Texas

ATTEST:

APPROVED AS TO FORM:

Rhomari D. Leigh
City Secretary

Kyle L. Dickson
City Attorney

CITY COMMISSION REGULAR MTG

(7) (e)

Meeting Date: 02/04/2026

Brightly Work Order Tracking Software Yearly Renewal

Submitted For: Jack Haralson, Public Works **Submitted By:** Dj Hutchinson, Public Works

Department: Public Works

Information

ACTION REQUEST

The Public Works Department is seeking commission approval for the renewal of the subscription (01/01/2026-12/31/2026) to Brightly Work Order System for the amount of \$52,741.14. Sourcewell Contract No. 090320-SDI

BACKGROUND (Brief Summary)

Brightly Software was selected by the Public Works Department to efficiently record, assign, and track work orders from citizens as well as the different departments within the City. We have been using this service since 2024 and this is the renewal for 2026. See Exhibit A for subscription details.

RECOMMENDATION

The Public Works Department recommends approval of the yearly payment to Brightly Software, Inc. for continuing use of their work order software.

Fiscal Impact

Funds Available Y/N: Yes

Amount Requested: \$52,741.14

Source of Funds: FY26 Budget

Account #: 101105-52200

Fiscal Impact:

Attachments

Exhibit A

Vendor # 4896



Invoice

Tax ID: 56-2174429
Phone: 877-639-3833
Email: accountsreceivable@brightlysoftware.com

Invoice #: INV-292429
Invoice Currency: USD
Invoice Date: 11/03/2025
Terms: Net 30
Due Date: 12/03/2025
Client ID: 1000529

Bill To:
City Of Texas City
DJ Hutchinson
P.O. Box 2608
Texas City, TX 77592
United States

Ship To:
City Of Texas City
DJ Hutchinson
P.O. Box 2608
Texas City, TX 77592
United States

Client PO #:

Reference: Sourcewell Contract # 090320-SDI

Table with 6 columns: Description, Site, Start Date, End Date, Quantity, Amount. Row 1: Asset Essentials Enterprise, City Of Texas City, 01/01/2026, 12/31/2026, \$52,741.14. Summary rows: SUBTOTAL \$52,741.14, SALES TAX \$0.00, TOTAL \$52,741.14.

Summary table with 2 columns: Description, Amount. Row 1: TOTAL APPLIED, USD \$0.00. Row 2: TOTAL DUE, USD \$52,741.14.

Tax exemption certifications can be sent to accountsreceivable@brightlysoftware.com.
Need a copy of our W-9? Click here to get a copy from our SharePoint site.

TO PAY BY CHECK- 1st CLASS
Brightly Software, Inc.
PO Box 200618
Pittsburgh, PA 15251-0618

TO PAY BY ACH
JP Morgan Chase Bank, N.A
270 Park Avenue
New York, NY 10017
Account #: 3817854210
Routing #: 028000024

TO PAY BY WIRE
JP Morgan Chase Bank, N.A
270 Park Avenue
New York, NY 10017
Account #: 3817854210
Routing #: 021000021
Swift #: CHASUS33

TO PAY BY CREDIT CARD
Call 877-639-3833
(3% surcharge applies)

When paying electronically (ACH), please send remittance details to remittance@brightlysoftware.com

This Invoice and its Services are governed by the terms of the Brightly Software Master Subscription Agreement found at https://www.brightlysoftware.com/terms ("Terms"), unless Subscriber has a separate written agreement executed by Brightly Software for the Services, in which case the separate written agreement will govern. Acceptance is expressly limited to these Terms. Any additional or different terms proposed by Subscriber (including, without limitation, any terms contained in any Subscriber purchase order) are objected to and rejected and will be deemed a material alteration hereof.



PREPARED FOR

City Of Texas City ("Subscriber")

P.O. Box 2608

Texas City, TX 77592

PREPARED BY

Brightly Software Inc ("Company")

11000 Regency Parkway, Suite 300

Cary, NC 27518

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PUBLISHED ON

December 19, 2023



Q-385712

Sourcewell/NJPA purchasing contract

- <https://www.sourcewell-mn.gov/cooperative-purchasing/090320-sdi#tab-contract-documents> (<https://www.sourcewell-mn.gov/cooperative-purchasing/090320-sdi#tab-contract-documents>).
- Contract #090320-SDI

Subscription Term: 36 months (01/01/2024 - 12/31/2026)

Cloud Services				
Item	Start Date	End Date	Pricing Based On	Investment
Asset Essentials Enterprise	1/1/2024	12/31/2024	45,099.00 Population	46,939.43 USD
- Facilities/Physical Plant Module	1/1/2024	12/31/2024		Included
- Streets/Signs/Sidewalks Module	1/1/2024	12/31/2024		Included
- Storm Water Module	1/1/2024	12/31/2024		Included
- Water Distribution and Waste Water Collection Module	1/1/2024	12/31/2024		Included
- Sanitation Module	1/1/2024	12/31/2024		Included
- Dude Analytics	1/1/2024	12/31/2024		Included
- AE Safety	1/1/2024	12/31/2024		Included
- Asset Essentials Inventory	1/1/2024	12/31/2024		Included
- GIS Asset Management	1/1/2024	12/31/2024		Included



4.0 Month(s) included at no additional cost on the first term 01/01/
2024 - 04/30/2024 -15,518.23 USD

Subtotal: 31,421.20 USD

Professional Services

Item	Pricing Based On	Investment
Asset Essentials Enterprise Implementation with Consulting	45,099.00 Population	13,623.80 USD
Asset Essentials Consulting - Parts	One-Time	4,484.00 USD
On-site incidental expenses		*See Note Below
		Subtotal: 18,107.80 USD

Total Initial Investment

49,529.00 USD

* Incidental travel related expenses will be invoiced to Client at cost but are not anticipated to exceed \$3,000 per week, per resource for on-site services.



Cloud Services		
Item	Investment Year 2 Start Date: 01/01/2025	Investment Year 3 Start Date: 01/01/2026
Asset Essentials Enterprise	49,755.80 USD	52,741.14 USD
- Facilities/Physical Plant Module	Included	Included
- Streets/Signs/Sidewalks Module	Included	Included
- Storm Water Module	Included	Included
- Water Distribution and Waste Water Collection Module	Included	Included
- Sanitation Module	Included	Included
- Dude Analytics	Included	Included
- AE Safety	Included	Included
- Asset Essentials Inventory	Included	Included
- GIS Asset Management	Included	Included
Total:	49,755.80 USD	52,741.14 USD

CITY COMMISSION REGULAR MTG

(7) (f)

Meeting Date: 02/04/2026

Resolution No. 2026-015, awarding ITP No. 2026-012 to Valero Refining-Texas, L.P., and authorizing the Mayor to enter into a long-term lease for certain real property adjacent to the Texas City Walter Knox Wastewater Treatment Plant and referred to as "City Connection Point."

Submitted For: Kim Golden, Transportation and Planning

Submitted By: Curt Kelly, Transportation and Planning

Department: Transportation and Planning

Information

ACTION REQUEST

Consider and take action on Resolution No. 2026-015, awarding ITP No. 2026-012 to Valero Refining-Texas, L.P., and authorizing the Mayor to enter into a long-term lease for certain real property located adjacent to the Walter Knox Wastewater Treatment Plant and referred to as "City Connection Point."

BACKGROUND (Brief Summary)

An Invitation for Bid #2026-012 was posted on December 29, 2025. Bids were received on January 14, 2026, opened and read aloud. The only proposal received was from Valero Refining - Texas, L.P. The proposal as received met all the requirements of the Invitation to Bid for the long-term lease of an approximately 0.23-acre parcel of land adjacent to the Walter Knox Wastewater Treatment Plant and referred to as the "City Connection Point" AND an existing 16-inch pipeline located in Bay Street and running approximately 9,000 feet from 25th Ave N to Martin Luther King Ave (1st Avenue South).

The leased property will serve as the location for the installation of essential equipment at the City Connection Point to facilitate the future storage and transportation of treated wastewater to the Valero Refinery pursuant to that certain Agreement for the Delivery of Treated Wastewater between Valero Refining - Texas, L.P. and the City of Texas City, TX.

The initial lease term will be no less than fifteen (15) years, with three additional options available to the lessee to extend the lease for extra periods of five (5) years each, for a possible maximum total lease duration of thirty (30) years. The annual rental fee proposed by Valero in response to the ITB for this property is One Hundred and Fifty Five Thousand Dollars (\$155,000.00) with payments to commence upon execution of the lease agreement.

RECOMMENDATION

Based on the evaluation of the bid submission, the City Engineer recommends accepting the responsive bid of Valero Refining-Texas, L.P., in the amount of \$155,000 per year for the lease of an approximately 0.23-acre parcel of land adjacent to the Walter Knox Wastewater Treatment Plant and referred to as the "City Connection Point" AND an existing 16-inch pipeline located in Bay Street and running approximately 9,000 feet from 25th Ave N to Martin Luther King Ave (1st Avenue South).

Fiscal Impact

Funds Available Y/N: N/A

Amount Requested: N/A

Source of Funds: N/A

Account #: N/A

Fiscal Impact:

N/A

Attachments

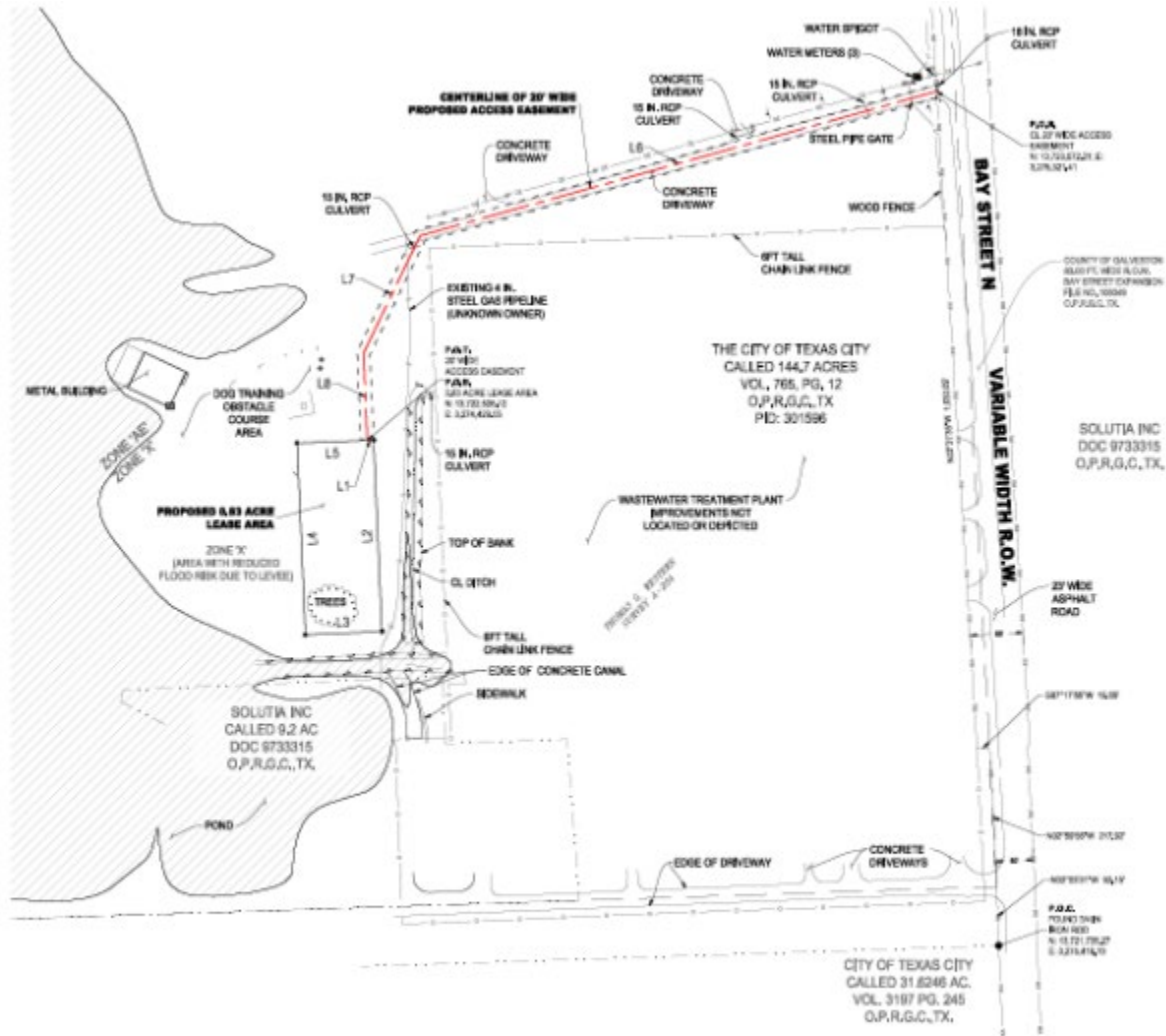
Exhibits

Resolution

EXHIBIT "A" Depiction of the Property

Surface Site:

An approximately 0.83 acre tract as depicted on the drawing below:



City Connection Point:

The City Connection Point means a point at/near the intersection of Texas Avenue with 6th Street N/Texas State Hwy 197.

Existing Pipeline:

The existing Bay Street 16-inch reclaimed water pipeline that travels due south along Bay Street for approximately 9,000 feet to the intersection of Bay Street and Martin Luther King (1st Avenue South).

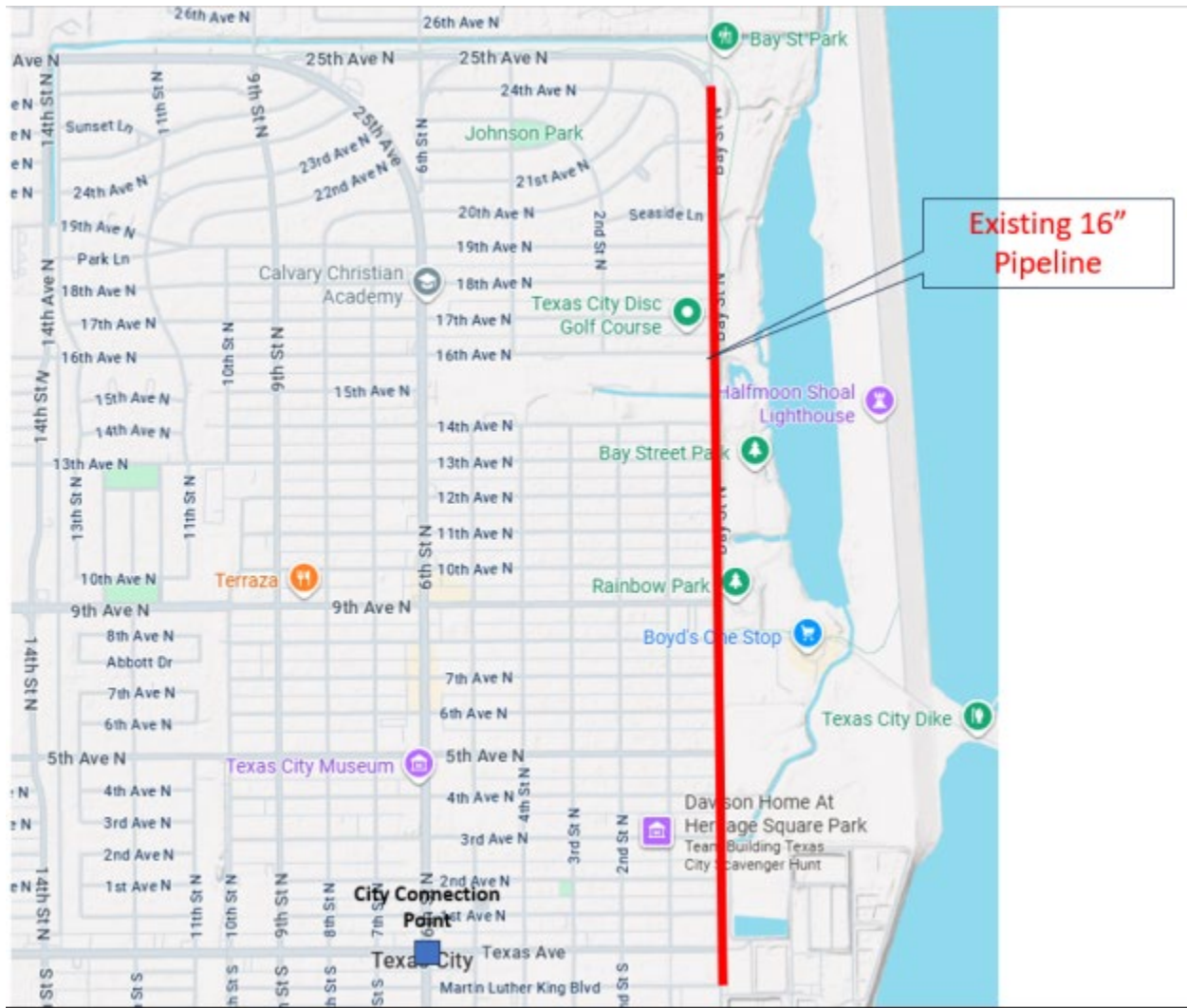


EXHIBIT “B” – Minimum Terms and Use Restriction(s)

1. **Term.** An initial term of not less than fifteen (15) years with three (3) options in favor of lessee for the extension of the lease for additional periods of five (5) years each (for a total of thirty (30) years), exercisable on twelve (12) months’ written notice to the City.
2. **Rent.** Not less than One Hundred and Fifty Thousand Dollars (\$150,000.00) per year.
3. **Use.** The Property shall be used for equipment installed at the City Connection Point to allow future City connection to the Pipeline for the storage and transportation of effluent discharged from the TCWWTP (“treated wastewater”). The Property shall not at any time be used for any illegal purpose.
4. **Financing.** The lease shall be financeable, and the City will consent to and otherwise reasonably cooperate with the requirements of any provider of leasehold or other financing for the project to be constructed and operated on the Property.
5. **Development.** Substantial development of the Property must occur within the first five (5) years of the lease term sufficient to allow the equipment on the Property to be connected to the TCWWTP and to convey treated wastewater to and through the Existing Pipeline, including the construction of new pipeline segments that will be owned by the bidder/lessee connecting the Surface Site to the Existing Pipeline. The City will reserve the right to terminate the lease if substantial development does not occur within this time period.

The Development shall be used to transport the treated wastewater from the City to the City Connection Point.

The term “treated wastewater” shall mean the effluent discharged from the TCWWTP.

The City shall install a custody meter and sampler, the cost of which will be reimbursed by the lessee, as well as any replacement thereof, unless due to the City’s failure to properly maintain. The custody meter shall be reasonably satisfactory to the lessee. The City shall own the custody meter and the sampler.

The payment(s) due from the Lessee to the City for treated wastewater shall be in addition to payments made for any lease of property from the City. The purchase of treated wastewater would be governed by a separate agreement with the City.

6. **Reservation(s).** No interest in the oil, gas or other minerals and other materials, if any, considered by the City to have commercial value or any rights associated therewith are conveyed by the lease of the Property. The City, on behalf of itself and its successors and assigns if applicable, will waive the use of the Property for entry, ingress, egress or other use for the purpose of drilling for and producing such oil or gas during the term or extended term of the lease.

RESOLUTION NO. 2026-015

A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO A LONG-TERM LEASE AGREEMENT WITH VALERO REFINING-TEXAS L.P., FOR CERTAIN REAL PROPERTY COMMONLY KNOWN AS “CITY CONNECTION POINT”; AND PROVIDING THAT THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, the City of Texas City received bids on January 14, 2026, and opened and read aloud. The only proposal received was from Valero Refining- Texas L.P. This proposal met all the requirements of the Invitation to Bid No. 2026-012 posted on December 29, 2025; and

WHEREAS, the initial lease term will be no less than fifteen (15) years, with three additional options available to the lessee extending the lease for extra periods of five (5) years each, for a possible maximum total lease duration of thirty (30) years; and

WHEREAS, the annual rental fee proposed by Valero in response to the ITB for this property is One Hundred and Fifty-Five Thousand Dollars (\$155,000.00) with payments to commence upon execution of the lease agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF TEXAS CITY, TEXAS:

SECTION 1: That the City Commission of the City of Texas City hereby approves the initial term of the agreement, as set out on **Exhibit “A”**, attached hereto and incorporated herein for all intents and purposes.

SECTION 2: That the Mayor is authorized to execute any documentation necessary for the long-term lease agreement.

SECTION 3: That this Resolution shall be in full force and effect from and after its passage and adoption.

PASSED AND ADOPTED this 4th day of February 2026.

Dedrick D. Johnson, Sr., Mayor
City of Texas City, Texas

ATTEST:

APPROVED AS TO FORM:

Rhomari D. Leigh
City Secretary

Kyle L. Dickson
City Attorney

CITY COMMISSION REGULAR MTG

(7) (g)

Meeting Date: 02/04/2026

Maintenance of Water Meter Reading System

Submitted For: Corbin Ballast, Utilities

Submitted By: Dj Hutchinson, Public Works

Department: Public Works

Information

ACTION REQUEST

Commission approval of Accurate Meter and Supply, the authorized distributor for Badger Meter in this region, for procurement of all water meter related hardware necessary to maintain the reliability and accuracy of measuring water usage by the citizens and businesses of Texas City for the amount of \$100,000.00. A purchase order is required for the following Badger Meter components and related supplies: • Water Meters: Residential and commercial flow meters, including E series and Recordall models. • Registers: Electronic high-resolution encoders (HR-E) for accurate data capture. • Endpoints: Orion Cellular LTE endpoints that enable remote daily reading via existing cellular networks. • Remote Shut-Off Meters: E-Series Ultrasonic Plus meters featuring integrated valves for remote service connection/disconnection. • Infrastructure Support: Specialized vaults, meter boxes, and backflow prevention equipment.

BACKGROUND (Brief Summary)

Texas City utilizes a smart water metering system from Badger Meter to manage its utility infrastructure. This system employs advanced cellular technology (ORION Cellular endpoints) to transmit meter data daily, which is then stored in the cloud-based BEACON Software as a Service (SaaS) platform for city billing and management. Customers can also monitor their own daily usage and receive leak alerts through the integrated EyeOnWater consumer portal.

RECOMMENDATION

It is the recommendation of the Utilities Department for the Commission to approve Accurate Meter and Supply to provide materials and services for the water system.

Fiscal Impact

Funds Available Y/N: Yes

Amount Requested: \$100,000.00

Source of Funds: FY26 Budget

Account #: 501705 53410

Fiscal Impact:

Attachments

Resolution

RESOLUTION NO. 2026-016

A RESOLUTION AUTHORIZING ACCURATE METER & SUPPLY FOR THE PURCHASE OF WATER METERS; AND PROVIDING THAT THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, the City has seen an increase in housing development; and

WHEREAS, there is always a demand for meters because contractors purchase their own meters for new construction homes and existing meters fail and need to be replaced; and

WHEREAS, this system employs advanced cellular technology (ORION Cellular endpoints) to transmit daily meter data, which is then stored in the cloud-based BEACON Software-as-a-Service (SaaS) platform for city billing and management.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF TEXAS CITY, TEXAS:

SECTION 1: That the City Commission authorizes a payment for \$100,000.00 to Accurate Meter & Supply for the purchase of materials and services for the water system.

SECTION 2: That this Resolution shall be in full force and effect from and after its passage and adoption.

PASSED AND ADOPTED this 4th day of February 2026.

Dedrick D. Johnson, Sr., Mayor
City of Texas City, Texas

ATTEST:

APPROVED AS TO FORM:

Rhomari D. Leigh
City Secretary

Kyle L. Dickson
City Attorney

CITY COMMISSION REGULAR MTG

(8) (a)

Meeting Date: 02/04/2026

Utilities Department Budget Amendments (Theft and Vandalism)

Submitted For: Corbin Ballast, Utilities

Submitted By: Dj Hutchinson, Public Works

Department: Public Works

Information

ACTION REQUEST

The Utilities Department is requesting the following budget amendments, due to theft and the vandalism of a City Emergency Back-Up Water Well Site:
\$340,000.00 to 501705 55050 (copper and components)
\$40,000.00 to 501705 52625 (security cameras and system)

BACKGROUND (Brief Summary)

During the month of October 2025, the City's Emergency Water Well site located at FM 2004 was targeted by thieves, resulting in the removal and theft of a large amount of copper wiring which caused subsequent damage to other very expensive components, including high-voltage disconnects and the Emergency Stand-By Generators automatic transfer switch (ATS). (SEE EXHIBIT A for Quotes and Budget Amendment Document)

RECOMMENDATION

Following the October 2025 copper theft at the FM 2004 Emergency Backup Well Site, the Utilities Department is formally requesting Commission approval for a budget amendment of \$380,000. This funding is critical to restoring essential municipal infrastructure along with robust security improvements, hopefully preventing future recurrences of theft.

Fiscal Impact

Funds Available Y/N: Yes

Amount Requested: \$380,000.00

Source of Funds: FY26 Budget

Account #: 501705 55050; 501705 52625

Fiscal Impact:

\$340,000.00 to 501705 55050 (copper and components)

\$40,000.00 to 501705 52625 (security system and cameras)

Attachments

Exhibit A

FINANCE REVIEW

Quality Work by Qualified Workers

Date: 1/12/26

Customer: City of Texas City

Location: 2004 Water Well

Thank you for the opportunity to quote the following scope of work:

1. Remove and replace damaged bus and weather head that feeds underground service.
2. Rewire affected conductors and connections impacted by vandalism and theft.
3. Refurbish MCC as required to restore safe and reliable operation.
4. Furnish and install a new 1200 Amp main breaker to replace the damaged unit.
5. Replace wire to generator.
6. Inspect, test, and verify proper operation of all replaced and refurbished components.
7. Energize and test operations.

The price for this scope is \$325,000. Tax not included. This work will be performed using the Buy Board contract number 733-24.

Thank you,

Grady Mack

This price is guaranteed for thirty days unless otherwise noted.

P O Box 36, 1319 First Street, La Marque, TX 77568 Phone 409-935-2416 Fax 409-935-2428

Physical Security Proposal

for

City of Texas City

Water Location - 2004 - Verkada Cameras and
Alarms - DIR

DVXB-24048

Revision: 1

Last Modified: 10/28/2025

Note: This proposal is valid until 11/27/2025

DataVox TXDPS License B16503

Account Manager

Dana Landry

System Design

John Liput



DataVox Texas DIR Vendor Number: 176-025-1479-000

Contract Number: DIR-CPO-4766

DataVox

6650 W. Sam Houston Pkwy S. | Houston, TX 77072 | 713-881-5300

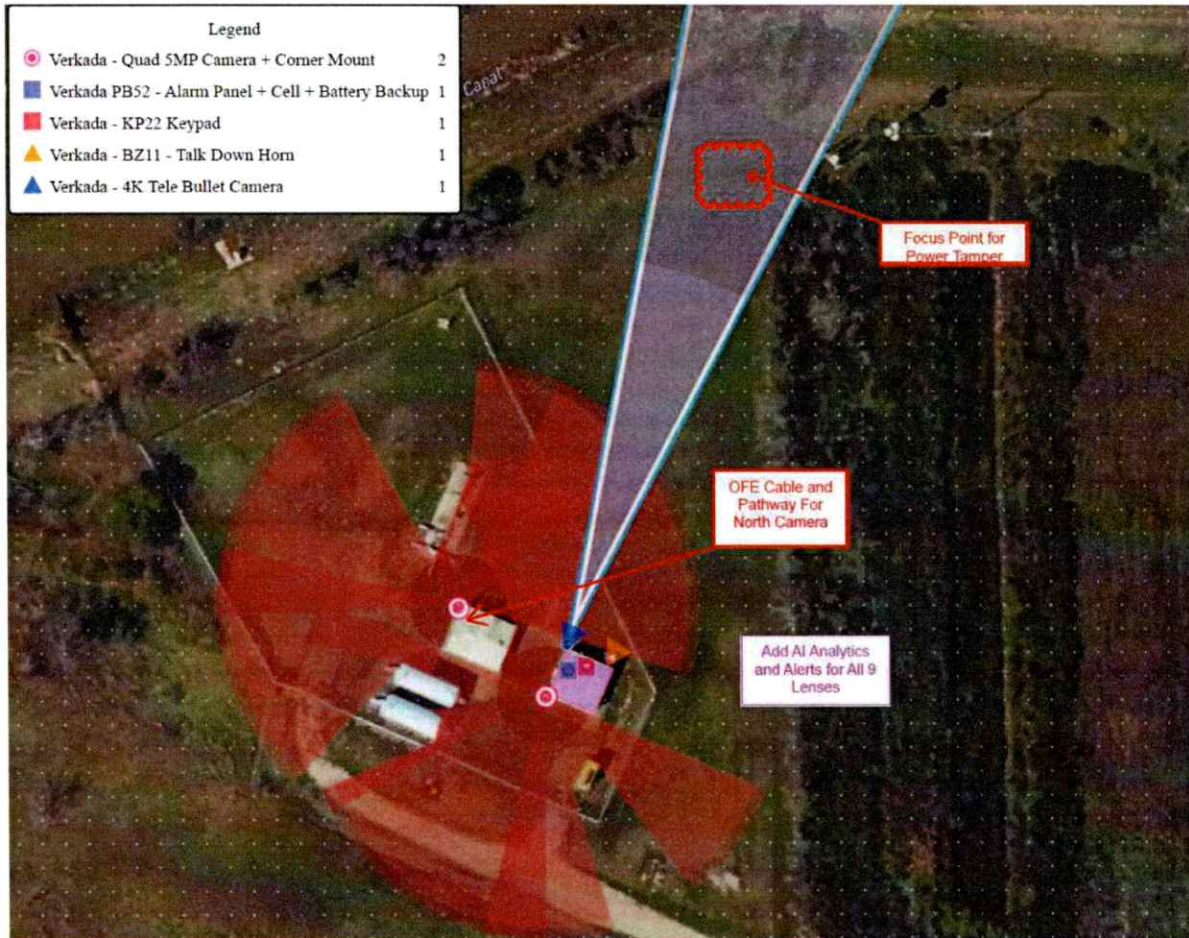
1701 East Lamar, Suite 170 | Arlington, TX 76006 | 817-288-2700

LOCATION SUMMARY

Location	Price
Video Surveillance and Alarms	\$29,745.32
Total Price (Excludes Sales Tax):	\$29,745.32

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SCOPE OF WORK



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BUDGET AMENDMENT

Submit Agenda Item and / or Resolution

Allow 2 days to process the request

Hi, Corbin. When you submit this form, the owner will see your name and email address.

* Required

FUNDING REQUEST FOR BUDGET AMENDMENT

1. Requester Name *

Corbin Ballast

2. Department *

Utilities

3. Email

cballast@texascitytx.gov

4. REASON FOR BUDGET AMENDMENT *

UNPLANNED EXPENDITURE

PRIOR YEAR BUDGET ITEM THAT DID NOT GET INITIATED AND WAS NOT INCLUDED
CURRENT YEAR BUDGET

Other

5. FUND BALANCE IMPACT *

DECREASE FUND BALANCE

INCREASE FUND BALANCE

NO IMPACT TO FUND BALANCE

6. FUND CODE TO RECEIVE FUNDS *

101

201

801

501

401

Other

7. DEPARTMENT CODE TO RECEIVE FUNDS (3 DIGIT CODE) *

705

8. 1ST OBJECT CODE TO RECEIVE FUNDS (5 DIGIT CODE) *

55050

9. 1ST OBJECT CODE AMOUNT *

\$340,000.00

10. 2ND OBJECT CODE TO RECEIVE FUNDS (5 DIGIT CODE)

52625

11. 2ND OBJECT CODE AMOUNT

\$40,000.00

12. 3RD OBJECT CODE TO RECEIVE FUNDS (5 DIGIT CODE)

N/A

13. 3RD OBJECT CODE AMOUNT

N/A

14. COMMISSION MEETING DATE *

2/4/2026




15. AGENDA ITEM ATTACHED *

Yes

No

16. Upload Documents (Non-anonymous question ⓘ) *

 2004 quotes.pdf

 Upload file

File number limit: 3 Single file size limit: 10MB Allowed file types: Word, Excel, PPT, PDF, Image, Video, Audio

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BUDGET AMENDMENT SUMMARY

REQUESTER: CORBIN BALLAST
DEPARTMENT: UTILITIES
COMMISSION MEETING DATE: 4-Feb-26

AMENDMENT SNAPSHOT

REQUESTED AMOUNT: \$ 380,000.00
FUNDING SOURCE:

PURPOSE: REPAIRS NEEDED FROM THE DAMAGES INCURRED AT THE WATER WELL SITE DUE TO THEFT

FINANCE REVIEW

Finance Department reviewed the request	YES
Funding Sources Verified	YES
Impact on fund balnce analyzed	YES

FUND BALANCE / RETAINED EARNINGS IMPACT (POST-AMENDMENT)

FUND TYPE	CURRENT AUDITED BALANCE	AMENDMENT REQUEST	REVISED BALANCE	RESERVE BALANCE IN MONTHS
ENTERPRISE FUND	\$ 29,607,200	\$ (380,000)	\$ 29,227,200	

RECOMMENDATION

OFFICE OF FINANCE	<input checked="" type="checkbox"/> APPROVE	<input type="checkbox"/> DENIED	<input type="checkbox"/> MODIFY
OFFICE OF THE MAYOR	<input checked="" type="checkbox"/> APPROVE	<input type="checkbox"/> DENIED	<input type="checkbox"/> MODIFY