



CITY OF BAYTOWN

NOTICE OF MEETING

**THE CITY COUNCIL OF THE CITY OF BAYTOWN
AND THE
BAYTOWN MUNICIPAL DEVELOPMENT DISTRICT
WILL PARTICIPATE IN A JOINT MEETING
THURSDAY, MAY 23, 2024
6:30 P.M.
COUNCIL CHAMBER, CITY HALL
2401 MARKET STREET, BAYTOWN, TEXAS 77520**

AGENDA

CALL TO ORDER AND ANNOUNCEMENT OF QUORUM

PLEDGE AND INVOCATION

Mayor Brandon Capetillo

1. CITIZEN COMMENTS

Notice is hereby given that in accordance with the Texas Open Meetings Act, Texas Government Code, Chapter 551, prohibits the City Council from discussing, deliberating, or considering, subjects for which public notice has not been given on the agenda. Issues that cannot be referred to the administration for action may be placed on the agenda of a future City Council Session.

2. MINUTES

- a. Consider approving the minutes of the Baytown Municipal Development District Regular Meeting held on April 11, 2024.
- b. Consider approving the minutes of the Baytown Municipal Development District Regular Meeting held on April 25, 2024.
- c. Consider approving the minutes of the City Council Regular Meeting held on April 25, 2024.
- d. Consider approving the minutes of the City Council Special Meeting held on May 2nd & 3rd, 2024.
- e. Consider approving the minutes of the City Council Special Meeting held on May 7, 2024.

3. PROPOSED ORDINANCES

- a. Consider an ordinance authorizing the adoption of the Downtown Arts District Blueprint.
- b. Consider an ordinance authorizing the adoption of the Baytown Economic Prosperity Roadmap.
- c. Consider an ordinance to provide the disbursement request from the Hyatt Regency Hotel.

4. PROPOSED RESOLUTIONS

- a. Consider a resolution accepting the Preliminary Service and Assessment Plan for the Bay Creek Public Improvement District.

5. REPORTS

- a. Receive the City of Baytown's Quarterly Financial and Investment Reports for the Quarter Ending March 31, 2024.

6. CONSENT

All Consent Agenda items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.

- a. Consider an ordinance authorizing funding for the engagement of Husch Blackwell LLP to advise on economic development and general legal matters.
- b. Consider an ordinance to authorize years two and three of the Cisco FLEX support agreement for telephony equipment offered by Presidio Network Solutions Group, LLC, under Texas Department of Information Resources contract DIR-TSO-4167.
- c. Consider an ordinance authorizing payment to Belt Harris Pechacek, LLP for the September 30, 2023, City of Baytown Financial Audit.
- d. Consider an ordinance awarding the Annual Criminal Justice Information Systems (CJIS) Janitorial Services Contract to Del Sol Group.
- e. Consider an ordinance to authorize the purchase of three (3) new XIROS II X-ray systems from Logos Imaging LLC.
- f. Consider an ordinance approving an amendment to the Baytown Fire Control, Prevention, and Emergency Medical Services District's Fiscal Year 2023-2024 Budget to transfer monies from Fund Balance to Minor Tools (20701-72021) in order to purchase fifty (50) mobile radios and related equipment from Dailey & Wells Communications, Inc.
- g. Consider an ordinance authorizing the purchase of fifty (50) Harris XL 185M mobile radios and related equipment from Dailey & Wells Communications, Inc., through Buy Board Cooperative Purchasing Agreement Contract: Texas BuyBoard 696-23 in the amount of \$305,566.00.
- h. Consider an ordinance authorizing renewal of the Annual As-Needed Plumbing Contract - Year 1 with Blackmon Inc.
- i. Consider an ordinance approving The Baytown Household Hazardous Waste Collection Day for Saturday, June 8, 2024, at the City of Baytown Storage Facility, located at 1200 Lee Drive, Baytown, Texas, from 9:00 A.M. to 2:00 P.M.
- j. Consider an ordinance authorizing the Contract Amendment to the Amended Water Supply Contract with the City of Baytown to increase the contract quantity.

7. MANAGER'S REPORT

Notice is hereby given in accordance with Section 551.0415 of the Texas Government Code, the City Council of the City of Baytown may receive a report about items of community interest from City staff and/or a member of the City Council, but no action or possible action shall be taken or discussed concerning the subject of such report, except as provided by Section 551.042 of the Texas Government Code.

8. EXECUTIVE SESSION

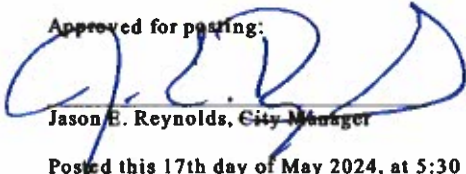
- a. Recess into and conduct an executive session pursuant to Section(s) 551.071 and/or 551.087 of the Texas Government Code to seek the advice of the City's attorneys regarding pending or contemplated litigation and/or to deliberate regarding economic development negotiations.

9. ADJOURN

PUBLIC NOTICE IS GIVEN THAT IN ADDITION TO ANY EXECUTIVE SESSION LISTED ABOVE, THE CITY COUNCIL RESERVES THE RIGHT TO ADJOURN INTO EXECUTIVE SESSION AT ANY TIME AS AUTHORIZED BY THE TEXAS GOVERNMENT CODE SECTIONS 551.071 - 551.090 TO DISCUSS ANY OF THE MATTERS LISTED ABOVE.

THE CITY OF BAYTOWN IS COMMITTED TO COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT. REASONABLE ACCOMMODATIONS AND EQUAL ACCESS TO COMMUNICATIONS WILL BE PROVIDED UPON REQUEST. FOR ASSISTANCE PLEASE CALL 281-420-6690, FAX 281-420-7176, OR CONTACT 281-420-6690 VIA RELAY TEXAS AT 711 OR 1-800-735-2988 FOR TTY SERVICES. FOR MORE INFORMATION CONCERNING RELAY TEXAS, PLEASE VISIT: [HTTP://RELAYTEXAS.COM](http://RELAYTEXAS.COM)

Approved for posting:



Jason E. Reynolds, City Manager

Posted this 17th day of May 2024, at 5:30 P.M.

Posted by:



Angela Jackson, City Clerk
(SEAL)





CITY COUNCIL MEETING

2. a.

Meeting Date: 05/23/2024

Subject: Consider approving the minutes of the Baytown Municipal Development District Regular Meeting held on April 11, 2024.

Prepared by: Gabriella Gonzales, City Clerk's Office

Department: City Clerk's Office

Information

ITEM

Consider approving the minutes of the Baytown Municipal Development District Regular Meeting held on April 11, 2024.

PREFACE

Consider approving the minutes of the Baytown Municipal Development District Regular Meeting held on April 11, 2024.

Attachments

2025 04 11 Minutes

DRAFT
**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE BAYTOWN MUNICIPAL DEVELOPMENT DISTRICT**

April 11, 2024

The Board of Directors of the Baytown Municipal Development District (MDD) met in a Regular Meeting on Thursday, April 11, 2024, at 4:30 P.M., in the Council Chamber of the Baytown City Hall, 2401 Market Street, Baytown, Texas with the following in attendance:

Bandon Capetillo	President
Kenrick Griffith	Director
James Franco	Director
Jacob Powell	Director
Mike Lester	Director
Jason Reynolds	General Manager
Scott Lemond	General Counsel
Angela Jackson	Assistant Secretary

President Brandon Capetillo convened the April 11, 2024, MDD Board Regular Meeting with a quorum present at 4:34 P.M., all members were present with the exception of Vice President Laura Alvarado absence and Director Sarah Graham absence.

1. CITIZEN COMMENTS

President Brandon Capetillo announced no citizens had signed up to speak on the Citizen Comments item.

2. MINUTES

a. Consider approving the minutes of the Baytown Municipal Development District Regular Meeting held on March 28, 2024.

President Brandon Capetillo called to consider approval of the minutes for Baytown Municipal Development District Regular Meeting held on March 28, 2024.

A motion was made by Director Kenrick Griffith and second by Director Jacob Powell to approve the meeting minutes of the Municipal Development District Regular Meeting held on March 28, 2024 as submitted. The vote was as follows:

Ayes: President Brandon Capetillo, Director Kenrick Griffith, Director James Franco, Director Jacob Powell, Director Mike Lester

Nays: None

Other: Vice President Laura Alvarado (Absent), Director Sarah Graham (Absent)

Approved

3. PROPOSED RESOLUTIONS

a. Consider a resolution authorizing an Economic Development Contract with the Baytown West Chambers County Economic Development Foundation.

Economic Development Manager Brian Moran summarized the Economic Development Renewal Contract with the Baytown West Chambers County Economic Development Foundation (EDF).

A motion was made by Director Jacob Powell and second by Director Mike Lester to approve the Resolution NO. 473 related to Item 3.a., The vote was as follows:

Ayes: President Brandon Capetillo, Director Kenrick Griffith, Director James Franco, Director Jacob Powell, Director Mike Lester

Nays: None

Other: Vice President Laura Alvarado (Absent), Director Sarah Graham (Absent)

Approved

RESOLUTION NO. 473

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BAYTOWN MUNICIPAL DEVELOPMENT DISTRICT AUTHORIZING THE GENERAL MANAGER TO EXECUTE AND THE ASSISTANT SECRETARY TO ATTEST TO AN ECONOMIC DEVELOPMENT CONTRACT WITH THE BAYTOWN AREA/WEST CHAMBERS COUNTY ECONOMIC DEVELOPMENT FOUNDATION FOR ECONOMIC DEVELOPMENT SERVICES; AUTHORIZING PAYMENT IN AN AMOUNT NOT TO EXCEED THREE HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$350,000.00); MAKING OTHER PROVISIONS RELATED THERETO; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

b. Consider a proposed resolution authorizing an agreement with Admin CFO, LLC.

Finance Director Teresa McKenzie summarized the authorization with Admin CFO, LLC to perform administrative and financial oversight services for the Hyatt Regency Baytown-Houston.

A motion was made by Director Mike Lester, and seconded by Director Kenrick Griffith to approve Resolution **No.**, related to Item 3.b. The vote was as follows:

Ayes: President Brandon Capetillo, Director Kenrick Griffith, Director James Franco, Director Jacob Powell, Director Mike Lester

Nays: None

Other: Vice President Laura Alvarado (Absent), Director Sarah Graham (Absent)

Approved

RESOLUTION **NO.**

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BAYTOWN MUNICIPAL DEVELOPMENT DISTRICT AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONSULTING SERVICES AGREEMENT WITH ADMIN CFO, LLC, FOR ADMINISTRATIVE AND FINANCIAL OVERSIGHT SERVICES FOR THE HYATT REGENCY BAYTOWN-HOUSTON PROJECT; AUTHORIZING PAYMENT IN AN AMOUNT NOT TO EXCEED NINETY THOUSAND AND NO/100 DOLLARS (\$90,000.00); MAKING OTHER PROVISIONS RELATED THERETO; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

4. MANAGER'S REPORT

- a. The next Baytown Municipal Development District meeting will be scheduled when needed, in the Council Chamber located at City Hall, 2401 Market Street, Baytown, Texas, 77520.**

General Manager Jason Reynolds informed the Board there were no reports to be made.

5. EXECUTIVE SESSION

- a. Recess into and conduct an executive session pursuant to Texas Government Code Sections 551.071 and 551.087 to seek the advice of the City's attorneys regarding economic development negotiations.**

At 4:38 P.M., President Brandon Capetillo recessed into and conducted an executive session pursuant to Section(s) 551.071 and 551.087 of the Texas Government Code to seek the advice of the City's attorneys and/or to discuss economic development negotiations.

Director Sarah Graham entered the Municipal Development District Regular Meeting Executive Session at 4:50 P.M.

At 5:40 P.M., President Brandon Capetillo reconvened the Open Meeting of the MDD Board Regular Meeting and announced that in accordance with Section 551.102 of the Texas Government Code, no action was taken in the Executive Session.

Director Kenrick Griffith was not present at time of Adjourned meeting.

6. ADJOURN

With there being no further business to discuss, President Brandon Capetillo adjourned the April 11, 2024, MDD Board Regular Meeting at 5:40 P.M.

Angela Jackson, Assistant Secretary
City of Baytown



CITY COUNCIL MEETING

2. b.

Meeting Date: 05/23/2024

Subject: Consider approving the minutes of the Baytown Municipal Development District Regular Meeting held on April 25, 2024.

Prepared by: Gabriella Gonzales, City Clerk's Office

Department: City Clerk's Office

Information

ITEM

Consider approving the minutes of the Baytown Municipal Development District Regular Meeting held on April 25, 2024.

PREFACE

Consider approving the minutes of the Baytown Municipal Development District Regular Meeting held on April 25, 2024.

Attachments

2024 04 25 Minutes

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE BAYTOWN MUNICIPAL DEVELOPMENT DISTRICT**

April 25, 2024

The Board of Directors of the Baytown Municipal Development District (MDD) met in a Regular Meeting on Thursday, April 25, 2024, at 4:30 P.M., in the Council Chamber of the Baytown City Hall, 2401 Market Street, Baytown, Texas with the following in attendance:

Bandon Capetillo	President
Laura Alvarado	Vice President
Kenrick Griffith	Director
James Franco	Director
Jacob Powell	Director
Mike Lester	Director
Jason Reynolds	General Manager
Scott Lemond	General Counsel
Angela Jackson	Assistant Secretary

President Brandon Capetillo convened the April 25, 2024, MDD Board Regular Meeting with a quorum present at 4:34 P.M., all members were present with the exception of Director Sarah Graham.

1. CITIZEN COMMENTS

President Brandon Capetillo announced no citizens had signed up to speak on the Citizen Comments item.

2. REPORTS

a. Receive the Baytown Municipal Development District's Quarterly Financial and Investment Reports for the Quarter Ending March 31, 2024.

Finance Director Teresa McKenzie summarized the District Quarterly Financial Report ending March 31, 2024. (Exhibit A)

President Brandon Capetillo acknowledged report was received.

3. CONSENT

a. Consider a resolution authorizing an interlocal agreement with Texas Municipal League Intergovernmental Risk Pool (TMLIRP) for the prorated payment of \$512,528.00 for Fiscal Year 2023-2024.

General Counsel Scott Lemond summarized Item 3.a. related to the interlocal agreement with Texas Municipal League Intergovernmental Risk Pool.

General Manager Jason Reynolds commented, “When we started this process with the MDD Board when the hotel opened, there was a discussion around a 1.8-million-dollar insurance bill. The Risk Management Team has worked over the past year to find a new policy and that policy was then carried over to TML in which we were not able to do before. This has reduced the 1.8-million-dollar insurance bill down to 1.3 million dollars. In addition, the cost avoidance for this year is that they were able to do a prorated fee for the time being. Whereas, last year we had to pay the 1.8 million up front. There is a cost avoidance not having to pay the full 1.3 million premium right now. That will kickoff with our regular budget cycle in October going forward.”

A motion was made by Vice President Laura Alvarado and seconded by Director Mike Lester to approve Resolution NO. The vote was as follows:

Ayes: President Brandon Capetillo, Vice President Laura Alvarado, Director Kenrick Griffith, Director James Franco, Director Jacob Powell, Director Mike Lester

Nays: None

Other: Director Sarah Graham (Absent)

Approved

RESOLUTION NO. 475

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BAYTOWN MUNICIPAL DEVELOPMENT DISTRICT AUTHORIZING A LIABILITY/PROPERTY INTERLOCAL AGREEMENT WITH THE TEXAS MUNICIPAL LEAGUE INTERGOVERNMENTAL RISK POOL FOR THE PURPOSE OF JOINING THE TEXAS MUNICIPAL LEAGUE JOINT SELF-INSURANCE FUND; AUTHORIZING PAYMENT BY THE CITY OF BAYTOWN MUNICIPAL DEVELOPMENT DISTRICT IN AN AMOUNT NOT TO EXCEED FIVE HUNDRED TWELVE THOUSAND FIVE HUNDRED TWENTY-EIGHT AND NO/100 DOLLARS (\$512,528.00) FOR PREMIUMS, REIMBURSABLE LOSSES, ADMINISTRATIVE FEES AND DEDUCTIBLES; MAKING OTHER PROVISIONS RELATED THERETO; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

4. MANAGER'S REPORT

- a. **The next Baytown Municipal Development District meeting will be scheduled when needed, in the Council Chamber located at City Hall, 2401 Market Street, Baytown, Texas, 77520.**

General Manager Jason Reynolds informed the Board there were no reports to be made.

5. EXECUTIVE SESSION

a. Recess into and conduct an executive session pursuant to Texas Government Code Sections 551.071 and 551.087 to seek the advice of the City's attorneys regarding economic development negotiations.

Director Sarah Graham entered the Municipal Development District Regular Meeting at 4:39 P.M.

At 4:39 P.M., President Brandon Capetillo recessed into and conducted an Executive Session pursuant to Section(s) 551.071 and 551.087 of the Texas Government Code to seek the advice of the City's attorneys and/or to discuss economic development negotiations.

At 5:25 P.M., President Brandon Capetillo reconvened the Open Meeting of the MDD Board Regular Meeting and announced that in accordance with Section 551.102 of the Texas Government Code, no action was taken in the Executive Session.

6. ADJOURN

With there being no further business to discuss, President Brandon Capetillo adjourned the April 25, 2024, MDD Board Regular Meeting at 5:25 P.M.

Angela Jackson, Assistant Secretary
City of Baytown



CITY COUNCIL MEETING

2. c.

Meeting Date: 05/23/2024

Subject: Consider approving the minutes of the City Council Regular Meeting held on April 25, 2024

Prepared for: Angela Jackson, City Clerk's Office

Prepared by: Shannon Bennett, City Clerk's Office

Department: City Clerk's Office

Information

ITEM

Consider approving the minutes of the City Council Regular Meeting held on April 25, 2024.

PREFACE

This allows the City Council to approve the minutes of the City Council Regular Meeting held on April 25, 2024.

Attachments

Minutes

DRAFT
**MINUTES OF THE REGULAR MEETING OF THE
CITY COUNCIL OF THE CITY OF BAYTOWN**

April 25, 2024

The City Council of the City of Baytown, Texas, met in a Regular Meeting on Thursday, April 25, 2024, at 6:30 P.M. in the Council Chamber of the Baytown City Hall at 2401 Market Street, Baytown, Texas, with the following in attendance:

Laura Alvarado	Mayor Pro Tem
Sarah Graham	Council Member
Kenrick Griffith	Council Member
James Franco	Council Member
Jacob Powell	Council Member
Mike Lester	Council Member
 Brandon Capetillo	 Mayor
 Jason Reynolds	 City Manager
Scott Lemond	City Attorney
Angela Jackson	City Clerk
John Stringer	Sergeant at Arms

Mayor Brandon Capetillo convened the April 25, 2024 Regular City Council Meeting with a quorum present at 6:38 P.M. All members were present.

The Pledge of Allegiance, Texas Pledge, and Invocation were led by Council Member Sarah Graham.

1. CITIZEN COMMENTS

Mayor Capetillo announced citizens signed up to speak.

a. Harvey Ponder, 6403 Crosby Cedar Bayou Road, commented, "I'd like to thank you and the staff regarding this Pirates Bay fiasco from the other day. The decision you all made was quick and decisive, obviously an oversight on somebody's part planning something wrong and I appreciate it. I would like to ask you to take the time to correct another oversight. The City Staff Report dated November 2, 2017 states that the purpose of the land use and annexation was to transition from commercial to residential and I've got a copy of that right here. On March 28, 2024, the last City Council meeting I was at, the city passed Agenda Item 4.b, rezoning a 3-acre tract from open space to medium density. The city admitted the track was annexed in the 2017 land grab. The city further stated that the property owner needed the rezoning so he could sell it. I think its more reasonable to say that the new owner is a commercial developer who did not want the negative publicity of building more multi-family complexes or condominiums like the ones all over east side of downtown Houston. Traffic on Sjolander Road is already a nightmare and you want to allow more multi-family complexes right there at Massey Tompkins and Sjolander.

Remember the stated purpose of the annexation was to transition from commercial to residential. A letter dated November 21, 2017; the city states that the city does not provide water. If the city does not provide water and sewer services, the homeowner must pay for it. I know one homeowner who was quoted \$30,000 just to install water and sewer lines to the road and then further from Crosby Cedar Bayou down to Archer Road. Per the City Staff Report, the city only allocated 1,500 feet of water and sewer line at a total cost of \$2 million. That'll be used up pretty quick. The only property owners who can afford the types of cost associated with that including impact fees and permits are commercial developers on such small properties; most of it is small properties. I was contacted by a commercial developer about my 5 acres. He wants to build a diesel truck repair shop on mine and some adjacent property. Again, so much for commercial to residential purposes. I would like to say thank you, Mr. Mayor, for setting up our impending meeting with the city. I appreciate it and again I'd like to say please correct this oversight and let us out of the city. That's all I got."

b. Linda Miks, 6427 Crosby Cedar Bayou Road, commented, "I was in the 2017 annexation and I didn't realize we were supposed to go from commercial to residential. Well, apparently whenever we got annexed my property became residential/commercial. Therefore, when I fight my taxes I have to find comparable properties for that, and they won't let me fight my taxes. Even if I found a house identical to mine. If it says strictly residential, I cannot compare my property to theirs. When you annexed me, you hurt us tremendously so, I'm here again. I also want to say thank you for setting up the meeting and I will be there. For some reason, everybody had wrong numbers for me, but they did contact me. So, I appreciate you taking out the time on Tuesday. Mayor, I know and I don't understand the problem. I got messages and I even emailed Jason. Okay, so I will be there, but thank you for doing that. I'm here again, and the only way I think you can get rid of me is just de-annex me and I'll go away. Thank you."

c. Byron Schirmbeck, 4727 Blackstone Street, commented, "Mr. Mayor, Council Members, it's been a beautiful few days, let's talk golf. The T36 project is in default and let's be clear nobody is happy about that, nobody. The problem is that we need to reflect on how we got here, see what the problem is, see how we fix it, and prevent this from happening again. Let's go back two years, in this very room, that is the evening that we approved this deal. The majority of the folks that showed up were here to speak against the deal. There were publicly known red flags against this deal, a lot of red flags. I don't know if Soviet Russia had more red flags than this deal. In spite of all that, Mr. Mayor, you told us we had to rely on the experts. I'm asking where are those experts now? I'm a little bit troubled that what I'm seeing from the presentation earlier is talking about more incentives, more. I think the word they used was 'incentivize the feasibility gap'. That sounds scary to me. I hope we take a look and slow this down and figure out first what we've done wrong so that we don't make the same mistakes again. The only way you can restore the trust of the people is with an outside, independent investigation into this. Into what went wrong, where did the money go and if there actually was any criminal wrongdoing by any of the developers or anyone at City Hall that's here now or that was here in the past. Until we get all that behind us, don't move forward on any more public-private partnerships. Let's figure this out first and give us the answers we deserve. Thank you."

d. James Kilburn, 5001 Ashwood Dr., commented, "Thank you, Mr. Mayor, City Council. I'm going to get a little different from a lot of the comments that you've been hearing over the last couple weeks from the citizens. Mine is based on comments I see on Nextdoor Neighbor. Over the

last 4 or 5 days there's been about 50 comments out there asking for an update on the San Jacinto Mall property. I realized what the problem is; this City Council meeting allows all of us to speak and raise questions or bring thoughts, but we don't necessarily get a response back from City Council. I wasn't going to bring that up, but it's something I think City Council needs to look at and consider making a change. So, that some items we discuss we can possibly receive a response. Thank you for your time and have a good evening.”

2. MINUTES

a. Consider approving the minutes of the City Council Work Session held on April 11, 2024.

A motion was made by Council Member Sarah Graham and seconded by Council Member Kenrick Griffith to approve the minutes of the City Council Work Session held on April 11, 2024, as submitted. The vote was as follows:

Ayes: Mayor Brandon Capetillo, Mayor Pro Tem Laura Alvarado, Council Member Sarah Graham, Council Member Jacob Powell, Council Member Kenrick Griffith, Council Member James Franco and Council Member Mike Lester

Nays: None

Approved

3. RECOGNITIONS AND CITIZEN COMMUNICATIONS

a. Present a proclamation designating May 5 - May 11, 2024, as Municipal Clerks Week.

Mayor Brandon Capetillo presented the proclamation to City Clerk Angela Jackson and staff, proclaiming May 5 – May 11, 2024 as Municipal Clerk’s Week and recognized the efforts of the Baytown City Clerk’s Office.

b. Present a proclamation designating April 14 - 20, 2024, as National Public Safety Telecommunicators Week.

Mayor Brandon Capetillo presented the Baytown Emergency Communication Center with two proclamations; one on behalf of Greater Harris County 911 Emergency Network and the other on behalf of the City of Baytown proclaiming the week of April 14 - 20, 2024 as National Public Safety Telecommunications Week.

4. TEXAS ENTERPRISE ZONE PROGRAM

a. Conduct a public hearing regarding an ordinance re-establishing the City’s participation in the Texas Enterprise Zone Program providing tax incentives, designating a liaison for communication with interested parties and may nominate projects to the Office of

the Governor Economic Development & Tourism (EDT) through the Economic Development Bank as an enterprise zone project.

At 6:59 P.M., Mayor Brandon Capetillo called Item 4.a., pertaining to the Texas Enterprise Zone Program into public hearing.

Economic Development Manager Brian Moran summarized Item 4.a., regarding the City's desire to re-establish participation in the Texas Enterprise Zone Program and nominate companies as qualified businesses receiving state tax sales and rebates.

At 7:04 P.M., Mayor Capetillo closed the public hearing related to the Texas Enterprise Zone Program to which no citizens signed up to speak.

b. Consider an ordinance re-establishing the City's participation in the Texas Enterprise Zone Program providing tax incentives, designating a liaison for communication with interested parties and may nominate projects to the Office of the Governor Economic Development & Tourism (EDT) through the Economic Development Bank as an enterprise zone project.

A motion was made by Council Member Sarah Graham and seconded by Mayor Pro Tem Laura Alvarado to approve Ordinance No.15,783, related to Item 4.b. The vote was as follows:

Ayes: Mayor Brandon Capetillo, Council Member Sarah Graham, Council Member Kenrick Griffith, Council Member James Franco, Council Member Jacob Powell, and Council Member Mike Lester

Nays: None

Approved

ORDINANCE NO. 15,783

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS, ESTABLISHING THE CITY'S PARTICIPATION IN THE TEXAS ENTERPRISE ZONE PROGRAM PURSUANT TO THE TEXAS ENTERPRISE ZONE ACT, CHAPTER 2303, TEXAS GOVERNMENT CODE (ACT), PROVIDING TAX INCENTIVES, DESIGNATING A LIAISON FOR COMMUNICATION WITH INTERESTED PARTIES AND MAY NOMINATE PROJECTS TO THE OFFICE OF THE GOVERNOR ECONOMIC DEVELOPMENT & TOURISM (EDT) THROUGH THE ECONOMIC DEVELOPMENT BANK (BANK) AS AN ENTERPRISE PROJECT (PROJECT), AND PROVIDING FOR THE PUBLICATION AND EFFECTIVE DATE THEREOF.

5. PROPOSED ORDINANCES

a. Consider an ordinance authorizing an agreement with Nelco Media Inc. for the purchase of equipment, consulting, and installation services related to The Brunson Studio at an amount not-to-exceed \$679,802.20.

Public Affairs Director Thomas Reeves, summarized the agreement with Nelco Media Inc., which provides unique opportunities for partners and the public to create content that highlights Baytown as a place to live, work, and play utilizing P.E.G. funds.

Council Member Sarah Graham and Council Member Kenrick Griffith thanked Director Thomas Reeves for a tour of the facility and explanation of the Brunson Studio Development Projects.

A motion was made by Council Member Sarah Graham and seconded by Mayor Pro Tem Laura Alvarado to approve Ordinance No.15,784, related to Item 5.a. The vote was as follows:

Ayes: Mayor Brandon Capetillo, Council Member Sarah Graham, Council Member Kenrick Griffith, Council Member James Franco, Council Member Jacob Powell, and Council Member Mike Lester

Nays: None

Approved

ORDINANCE NO. 15,784

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS, AUTHORIZING PAYMENT IN AN AMOUNT NOT TO EXCEED SIX HUNDRED SEVENTY-NINE THOUSAND EIGHT HUNDRED TWO AND 20/100 DOLLARS (\$679,802.20) TO NELCO MEDIA, INC., THROUGH THE INTERLOCAL PURCHASING SYSTEM (TIPS), FOR THE PURCHASE OF EQUIPMENT, CONSULTING, AND INSTALLATION SERVICES RELATED TO THE BRUNSON STUDIO FOR THE PUBLIC AFFAIRS DEPARTMENT; MAKING OTHER PROVISIONS RELATED THERETO; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

b. Consider an ordinance to authorize the issuance of the City of Baytown, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2024.

Finance Director Teresa McKenzie, summarized Item 5.b., related to the ordinance authorizing the issuance of the City of Baytown, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2024 and distribution of an official statement, enacting other provisions relating thereto.

Council Member Jacob Powell commented, "I'll make the same statement I made when we approved the notice on these going out. I just think there's other ways we can fund some of these items without Certificates of Obligation so, my view on that has not changed."

A motion was made by Council Member Sarah Graham and seconded by Mayor Pro Tem Laura

Alvarado to approve Ordinance No. 15,785. The vote was as follows:

Ayes: Mayor Brandon Capetillo, Mayor Pro Tem Laura Alvarado, Council Member Sarah Graham, Council Member Kenrick Griffith, and Council Member Mike Lester

Nays: Council Member James Franco, Council Member Jacob Powell

Approved

ORDINANCE NO. 15,785

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS, AUTHORIZING THE ISSUANCE OF CITY OF BAYTOWN, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2024; LEVYING A TAX IN PAYMENT THEREOF; SETTING CERTAIN PARAMETERS FOR THE SALE OF THE CERTIFICATES; APPROVING THE PREPARATION AND DISTRIBUTION OF AN OFFICIAL STATEMENT; ENACTING OTHER PROVISIONS RELATING THERETO; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

c. Consider an ordinance to approve the resolution of the Baytown Area Water Authority authorizing the issuance of the Baytown Water Authority Water Supply Contract Revenue Bonds, Series 2024.

Mayor Brandon Capetillo acknowledged Item 5.c. will be posted at a future meeting, no action was taken.

6. CONSENT

A motion was made by Mayor Pro Tem Laura Alvarado and seconded by Council Member Sarah Graham to approve Consent Agenda Items 6.a. through 6.g., excluding Item 6.e. The vote was as follows:

Ayes: Mayor Brandon Capetillo, Council Member Sarah Graham, Council Member Kenrick Griffith, Council Member James Franco, Council Member Jacob Powell, and Council Member Mike Lester

Nays: None

Approved

a. Consider an ordinance authorizing the service agreement between HIDTA and Recruitful, LLC, for creating and maintaining a LPR database.

ORDINANCE NO. 15,786

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS, AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT BETWEEN HOUSTON HIDTA AND RECRUITFUL LLC, FOR CREATING AND MAINTAINING A LICENSE PLATE READER ("LPR") DATABASE; AUTHORIZING PAYMENT BY THE CITY OF BAYTOWN IN AN AMOUNT NOT TO EXCEED TWO HUNDRED EIGHTY-THOUSAND TWO HUNDRED EIGHTY-SEVEN AND NO/100 DOLLARS (\$280,287.00); MAKING OTHER PROVISIONS RELATED THERETO; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

- b. Consider an ordinance awarding the Annual Large Meter Testing and Repair of Neptune Water Meters Contract to Southern Flowmeter, Inc.**

ORDINANCE NO. 15,787

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS, ACCEPTING THE BID OF SOUTHERN FLOWMETER, INC., FOR THE ANNUAL LARGE METER TESTING AND REPAIR OF NEPTUNE WATER METERS CONTRACT AND AUTHORIZING PAYMENT BY THE CITY OF BAYTOWN IN AN AMOUNT NOT TO EXCEED TWO HUNDRED SIXTY-FIVE THOUSAND AND NO/100 DOLLARS (\$265,000.00); MAKING OTHER PROVISIONS RELATED THERETO; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

- c. Consider an ordinance authorizing the award of the Annual Tire & Tube Contract to The Goodyear Tire and Rubber Company.**

ORDINANCE NO. 15,788

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS AUTHORIZING PAYMENT IN AN AMOUNT NOT TO EXCEED ONE HUNDRED SEVENTY-SIX THOUSAND AND NO/100 DOLLARS (\$176,000.00) TO GOODYEAR TIRE AND RUBBER COMPANY FOR THE RENEWAL OF THE ANNUAL TIRE AND TUBE CONTRACT THROUGH THE TEXAS LOCAL GOVERNMENT PURCHASING COOPERATIVE (BUY BOARD); MAKING OTHER PROVISIONS RELATED THERETO; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

- d. Consider an ordinance authorizing a consulting services agreement for the Garth Road Widening – Water and Wastewater Phases A & B Project with Terracon Consultants, Inc. for construction material testing.**

ORDINANCE NO. 15,789

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS, AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT WITH TERRACON CONSULTANTS, INC., FOR CONSTRUCTION MATERIAL TESTING SERVICES AND CONSTRUCTION OBSERVATION SERVICES FOR THE GARTH ROAD WIDENING – WATER AND WASTEWATER PHASES A & B PROJECT; AUTHORIZING PAYMENT BY THE CITY OF BAYTOWN IN AN AMOUNT NOT TO EXCEED ONE HUNDRED SEVENTY THOUSAND FOUR HUNDRED SIXTY-FIVE AND NO/100 DOLLARS (\$170,465.00); MAKING OTHER PROVISIONS RELATED THERETO; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

- e. **Consider an ordinance approving payment to Cummins Inc., for generator repair service at the Baytown Area Water Authority Fritz Lanham Water Treatment Plant.**

Mayor Brandon Capetillo pulled Item 6.e., no action was taken.

- f. **Consider an ordinance authorizing the award of the As-Needed Sludge, Grit & Debris Removal Contract at Treatment Plants and Lift Stations to Magna Flow Environmental, Inc.**

ORDINANCE NO. 15,790

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS, ACCEPTING THE BID OF MAGNA FLOW ENVIRONMENTAL INC., FOR THE AS-NEEDED SLUDGE, GRIT, AND DEBRIS REMOVAL AT TREATMENT PLANTS AND LIFT STATIONS; AUTHORIZING AND DIRECTING THE CITY MANAGER TO EXECUTE AND THE CITY CLERK TO ATTEST TO A CONTRACT WITH MAGNA FLOW ENVIRONMENTAL, INC., FOR THE AS-NEEDED SLUDGE, GRIT, AND DEBRIS REMOVAL PROJECT AT THE TREATMENT PLANTS AND LIFT STATIONS; AUTHORIZING PAYMENT NOT TO EXCEED THE SUM OF NINE HUNDRED TWENTY-FIVE THOUSAND AND NO/100 DOLLARS (\$925,000.00); MAKING OTHER PROVISIONS RELATED THERETO; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

- g. **Consider an ordinance authorizing the sale of the City of Baytown property located along the southeast side of Farm-to-Market Road 565 (FM-565) in front of the Ameriport Lift Station to the Texas Department of Transportation (TxDOT), and authorizing the City of Baytown to enter into a Possession and Use Agreement for Transportation Purposes with Additional Payment of Independent Consideration with TxDOT concerning said property.**

ORDINANCE NO. 15,791

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS, AUTHORIZING THE SALE OF THE PROPERTY LOCATED ALONG THE SOUTHEAST SIDE OF FARM-TO-MARKET ROAD 565 (FM-565) IN FRONT OF THE AMERIPOINT LIFT STATION, CHAMBERS COUNTY, TEXAS, BEING LEGALLY DESCRIBED AS APPROXIMATELY 0.0472 ACRES OR 2,058 SQUARE FEET OF LAND SITUATED IN THE R.A. PORTER SURVEY, ABSTRACT NO. 205, IN THE CITY OF BAYTOWN, CHAMBERS COUNTY, TEXAS,

TO THE STATE OF TEXAS, ACTING BY AND THROUGH THE TEXAS TRANSPORTATION COMMISSION IN THE AMOUNT OF SIX THOUSAND FOUR HUNDRED EIGHTY-THREE AND NO/100 DOLLARS (\$6,483.00); AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

7. APPOINTMENTS

a. Receive the announcement of the Mayor's appointment to the Cedar Bayou Navigation District.

Mayor Brandon Capetillo announced the re-appointment for Cedar Bayou Navigation District Position 6 and requested a follow up on their position and overall status at a future meeting.

A motion was made by Council Member Kenrick Griffith and seconded by Council Member Mike Lester to re-appoint Calvin Munding to the Cedar Bayou Navigation District. The vote was as follows:

Ayes: Mayor Brandon Capetillo, Mayor Pro Tem Laura Alvarado, Council Member Sarah Graham, Council Member Kenrick Griffith, Council Member James Franco, Council Member Jacob Powell, and Council Member Mike Lester

Nays: None

Approved

RESOLUTION NO. 2,910

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS, APPOINTING CALVIN MUNDINGER TO THE CEDAR BAYOU NAVIGATION DISTRICT; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

b. Consider a resolution authorizing the appointment of the local Health Authority for the City of Baytown.

Health Director Tony Gray explained the appointment of the local Health Authority for the City of Baytown, in accordance with Texas Health and Safety Code, Chapter 121.021.

A motion was made by Council Member Mike Lester and seconded by Council Member Jacob Powell to appoint Dr. James Bernick as the City of Baytown Health Authority. The vote was as follows:

Ayes: Mayor Brandon Capetillo, Mayor Pro Tem Laura Alvarado, Council Member Sarah Graham, Council Member Kenrick Griffith, Council Member James Franco, Council Member Jacob Powell, and Council Member Mike Lester

Nays: None

Approved

RESOLUTION NO. 2,911

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS, APPOINTING DR. JAMES BERNICK AS THE HEALTH AUTHORITY TO THE CITY OF BAYTOWN; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

c. Consider a resolution authorizing the appointment of an Associate Municipal Court Judge for the term of office, which begins immediately, and ends on January 31, 2026.

Mayor Brandon Capetillo pulled Item 7.c., no action was taken.

d. Consider a resolution authorizing one (1) appointment to the Baytown Police Advisory Committee.

Council Member Mike Lester nominated Donald Vallier as District 6 representative for the Baytown Police Advisory Committee.

A motion was made by Council Member Mike Lester and seconded by Council Member Sarah Graham to appoint Donald Vallier to the Baytown Police Advisory Committee. The vote was as follows:

Ayes: Mayor Brandon Capetillo, Mayor Pro Tem Laura Alvarado, Council Member Sarah Graham, Council Member Kenrick Griffith, Council Member James Franco, Council Member Jacob Powell, and Council Member Mike Lester

Nays: None

Approved

RESOLUTION NO. 2,912

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS, APPOINTING DONALD VALLIER TO THE BAYTOWN POLICE ADVISORY COMMITTEE; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

e. Consider a resolution authorizing one (1) appointment to the Community Development Advisory Committee.

Council Member Mike Lester nominated Jennifer Elmore to the Community Development Advisory Committee.

A motion was made by Council Member Mike Lester and seconded by Council Member Jacob Powell to appoint Jennifer Elmore to the Community Development Advisory Committee. The vote was as follows:

Ayes: Mayor Brandon Capetillo, Mayor Pro Tem Laura Alvarado, Council Member Sarah Graham, Council Member Kenrick Griffith, Council Member James Franco, Council Member Jacob Powell, and Council Member Mike Lester

Nays: None

Approved

RESOLUTION NO. 2,913

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS, APPOINTING JENNIFER ELMORE TO THE COMMUNITY DEVELOPMENT ADVISORY COMMITTEE; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

f. Consider a resolution authorizing two (2) appointments to the Planning and Zoning Commission.

Council Member Mike Lester nominated Mike Beard as District 6 At-Large representative on the Planning and Zoning Commission Board.

A motion was made by Council Member Mike Lester and seconded by Council Member Sarah Graham to appoint Mike Beard as District 6 At-Large representative to the Planning and Zoning Commission Board. The vote was as follows:

Ayes: Mayor Brandon Capetillo, Mayor Pro Tem Laura Alvarado, Council Member Sarah Graham, Council Member Kenrick Griffith, Council Member James Franco, Council Member Jacob Powell, and Council Member Mike Lester

Nays: None

Approved

Mayor Capetillo opened the floor for nominations to the Planning and Zoning Commission Board.

Council Member James Franco nominated Oscar Chapa for the Planning and Zoning Commission Board.

Council Member Kenrick Griffith nominated Judith DuBose for the Planning and Zoning Commission Board.

A motion was made by Council Member James Franco and seconded by Council Member Jacob Powell to appoint Oscar Chapa to the Planning and Zoning Commission Board. The vote was as follows:

Ayes: Mayor Brandon Capetillo, Mayor Pro Tem Laura Alvarado, Council Member James Franco, Council Member Jacob Powell, and Council Member Mike Lester

Nays: Council Member Sarah Graham, Council Member Kenrick Griffith

Approved

RESOLUTION NO. 2,914

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS, APPOINTING MIKE BEARD AND OSCAR CHAPA TO THE PLANNING AND ZONING COMMISSION; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

g. Consider a resolution authorizing one (1) appointment to the Tax Increment Reinvestment Zone Number One and Baytown Redevelopment Authority.

Mayor Brandon Capetillo pulled Item 7.g., no action was taken.

8. MANAGER'S REPORT

City Manager Jason Reynolds addressed the following topics from the Manager's Report:

- Officer Casarena's quick response of performing CPR to the Baytown resident until Fire and EMS services arrived at the scene; saved their life. A big thank you for your service.
- In addition, Officer Swash and Officer Casarena responded to a citizen report of reckless driver who was armed and uncooperative and a badly injured 15-year-old female possibly saving her life.
- The police department has an online form where residents are able to submit compliments, and complaints regarding the City tow service provider on their website.
- I would also like to recognize the Baytown Municipal Court. They were recognized and awarded the first-ever Trailblazer Award at this year's Traffic Safety Conference in San Antonio, Texas, great job.
- We partnered with the City of La Porte this spring to allow our youth teams to face more teams in different competitions throughout the season. It was a great collaboration for both cities.
- I want to recognize the work that the Parks Department did with the East Region Special Olympics Event.
- Parks and Recreation received a write-in letting us know he was grateful to one of our Baytown Parks Field Supervisors. The citizen had addressed some maintenance issues he

had while visiting the Holloway Park and immediately after he had informed him it was being repaired.

- Parks and Recreation, thank you for an awesome pop-up park event at Foote Park where families and City Employees from around the community had a chance to explore the new park amenities.
- I want to thank all the citizens that showed up to the listening session with the Chief of Police and Mr. Lester for the first public safety listening session. Thank you for coming out and being involved with your Council and Staff.
- I want to read a statement about the T36 golf course. I would like to state that the info changes often and that as we release information, it is based on the information that is at hand and in front of us at that time. So, please know as the City continues to put something out about T36 it could change and different updates will come along. It doesn't mean anything has changed materially with what's put out, but it's based on the information that's in front of us at that time. So, with that said, The City took action at the beginning of April 2024 after we were notified of a Separation Agreement with Bill Baytown One and the Troon Golf for the operations. The City wanted to continue a seamless transition of operations so that the golf course did not have to close for any period of time. We took emergency action to keep the golf course operating for the foreseeable future. This was a statement that was released on social media, 'The City is committed to a process of realigning and reorganizing to create a sustainable future. That means holding partnership groups accountable when contracts and other agreements are not followed. The City of Baytown provided a notice of default to Bill Baytown One on the agreed contract with the T36 Golf Course. Bill Baytown One was given a list of outstanding items to address by May 3, 2024. The golf course remains open and will be operated by Troon, the company that was already managing the course. Work is expected to continue to open the Birch Kitchen in the coming months. The golf course will not be managed by the City of Baytown. As part of a new agreement with Troon, we're working towards recuperating some of the investment made on the golf course. City leadership is also exploring options to help local contractors and companies who may have not been paid. The additional property that Bill Baytown One had an option to lease will remain with the City. It's important to know that these are difficult decisions, but were made in the best interest of the community. Accountability is critical and projects like these and others to come in the future. To add onto that, I want the City and the Council to know if activity merits an investigation, it will be done. To end on a positive note with the T36 Golf Course and let the residents see the amount of golf played from December 2023 through the month of April 2024 as of April 30, 2024. You can see the numbers that are happening at the golf course. They are in line with the projected golf to be played at the course. This is a positive report to see for what Baytown has invested into this project to get a golf course up and operational. With that, Mayor and Council that is all I have at this point."

9. COUNCIL MEMBER DISTRICT REPORT

a. Receive a report from Council Member Sarah Graham regarding projects, programs and events in District No. 2.

Council Member Sarah Graham reported the current projects, programs and events of District 2:

- Public Works & Engineering

- Robert E Lee Drainage is 90% complete.
- Market Street design is completed now pending utility and acquisition items.
- South Main Drainage design is nearly complete pending real estate items.
- Tree Trimming is taking place on East Jack Ave, North Main St., down to N 7th St.
- Striping on Ward Rd from N Main St. to Alexander Dr and W Main St. from the bridge to Barrymore Blvd.
- Planning & Development
 - 1502 Nolan Rd. renovations of Bay Terrace Apartments is awaiting proof of payment.
 - 200 Lee Dr. renovations of the Student Center building and food bank of Lee College.
 - 510 W Texas Ave remodel into a bar and entertainment venue is under inspection and 70% complete.
- Parks & Recreation
 - EPIC High School club is preparing for the 4th Biennial International Conservation Experience in Costa Rica.
 - Adopt-a-Spot Updates: Exxon Mobil conducted a Earth Day
 - Zumba held at Town Square on Monday's and Wednesday's from 6:00 P.M. to 7:00 P.M.
 - Arbor Day Tree Giveaway
 - Wade into Wetlands Summer Camp is sponsored by Chevron Phillips.
 - Annual East Region Special Olympic Games were held at Salta Stadium, consisted of 898 athletes from Lee High School and Goose Creek Memorial with the help of 300 volunteers.

10. EXECUTIVE SESSION

a. Recess into and conduct an Executive Session pursuant to Section(s) 551 .071 and/or 551.087 of the Texas Government Code to seek the advice of the City's attorneys and/or to discuss economic development negotiations.

b. Recess into and conduct an Executive Session pursuant to Texas Government Code Sections 551.071 and 551.074 to seek the advice of the City's attorneys and/or discuss personnel matters regarding the Associate Municipal Judge.

At 7:46 P.M., Mayor Brandon Capetillo recessed and convened into an Executive Session.

At 10:44 P.M., Mayor Brandon Capetillo reconvened the meeting and announced that in accordance with Section 551.102 of the Texas Government Code, no action was taken in the Executive Session.

11. ADJOURN

With there being no further business to discuss, Mayor Brandon Capetillo adjourned the April 25, 2024 Regular City Council Meeting at 10:44 P.M.



CITY COUNCIL MEETING

2. d.

Meeting Date: 05/23/2024

Subject: Consider approving the minutes of the City Council Special Meeting Held on May 2nd & 3rd, 2024

Prepared for: Angela Jackson, City Clerk's Office

Prepared by: Shannon Bennett, City Clerk's Office

Department: City Clerk's Office

Information

ITEM

Consider approving the minutes of the City Council Special Meeting held on May 2nd & 3rd, 2024.

PREFACE

This allows the Council to approve the minutes of the City Council Special Meeting held on May 2nd & 3rd, 2024.

Attachments

Minutes

Minutes

DRAFT
**MINUTES OF THE SPECIAL MEETING OF THE
CITY COUNCIL OF THE CITY OF BAYTOWN**

May 02, 2024

The City Council of the City of Baytown, Texas, met in a Special Meeting on Thursday, May 02, 2024, at 2:30 P.M. in the Council Chamber of the Baytown City Hall at 2401 Market Street, Baytown, Texas, with the following in attendance:

Sarah Graham	Council Member
Kenrick Griffith	Council Member
James Franco	Council Member
Jacob Powell	Council Member
Mike Lester	Council Member
Brandon Capetillo	Mayor
Jason Reynolds	City Manager
Scott Lemond	City Attorney
Gabriella Gonzales	Open Government Supervisor
John Stringer	Sergeant at Arms

Mayor Brandon Capetillo convened the May 02, 2024, City Council Special Meeting with a quorum present at 2:33 P.M. All members were present with the exception of Mayor Pro Tem Laura Alvarado.

The Pledge of Allegiance, Texas Pledge, and Invocation were led by Council Member Jacob Powell.

1. CITIZEN COMMENTS

Mayor Brandon Capetillo announced a citizen signed up to speak.

Herbert Lorring, 2905 Parkland Drive, commented, "Before I get started I'd like to thank Mr. Powell, we had a drainage issue in the neighborhood. He addressed it and during the recent storms it's been very nice. Also, I'd like to thank the City of Baytown Tree Removal Service, we had a large tree fall in the neighborhood and they had it picked up and cut up before daylight. It was impressive. The only thing I really wanted to say, I won't pretend to know everything about the situation with the golf course that is going on. I would like to say that I am against giving any more power, or authority to the City Manager to address anything that's not openly transparent with the public. I'm also against any more money going to that. We seem to have a lot of money that we spend that we don't actually have, and that somehow usually always translates to more taxes, which I pay enough of. That's all I have to say."

2. EXECUTIVE SESSION

a. Recess into and conduct an Executive Session pursuant to Section(s) 551.071 and/or 551.087 of the Texas Government Code to seek the advice of the City's attorneys regarding

pending or contemplated litigation and/or to deliberate regarding economic development negotiations.

At 2:38 P.M., Mayor Brandon Capetillo recessed and convened in to an Executive Session pursuant to: 551.071 and/or 551.087 of the Texas Government Code.

Mayor Brandon Capetillo left the meeting after Executive Session.

At 4:17 P.M., Mayor Pro Tem Mike Lester reconvened the meeting and announced that, in accordance with Section 551.102 of the Texas Government Code, no action was taken in the Executive Session.

3. PROPOSED ORDINANCES

a. Consider an ordinance authorizing an amendment to the Fiscal Year 2024 budget authorizing a transfer from the General Fund to establish a new fund specifically designated for the Golf Course and other Special Recreation Projects.

Mayor Pro Tem Mike Lester announced citizens signed up to speak.

Byron Schirmbeck, 4727 Blackstone Street, and beautiful East Point subdivision, commented, “So, why are we here today? Trying to put duct tape on a broken deal? Looks like part of the Agenda is to divert general funds for a bail out of a golf course, that's too big to fail. Another reason, is that this is an election year and it's hard to run on a record of failures. A failed or failing hotel convention center, a stalled San Jacinto Marketplace Project and now a failed golf course deal that was pushed hard, despite all the warnings at the time. That doesn't look good on the record. We're also here because three sitting members of this body voted for the deal that is in default now. At that time, we were told this is a great deal and that we just had to trust the experts. Again, for the second meeting I don't see any of those experts here tonight. We're told that all losses for this project would be absorbed by the developer. Did that happen? We're also told that this deal was the fiscally conservative thing to do, because if the City had to run the golf course, it would cost a lot more than six million dollars, and we didn't have the money for that. Did we suddenly find the money? Yet, here we are. The six million dollars appears to be gone, at least some of it, and the same people that told us it was a terrible idea for the City to own a golf course, are now telling us this is the only way forward. If you voted for this deal back then, this is your chance to redeem yourself. If you vote yes again then you totally own this and everything that happens going forward. It's your baby. If you weren't on Council at the time, but you told voters when you're running for office that you would have voted against the deal back then; then you would have to vote against this deal now. It's in a lot of ways, much worse than the first one. Don't go back on that to protect somebody else's political ambitions. They may not be around later to protect you. There are too many questions that need to be answered about the last contract before a blank check for a new one is written. How much did the developer get from us? How much is left? How much can we get back through legal action? Did anyone at the City, now or in the past improperly use their influence to get this unusual one-sided deal with the developer done? We need to find all this out before we move forward. There needs to be an outside independent investigation before you spend one more dime, and all similar projects including Project Vector, need to be put on hold until we get those answers. Do the right thing. Vote no on both Items 3.a. and 3.b. Thank you.”

David Isaacs, 2812 Landmark Drive, commented, “Good evening, Mayor and Council, it's been a

while hasn't it? I'm going to try to make this quick. I got a campaign dinner to go to at El Toro's right after this, so I'll wrap it up. I would like to advocate to be against this measure today; moving money from the general fund to pay for this is what I would consider one of our boondoggles. As Mr. Schirmbeck stated, we've had multiple in the past some of which aren't a testament to some of your leadership behind this dais. I know two individuals who voted for it. A couple years ago, many members of the community, many esteemed members of the community even, were against this deal. They were weary of this deal. Mr. Don Aikey, who I probably wouldn't consider to be esteemed, but did his research and showed to me that this company from Tennessee was shady to begin with. So now, there's a big public sentiment of I told you so, moving through the town and it's not something we're happy to tell the Council. I consider myself to be a community advocate, but if you ask my family that's just the way of saying I ain't got a job. I want to advocate for the community today to protect our general fund, not to go to this. We don't want to pay for something that we never really wanted in the first place. We don't want to pay for something that we don't think is going to be feasible. We don't want to pay for something when our MDD has been dissolved to pay for a hotel convention center, that's not necessarily profitable at this moment. We don't want to pay for something when Parks and Recreation and other services are threatened by the already squeezed general fund. Our MDD was dissolved, all members of the general public were taken off of the MDD, and that's because of the hotel boondoggle. Now Parks and Recreation have to compete with the general fund instead of what our sales tax dollars is going through. This is the position that we are in right now. I just went to a Parks and Recreation meeting last night. I go to more meetings, more committee meetings, than anybody in this room, including yourselves behind that dais. So, I've seen how important it is to have that general fund be contributed to Parks and Recreation and other departments. We heard from Victor Brownlees, who is no longer here. There's a big turnaround in the past couple years. I think you understand why. Say that 60% of the general fund goes to public service and safety's already. So now we have to compete the golf course with our public safety. Now it has to compete with our Parks and Recreation. Now it has to compete with everything else in the town. Now we have to make this a priority. I read a quote today at a friend's house before I came here that said, "Your lack of planning should not constitute an emergency for me." That's the statement that I want to make today. The lack of planning from the previous administration or whoever wants to take responsibility for this. We can clearly see nobody wants to take responsibility for this. It shouldn't be an emergency on the general public, that is all I have. Thank you very much."

b. Consider an ordinance authorizing the City Manager to negotiate and enter into a golf facility management agreement with Troon Golf, LLC in accordance with discussions held in executive session.

Byron Schirmbeck, 4727 Blackstone Street, commented, "The reason I signed up on this Agenda Item believe it or not, I actually try to believe the best in folks, I hold everybody to a very high standard and it's because I believe in people's intentions and until they do something that shows me what their real character and position is. I think almost everybody or maybe everybody had the best of intentions going into this first deal. So again, I say like I did last time; nobody is happy about this. We're not thrilled about being right. The problem is that there were warnings. We had warnings that were not heeded. I'm hoping we're not going to repeat the same thing. I'm paraphrasing you, Councilman Powell, but I think he said something like, 'we shouldn't want a deal so badly that we do the deal badly,' something like that and I 100% agree. I get the feeling that maybe this rushed emergency meeting, I don't know all the details, but maybe has something to do with trying to do that. It looks like there's going to be a proposed contract with Troon, the

golf course manager. I hope we're not rushing into another bad contract like we did before, just in the hopes of having to do something to keep it here. I have concerns that if I was this company and I understand from what the City said and what's been out there that some contractors haven't gotten paid. I hope that it would be a logical assumption that maybe Troon is one of those guys that hasn't gotten paid. I'm hoping that there's not a deal or something negotiated to where we're also going to be responsible for any of the developer's bad debts. I hope whatever the contract is, we don't have that kind of issue where we're throwing extra good money after extra bad money. So, I would say I'm also a little concerned that it just seems like it gives a blank check to the City Manager to negotiate and enter into a contract. I think Council really needs to have a final say on that. I don't think we've done a contract like that before, but I would say vote both of these items down today; come back and get it right. Thank you."

Calvin Mundinger, 411 N Burnett Street, commented, "Council, how are you all doing this evening? Good to be here and good to see you all. Kenrick, don't ever change. I'm here and I'm concerned about Items. Are we on 3.a., or b.? Here's my concern, considering an ordinance authorizing the City Manager to negotiate and enter into a golf facility management agreement with Troon Golf LLC, according with the discussions held in Executive Session; that circumvents transparency. I hope you all aren't going to authorize him to do that when that's your job. It's okay for Jason to go and negotiate with Troon then come back to Council with a recommendation. Council reviews and considers that recommendation and acts accordingly. If they approve it, then Jason can execute it, but to send him out as one person in this entire system of government, to send one person who's not an elected official to negotiate behind closed doors without any supervision, without any input, and come up to execute that agreement is political malpractice. It is municipal management malpractice, it avoids transparency and that's not appropriate, its unacceptable. You guys need to ask him for a recommendation. You all review his recommendation, and then you either approve or don't approve it. Guess what else happens in that prospect? It's on the Agenda, and now citizens get to review and have input into this agreement. Please, I'm asking you all not to circumvent transparency and do the job as it has been done. This has never been done to ask the City Manager to go out and do this without guidance from Council. So please, I would urge any of you, if you want to solve this problem you can say, "We make a motion to authorize Jason to go negotiate the contract and then make a recommendation to Council for Council's consideration." That's how you solve that problem and that's how you will stay within the realm of transparency. Thank you very much."

4. MANAGER'S REPORT

No report was presented.

5. RECESSED

Mayor Pro Tem Mike Lester recessed the May 02, 2024, City Council Special Meeting at 4:32 P.M., until May 03, 2024, at 9:00 A.M. in the Council Chamber of the Baytown City Hall at 2401 Market Street, Baytown, Texas.

Angela Jackson, City Clerk

DRAFT
**MINUTES OF THE SPECIAL MEETING OF THE
CITY COUNCIL OF THE CITY OF BAYTOWN**

May 03, 2024

The City Council of the City of Baytown, Texas, met in a Special Meeting on Friday, May 03, 2024, at 9:00 A.M. in the Council Chamber of the Baytown City Hall at 2401 Market Street, Baytown, Texas, with the following in attendance:

Sarah Graham	Council Member
Kenrick Griffith	Council Member
James Franco	Council Member
Jacob Powell	Council Member
Mike Lester	Council Member
 Brandon Capetillo	 Mayor
 Jason Reynolds	 City Manager
Scott Lemond	City Attorney
Gabriella Gonzales	Open Government Supervisor
John Stringer	Sergeant at Arms

Mayor Brandon Capetillo reconvened the May 02, 2024, City Council Special Meeting on May 03, 2024 with a quorum present at 9:03 A.M. All members were present with the exception of Mayor Pro Tem Laura Alvarado.

At 9:04 A.M., Mayor Brandon Capetillo recessed and convened in to an Executive Session pursuant to:

- 1). Recess into and conduct an Executive Session pursuant to Section(s) 551.071 and/or 551.087 of the Texas Government Code to seek the advice of the City's attorneys and/or to discuss economic development negotiations.

At 9:51 A.M., Mayor Brandon Capetillo reconvened the meeting and announced that, in accordance with Section 551.102 of the Texas Government Code, no action was taken in the Executive Session.

1. PROPOSED ORDINANCES

a. Consider an ordinance authorizing an amendment to the Fiscal Year 2024 budget authorizing a transfer from the General Fund to establish a new fund specifically designated for the Golf Course and other Special Recreation Projects.

Council Member Mike Lester commented, "Mayor, as we've discussed, basically to walk away from the golf course in my opinion, Council is basically taking the position of we're going to walk away from the Southside. We've heard the discussions, nothing's happening on the Southside. It's a chicken and egg thing. Nothing's happening because there's nothing there. We can't get anything there because there's nothing happening. I got a number of calls last night on both sides of the issue

and the concern from a majority of my constituents that live in Evergreen and the other subdivisions down there, is if we walk away from the golf course, we're walking away from the Southside of town and them; they're not really happy with that. So, I just want to make those comments because that's what I'm receiving, and I have grave concerns about that. That's my point."

Council Member Sarah Graham expressed her concerns regarding Item 3.a., "I want to say quite a bit, if everybody will just sit back and listen. I feel like this vote should not be mine. I was not involved in the original golf course decision that involved a bond for I think twelve and a half million dollars. I will say I have a hard time answering to friends and family that live border with the golf course. We now know thanks to some data presented by Troon, that the golf course is considered an asset to the City. I put on a survey when I was being elected that I would have voted no to the golf course and I stand by what I said, but I don't think that I'm voting to build or not to build a golf course right now. I'm voting whether I want to protect or not protect an asset that we have seen and heard from lots of constituents between all of us, for ayes and nays. I appreciate everyone that has come out here to speak, but I want you to know even this morning as I was walking into work, I was being followed by someone questioning what we're doing as a Council. They wanted to know how to keep the golf course going. I encourage people, if you see a different view than what you're hearing here; why don't you come speak? They're not willing to because they state they don't want their families bullied online. I have people that are telling me that. So, all I can say is I'm trying to hear from both sides, but this is a very challenging decision. We're not just voting on a golf course, we are voting to either allow negotiations to maintain an asset, whether you agreed or didn't agree years ago when it was voted on; or we're voting to say we're done. How many more empty lots do you want our Parks and Recreation Department and other departments to continue to maintain that are still going to cost the City money? You really need to ask yourself that. It's going to be another empty lot with nothing if we don't allow the asset to continue being negotiated for, that's all I have to say."

Council Member Jacob Powell expressed his concerns regarding Item 3.a., "Sir a couple things first, I want to thank all those that came out to speak yesterday. I know a 2:30 meeting is not ideal and some of you made it back today as well, so thank you all for just taking the time to be involved. Second, I wanted to thank staff for the amount of work they put into this. I think sometimes they take some heat for some of the things we've discussed, but the reality is meetings are scheduled when they are, Items that are on the Agenda; that's all being directed by a majority of the seven individuals on this dais. So, I just wanted to thank the staff for the amount of work they put in on making sure we had the information we needed to make an informed decision. With that being said, I was opposed to this deal originally a couple years ago and nothing that's happened in the last couple years has changed that for me. I went back and referenced the meeting from April 22, and some of the reasons given for supporting the course at the time. These are some of the quotes, 'It would foster economic development in the area that has not had it.' 'Six million dollars for a course that somebody else is going to own and operate, if there is a loss on an annual basis they are going to absorb that loss the City is not.' 'I don't know of any municipal course in this area that doesn't sustain a loss on an annual basis.' 'This is not our course and that's what's good about it, at the end of the day those guys are on the hook for that maintenance and operations.' The two main reasons that I heard that night for supporting the original deal were that we would not own and maintain it and if we were to pass this item today, that is no longer the case; we would own a municipal golf course. The second item was that it would bring development on the Southside of town from those two individuals. That was not a general statement; they stated this was the first

step of what they were going to bring and I don't think anybody with a straight face could say that those two individuals are bringing development on the Southside of town. So, to me you're right; it's not a vote about a golf course, it's a vote about a contract that is going to cost us money on a continual basis and I'm opposed to that. I just ask everyone, if you are in favor of this today citizens deserve to know exactly why. If you were in favor of it a couple years ago and your reasons were growth in that area with the fact that we wouldn't own it; then your goals or objectives have changed because those two things are no longer true. Like I said, I'm voting, no. I think this was a bad deal and I think moving into a new contract is not going to make it any better. Thank you."

Council Member Kenrick Griffith shared a quote, "I wanted to reference something that I heard from a Council Member at the April 22nd meeting. 'It's okay when it's my money, it's not okay when it's somebody else's money.' To paraphrase, the money to maintain this is going to come from our general funds. That's our taxpayer's money and I have a problem with that. From the beginning, studying the history of this; I feel like this whole golf course was built on a lot of half truce and improper data. I can't in confidence move forward with supporting any kind of funding from the taxpayers' hard-earned money to support this golf course. That's where I'm at."

Brandon Capetillo commented, "What I am experiencing as a Mayor in general here is bigger than a golf course, it's even bigger than a contract. It's a struggle between a bit of what Councilwoman Sarah Graham has said, 'investing in the Southside of town,' that's the Alexander Drive area, the Evergreen area, Bayland Island and everything over there. For me, the past few years has been to try and bring things that I know the citizens deserve on that side of town. There have been improvements along Alexander Drive and the area. I'm not going to say this is going to be the magic cornerstone of any type of economic development, but I do believe it's a component of what could happen on the Southside and it needs that. A lot of growth is happening on the Northside and I get that; the Southside over the decades has not and a lot of the individuals that I've heard from along the Alexander Corridor have said, 'What about us? We get tired of driving to Garth Road for everything.' I'm still optimistic that this and other things could happen on the Southside. I don't want to see decay or deterioration from an economic standpoint in the older areas of town and that's where I'm at on it. But it is what it is. There's no doubt that I was optimistic of the developer and I'll take accountability for that. I have lost confidence in their ability, but then you just have the golf course itself and that I still have confidence in. I have confidence in Troon and what they have presented us as of the status today. At the end of the day, regardless of what's occurred or what quotes may be out there, I have to look at the cards that are on the table today as a Mayor, as an elected official. Incorporating everything, I'd say if I were to consider what loses money in the City and what makes money in the City, we wouldn't even have parks. Parks don't make a dime, but they're an amenity to our citizens as part of quality of life and I support that 100% in full, like many Council Members do. You can apply that to any of our parks, including Pirate's Bay, disc golf, all those things. I still see the golf course as that and that hasn't changed. I continue to want to invest in the Southside and that's still where I'm at with that. We'll take a vote, because there is a motion on the table. I will say I have one reservation, only because even on the golf course vote itself; I'm dissatisfied with taking a vote right now with one Council Member not here. I think anytime we've had an important vote on Baytown City Council, regardless of the perspective or opinion, we've always allowed each Council Member to cast a ballot. The citizens that they represent deserve it whether for or against. I think we've always respected that, but I will say that's probably no longer the case. That will be something internal that Council will have to address amongst ourselves."

Council Member Sarah Graham commented, "It was District 2 that voted me in, and we are on the Southside of Baytown, one of the things that I heard over and over again from some people in this

room that helped my election was that they wanted to see progress. They wanted to see economic development spur and they didn't want more of the same. I'm quoting constituents, so no disrespect, but they told me 'They didn't want to see any more of the good old boy system.' I was listening to everybody in here and some of the people that came in here and were openly against supporting the negotiating moving forward with the golf course property. Are part of the past two decades where District 2, has not seen the kind of spur and economic development that the constituents want. I was hoping to move things along a little faster for the people that live on my side of town, and to help us get things; grocery stores, places to go where we don't have to drive down Garth Road or Alexander. For me, this is such a complex situation and I'm sorry that I had to speak again, but I just want to make sure that I get this out there. This is not a black and white vote. There are so many other bigger issues here and Council Member Powell has very good points, but so does Council Member Lester. We have to answer to everyone, and in my particular situation the people that actually voted for me live in District 2 on the Southside. I don't know guys it may not have spurred anything in two years, but did we give it? Did we really give it enough chance? I don't know the answer to that, but there's lots of things that come out of the general fund and the Mayor was talking about Parks and Recreation. I feel like this is a sad day for us because we are now not showing a lot of cohesion as a Council and I feel like some of us are saying that they're willing to just accept the same old moving forward. If that's what the majority wants, I think that when we make votes like this, especially when we are talking about excluding an entire vote for District 1; where are we at? Everybody deserves to be here and be represented."

Council Member Jacob Powell expressed his opinion, "Mayor, I don't disagree that everyone has a chance to be represented. I believe it was time to take action on this Agenda from yesterday. We recessed until today, and the course is in default today, so we needed to decide how we were going to move forward. I understand Councilwoman Alvarado wasn't able to be here and if I had to miss a vote like this I would probably be upset. We have a deadline, we have to decide how we're going to move forward. This can always be talked about in the future, but for what we had today the course is in default as of today and we needed to decide how to move forward. I'm not trying to exclude any district from being represented. I just believe it was time to take action, and I think we need to do that today."

A motion was made by Council Member Jacob Powell and seconded by Council Member Kenrick Griffith to deny Item 3.a. The vote was as follows:

Ayes: Council Member Kenrick Griffith Council Member James Franco and Council Member Jacob Powell.

Nays: Mayor Brandon Capetillo and Council Member Mike Lester.

Other: Council Member Sarah Graham (Abstained), Mayor Pro Tem Laura Alvarado (Absent)

Approved

b. Consider an ordinance authorizing the City Manager to negotiate and enter into a Golf Facility Management Agreement with Troon Golf, LLC in accordance with discussions held in Executive Session.

Mayor Brandon Capetillo announced no Action will be taken.

ADJOURN

With there being no further business to discuss, Mayor Brandon Capetillo adjourned the May 03, 2024, City Council Special Meeting at 10:10 A.M.

Angela Jackson, City Clerk



CITY COUNCIL MEETING

2. e.

Meeting Date: 05/23/2024

Subject: Consider approving the minutes of the City Council Special Meeting Held on May 7, 2024

Prepared for: Angela Jackson, City Clerk's Office

Prepared by: Shannon Bennett, City Clerk's Office

Department: City Clerk's Office

Information

ITEM

Consider approving the minutes of the City Council Special Meeting held on May 7, 2024.

PREFACE

This allows the Council to approve the minutes of the City Council Special Meeting held on May 7, 2024.

Attachments

Minutes

DRAFT
**MINUTES OF THE SPECIAL MEETING OF THE
CITY COUNCIL OF THE CITY OF BAYTOWN**

May 07, 2024

The City Council of the City of Baytown, Texas, met in a Special Meeting on Tuesday, May 07, 2024, at 7:30 P.M. in the Council Chamber of the Baytown City Hall at 2401 Market Street, Baytown, Texas, with the following in attendance:

Laura Alvarado	Mayor Pro Tem
Sarah Graham	Council Member
Kenrick Griffith	Council Member
James Franco	Council Member
Jacob Powell	Council Member
Mike Lester	Council Member
 Brandon Capetillo	 Mayor
 Jason Reynolds	 City Manager
Scott Lemond	City Attorney
Angela Jackson	City Clerk
John Stringer	Sergeant at Arms

Mayor Brandon Capetillo convened the May 07, 2024, City Council Special Meeting with a quorum present at 7:30 P.M. All members were present.

Council Member Kenneth Griffith made a motion to adjourn the City Council Special Meeting due to improper posting.

City Attorney Scott Lemond acknowledged there was a conflict with the City of Baytown City Council Rules and Procedures Section 6.1a and Chapter 551 of the Government Code to which Mr. Lemond advised the special meeting can proceed with a majority vote of City Council.

A motion was made by Council Member Kenrick Griffith to adjourn the May 7, 2024 Special Council Meeting, but the motion failed due to a lack of a second. The vote was as follows:

Ayes: Council Member Kenrick Griffith

Nays: None

Approved

A motion was made by Council Member Laura Alvarado and seconded by Council Member Mike Lester to suspend Rule 2.13 of the City Councils Rules and Procedure which is a temporary suspension for this meeting only. The vote as follows:

Ayes: Mayor Brandon Capetillo, Mayor Pro Tem Mike Lester, Council Member Laura Alvarado, Council Member Sarah Graham and Council Member Jacob Powell

Nays: Council Member Kenrick Griffith, Council Member James Franco

Approved

1. CITIZEN COMMENTS

Mayor Brandon Capetillo announced citizen signed up to speak.

- a. Byron Schirmbeck, 4727 Blackstone Street, expressed his concerns related to the Councils Rules and Procedures and Agenda Items 4.a. and 4.b.
- b. Mike Beard, 207 Morrell Street, expressed his appreciation to City Clerk Angela Jackson and her staff for their professionalism and knowledge after signing paperwork to be a member of the Planning and Zoning Commission along with the Baytown Police Department for their quick response to an incident that occurred at his home.
- c. Holly Carny, 221 Mayhaw Drive, advised Council of an incident that occurred at the Sterling Library involving a homeless person.
- d. James Kaminsky, 623 Lauren Lane, expressed concerns related to the citizens being annexed in 2017.

2. PRESENTATION

- a. **Receive a presentation from Troon Golf, LLC regarding the Golf Course and potential next steps.**

City Manager Jason Reynolds commented, "Mayor and Council, I'm going to go over what's been going on with the golf course. Before I do that, I want to talk about some of the items that are on the agenda, and frankly, just a lot of the questions that I've been getting. So, first is how are we able to consider 4A and 4B, without suspending the rules. The answer is, 4A is not the same item that was voted on. It's not the same budget amendment. As Mr. Schirmbeck mentioned, there aren't any numbers because a lot of things have to be discussed still. So, it's not the same agenda item that was voted down on May 3rd. The golf course piece I believe is 4B was not voted on. Therefore, the rules do not have to be suspended for that. Therefore, there is nothing wrong with the items that are before the Council today.

In addition, I have been asked by two people in this room at least 50 times if I'm going to investigate. If I expand that to all the questions that I've got about investigating what's going on and doing deeper dives into what it may be, well over 150 times that I've been asked to investigate, and the answer stands the same. We, as a city, are exploring all legal options. I have even been addressed by Council Members expressing concerns that have been on social media about the investigations. The Council Member was explaining what social media is implying is that there were bad actors on the Council at the time that this contract was adopted and we should investigate

if the Council or any specific council member is taking kickbacks from this project or should we have the FBI or the Rangers look specifically if that's happening. I have made it very clear to all of the City Council, there are no indications of any kickbacks going to any City Council member or any city employee. It does not mean that I'm turning a blind eye to it. It does not mean that it's being swept under the rug. The thing with investigations is we don't go around telling every single person, "Hey, I'm investigating you, I'm investigating you, I'm investigating you and I'm investigating you." What that does is it gives them the foresight to start looking to cover their tracks. People will not know about investigations until they are almost done. If they are going to be done, or when they're going to the courtroom to respond to the accusations in front of them. So, I appreciate that there's a caring community trying to make sure that the right thing is being done. From my point of view, the right things are being done. If anything were to come out, I promise you it will be put out there. I'm coming before you today to put it all out there right now. I'm about to read through my script to talk about everything that we've been through for the past 2 to 3 months with this development. I do want you all to know that Troon is here. Troon is online. They have been a fantastic partner. They have helped Assistant City Manager Brant Gary through this process. They have been a right hand to the staff, trying to provide information when necessary to keeping the course in a fantastic condition, responding to washouts, and trying to provide guidance to the staff on what happens with the maintenance of the course whenever things are going on. They've just been helpful and I do commend them for the work that they've done.

So, the project kicked off as any other development project does. There was forward progress and there were hiccups, which believe me, is very, very normal with any development process. Overall, things went up and down, things progressed, things backtracked, and the course opened in late 2023, but the clubhouse did not. That's no secret, okay? It's important for everyone to know that the city hired a third-party vendor to oversee all page rolls to ensure those match with what was on the schedule of the 380 Agreement and the lease. What's up on the screen in front of you is every dollar that's been paid out to Build Baytown 1 to date, that was approved by the third-party vendor to see that anything that has gone off of that, or that has come out of that six million was in line with the schedule on the 380 Agreement and the lease, and that the appropriate level amount of work that was being done at that time aligned with the invoices that were being submitted to the city. Right now, you'll also see that the city has a retainage of \$119,500. That was roughly \$240,000 a few months ago. I regret the action of approving that additional \$120,000 that was paid out of retainage to Build Baytown 1. The reason that we did release that retainage is because we had started to get calls from vendors not being paid, and we needed to ensure that our local vendors were being paid, but hindsight is 20/20, I acted on the best information that was in front of me at the time. So, again, the clubhouse has not been completed. You can see the 6 million has been distributed, but what we do have are approved plans for the clubhouse. From our point of view, the golf course had opened at that point. We had construction plans approved by the permitting department and things appeared to be moving forward. At the same time, this was a red flag. This was one of the many red flags that we had throughout this process. Then, additional red flags began to pop up, which led to very in-depth conversations with Build Baytown 1, but the City Council persisted that this needed to be handled immediately. Pay the vendors, finish the golf course, finish the clubhouse. We're tired of the excuses, get it done now.

In March, the City was notified that the initial notice of default had been sent by Troon to T-36 Golf. If that default took effect 10 days later, it meant the City would not have an active operator on the course. During this end-day period, staff met with Build Baytown 1 to discuss a possible settlement and a path forward. Once it was clear that there was not an action plan to continue

operations on the course in the case of a default, we started to explore all options. Once that default was active, the City initiated emergency actions to protect our assets and our investment, which was allowed by the 380 Agreement and we repossessed the course. Simultaneously, the City structured an agreement with Troon for a short-term action plan set to expire at the end of the 30-day cure period Build Baytown 1 was allowed by contract. Later on, we called this phase 1 of a 3 prong approach. Staff was given left and right boundaries to explore options with Build Baytown 1 and bring back options for further discussion or action by the City Council. A path forward with Build Baytown 1 seemed unlikely after exploratory efforts surfaced and additional liabilities and other irregularities became clear. Staff was given further direction to pursue a 60 to 90-day agreement, which is now called Phase II with Troon to further protect the city's investment and its assets. The intent was to be prepared for Phase III, which was for a management company like Troon to run permanent options at the course. On May 2nd, a notice of termination letter due to the expiration of the 30-day cure period was sent to Build Baytown 1. On May 3rd, the default of the 380 agreement with Build Baytown 1 was meant to be in effect at midnight, which would have terminated the agreement. However, Build Baytown 1 filed for bankruptcy protection on May 2nd. This put the City in a legal back and forth for the period of the entire bankruptcy proceedings. So, where are we now? We are currently working on the bankruptcy with our legal advisors, and we are pursuing the \$6 million investment. We are also exploring all legal options that we have before us. The good thing is, and our lawyer did ask me to say this tonight, that bankruptcy opens the door for the court to have all records opened up, as well as track the money movement. To Build Baytown 1's credit, they have stated that all sources and uses will align with the pay invoices submitted to the City. It is good to note that these documents and, by a federal court and outside investigator, will be able to verify that for us. Over the past two months, the general direction I have been working under is to pursue the possibilities of Phase II and Phase III. This means that neither your staff nor Troon was prepared for closing the course down. Therefore, staff needs direction on what to do with the golf course and/or land. Do we want to revert it back to what it was before? Do we want to maintain the value of the land as it currently is until we know the next steps? Do we want Troon to keep the course operational as a course through the end of the year or the end of the fiscal year and explore selling the golf course to a private party or maintain operations at the course? It's important to note that all options require funding. Even shutting it down requires funding. So, when it comes to the budget amendment that's on 4A, there's a reason it's blank because we're in limbo and we don't know what option to choose at this point. So, again, I just want to reiterate that Troon has been a good partner with the City over the past few months. They are online. If the Council has further questions, I'm here and Troon is here." (Exhibit A)

Council Member Graham commented, "Thank you so much to the staff and thank you to the legal team for being able to have the ability to make a lot of this more transparent for the community. Some of us have been looking at this, not all of it, but we've been able to see this a little bit longer than everyone else. I appreciate that. The most important thing that you said tonight for me is that now that the bankruptcy is active, all the things that our citizens are asking for, they are going to eventually become not only visible for us to see what's going on but also a transparency piece for our community. And I just really appreciate the patience and all the hard work of the staff. Also, I hope as a Council, I just wanted to comment that when we move forward, I used the word cohesive last week, that we're a little bit more cohesive when we give staff direction because, in my opinion, it is very embarrassing when we come to a consensus and we give our staff as a city direction and then that is flip-flopped when we get out in the public. And so, I'm hoping as we move forward, that we do a better job helping you all manage your movement forward."

Chief Development Officer Scott Van Newkirk of Troon presented a presentation highlighting the growth on golf course activity through the U.S. along with David Nicholls who provided data regarding golf course abandonment. (Exhibit B)

3. EXECUTIVE SESSION

a. Recess into and conduct an executive session pursuant to Texas Government Code Sections 551.071, 551.072 and 551.087 to seek the advice of the City's attorneys regarding pending or contemplated litigation; deliberate the purchase, exchange, lease, or value of real property; and/or to deliberate regarding economic development negotiations.

At 8:20 P.M., Mayor Brandon Capetillo recessed and convened in to an Executive Session pursuant to:

- 1). Recess into and conduct an executive session pursuant to Texas Government Code Sections 551.071, 551.072 and 551.087 to seek the advice of the City's attorneys regarding pending or contemplated litigation; deliberate the purchase, exchange, lease, or value of real property; and/or deliberate regarding economic development negotiations.

At 9:40 P.M., Mayor Brandon Capetillo reconvened the meeting and announced that, in accordance with Section 551.102 of the Texas Government Code, no action was taken in the Executive Session.

4. PROPOSED ORDINANCES

a. Consider an ordinance authorizing an amendment to the Fiscal Year 2024 budget authorizing a transfer from the General Fund to establish a new fund specifically designated for the Golf Course.

a. Celia Cravey, 4612 Country Club View, commented, "I implore the council to vote against 4A and 4B, and any additional tax dollars being authorized for expenditure on the boondoggle golf course. I find it ironic and sad that the city refused to purchase the Country Club Golf Course when it was available. And very soon, after they realized they no longer had a suitable golf course due to the condition of Evergreen, and now we are in this situation. When funding a new golf course was on the ballot, Baytown citizens voted against their tax dollars being spent on one. Somehow, our elected officials decided to circumvent the will of their voters and entered into the T-36 Agreement. This whole scenario was nothing but poor planning and apparently hubris on the part of the City Council, who did not do their due diligence in making these decisions. The taxpayers of Baytown do not want to foot the bill for this. Vote against any further funding for T-36. Be responsible custodians of our tax dollars and don't throw good money after bad. Do not rush into a bad deal. Take the time to evaluate options and get it right. Give your constituents a voice on any future expenditures for that location. I appreciate that our City Manager provided his explanation of events in Troon's presentation. However, it is still my opinion that Baytown voters should have a voice on the future of that location and any more expenditures for it. The Council must be transparent about any future agreements and potential costs. I am not convinced that golf will be profitable in Baytown. Perhaps Baytown should just sell the property to a private entity and pursue legal action against Build Baytown 1. Troon's presentation on the popularity of golf may not be

representative of our city's interests. I felt the presenter's comments on the deterioration of the golf course were just a pressure salesman scare tactic.”

b. Byron Schirmbeck, 4727 Blackstone Street, commented, “I think it's important to understand what we're actually voting on tonight and what we're not voting on. First of all, we're not voting on whether or not we like golf or not. There are plenty of people that love golf and want it in Baytown, and they're telling you to vote no on both of these items tonight. It isn't a vote to decide to either save an asset or throw that asset away. To be clear, if you vote no, the lowest cost option on there is to cease operations and explore future options. That's not a dead end. The golf course isn't going to sink into the bay. If you notice from the presentation, their worst-case scenario, which they tried to use to get a contract from you guys said that it assumes no maintenance, and that's not the case. If you guys do that, you will maintain it. The windows aren't going to be boarded up. If you vote yes on anything tonight, let's just be clear, you are voting for a bailout of the bad developer. And why is that? I hope somebody in the comments can tell us, but if I were Troon and it seems like Build Baytown 1 owes a lot of money to a lot of folks, I would assume Troon is one of them. If that's the case and Troon knows that you guys are in a tight spot, they would probably negotiate that you bail them out of what Build Baytown 1 owes them. If that's the case, you're essentially paying off their bad debt. They won't be able to collect that in court because you paid it. They won't have an action to go after Build Baytown 1 to collect that. You'll also be buying out his contract with Troon, essentially, even if it's short-term. Keep in mind that we already gave \$6 million to this project, and some of that was supposed to go to the maintenance and operations of the course. So, any money that you spend to bail this out again is money that we've already paid, that we don't know if we're going to get it back. We have time to do this right. We have time to do a proper request for proposal, not just a 2-week ad in the Baytown Sun. We haven't even completed an assessment of what went wrong on the last deal, and here we are trying to rush into another deal that we're told is a do-or-die situation. There is no do-or-die situation. There really isn't. Doing another rush bad deal is only going to cause more resentment from the exact people you need to buy in to support this project. If you don't have the community support, you're not going to be successful. If you vote no on both items today, that actually puts total control back in the hands of this council. Your hands, and you can decide how to move forward not the mayor, not Troon, but you. You have a blank canvas. It's a beautiful property. You can do whatever you want to with it. You can turn it back into this golf course. You can turn it into any kind of park you can imagine. You could actually get the experts to tell you how to make a golf course that would actually work out there. We never put any kind of proposals out in any kind of golf digest magazines or anything like that when we did this first round. Let's go ahead and do it right. You can actually develop a golf course that's not a double loop. A lot of folks oppose this type of double-loop golf course. They wanted either a conventional 18-hole or at least a conventional 9 or 12, but we're locked into that. If you vote yes tonight, essentially what we're locked into is the situation that we're in with Troon and a double-loop golf course. If you vote no, you can still put up and pass a new agenda item, a clean one, that funds exactly what you want to do in the next project. There would be a lot of support for that. You can pass a new item to budget money to finish out the clubhouse so it's ready to rent. You can do it the right way. You don't have to give a blank check to the City Manager to execute a contract without your approval. Why do you paint yourselves in a corner and delegate all of your authority? We elected you to be our representatives and gave you our sacred trust and our sacred lawmaking ability. That doesn't do anything to help solve this problem. It just puts a band-aid on a bullet wound. Stop the bleeding first, assess what went wrong, and who is responsible first. Have town halls for the people to discuss what they want done with their property first. Don't box yourself into a corner with this company and this deal as if it's your

only option because it isn't. That's what they told us about the last deal, that that was our only option. Evidently, it's not because we're here tonight. Vote no on both items and take back control. It's up to you. Thank you."

c. Calvin Mundinger, 4114 Burnett Drive, commented, "A quick side note, and me trying to watch these council meetings on TV. I've been watching a lot of the content on our TV group here. The content, kudos to you guys, the content is really good, Parks and Wildlife stuff, really good, recommended, they're doing a great job, just wanted to throw that in. Now, okay. So, a little bit more on me about golf. I joined the golf team in high school, I was a golf letterman. In my junior year, I played a bazillion holes golf. I know golf well. I've seen golf courses all over the country. The reason I took up golf, to begin with, I broke my left leg playing football. I broke this arm playing football. I broke this arm playing baseball. I blew out this rotator cuff as a pitcher. Now, my ankles, because of being a tall guy, in basketball, I played in the paint, and if you play in the paint in basketball, you're going to roll some ankles and your ankles are going to get torn up. So, out of physical attrition, golf was the only thing left I could play without breaking something. So, there I was. In those high school days of golf, two of my golfing buddies among many, were Tom and Tim Hazelwood, and ultimately, historically and futuristically, it was the Hazelwoods who built this golf course. I've kind of got a connection to this golf course emotionally through the Hazelwoods. Also, Kim Kosteck is here, and one of my high school golfing buddies was Kim's uncle, Buzzy McGuirk. Buzzy and the McGuirk's come from a long line of good golfers. So, they're all that is. Now, let's get to the issue at hand. It's well documented that I was in strong opposition to our first bite at this apple when we ultimately awarded this to Rio. I thought that deal was rushed, but what I was most upset about was I felt like we, in effect, through these long-term lease payments, gave them all of the land. We, in effect, gave them the clubhouse. We gave them the parking lot. We gave them the driving range at these long-term lease options. Plus, we paid them six million bucks. That was upsetting to me for a long time. Now, here we come again with this second bite at the apple and I've got to tell you, I haven't liked the process. I think you all are out going into executive sessions too much and for too long, and I think you all need to think about having more debate here as opposed to in there, and I'd ask you all to take a look at that. Here's what happened to me, and it hit me after the Friday when the default became official and it may have been yesterday that this happened, I'm not sure when I had this epiphany, but it hit me. That's our golf course. We own that golf course. We own that clubhouse. We own that driving range. We own the land. We own the golf carts. We own that. That's ours now again. What we gave away, we now have back. I would rather us be in this position of control and Rio the hell out of here. I trust you all more and this city more and this is a city asset now. It's a wonderful city out there. I went out there today. I went out there today and looked around, and I'd been out there earlier and, in the wintertime, it didn't look so good. I went out there today and I was shocked at how good it looked. The greens, the fairways, I went in the clubhouse, there are obviously some challenges in the kitchen, bar area, but, council, I'm trying to tell you, this is a really quality asset that the city owns and you've got to protect it. You have to protect it. It's a great asset and I'm really tickled that we own it. Now, last week sometime, I had a conversation with Ms. Graham, and she brought up in that conversation something about, "Hey, maybe we do some kind of short-term temporary deal. We think about that." I thought, well, that's a good idea. She mentioned, to the end of the fiscal year, which is September 30th, which also makes me feel better about the City Manager. I was concerned as others have been about the City Manager having the authority as opposed to the City Council, but if we do a temporary agreement that ends September 30th, then after that, we're going to have to do a new agreement, which the council will be approving. So, I like that and I support that. I'm okay with that. It's my understanding that Mayor Capetillo from what I'm hearing might

be supportive of this temporary arrangement that goes through September 30th. That expires and then that's good. I've always railed about due diligence, and this proposed short-term agreement gives you all plenty of time for due diligence. You've got a great set of assets protected. It's wonderful. And we got time to think about what we're going to do going forward. So, thank you."

d. Kim Kosteck, 5103 Ashwood Drive, commented, "I'm really glad that you mentioned that, Mr. Mundinger, because if anybody knows the history of my family with golf and Baytown, they were some of the first investors of the Goose Creek Country Club. So, golf does run incredibly deep within my roots, and I grew up on a golf course. So, I love golf. I really do. I kind of suck at it. I'm really good at pop golf, but nonetheless, it is a wonderful pastime but there are just a few things that I'd like to address. First of all, it is incredibly frustrating that it appears that rules are not really... I don't know, I guess, meant to be broken, which is not the way it should be in this setting. You're supposed to be representing integrity and that's just really hard to say when it says, we'll just kind of change the rules. I was really disappointed with Troon's presentation. I actually expected a lot more meat with that. I do appreciate Mr. Reynolds that you weren't sure, but that was the agenda item and that was one thing that I came to see and I was hoping to see actually some numbers from them, a little bit different than the numbers that they showed me. One of the numbers though was that the downtick in private, which I found incredibly interesting in the uptick in municipal. It actually reminds me of Councilman Lester's comments when this was first voted when it was mentioned multiple times the \$500,000 debt that would be incurred by Build Baytown 1. That number kept coming on and on like the municipal golf courses lose money, lose money, lose money, \$500,000, and if they lose \$500,000, it's their \$500,000 that they're going to be losing, not our \$500,000. So, essentially, this puts us in another situation now, whereas I don't believe that if we did a short-term agreement, I kind of disagree a little bit, then I think that if we didn't do a short-term agreement, that it would still give us some time to put out an RFP, to get some more information, see who's interested, which we might find that there's nobody interested because, again, the private sector when it comes to golf courses is going down because of the money. When you look at The Goose Creek Country Club, it was very sad. I remember conversations with my grandfather before it closed, and how he talked about how much money he had invested and other people were investing, throwing money in there. Then, even after it didn't survive, Evergreen didn't survive either and to say that we are dependent on a golf course to be able to build up this area, we've already shown that that's not necessarily the case. I'd really like you all to think about that, that if you cease operations, we already know their pictures are quite lovely of what a golf course looks like, but we already know what an abandoned golf course looks like here in town because we've had two. So, it's very disappointing and I really think that if we cease operations and we explore future options, that would be the most cost-effective for us before we end up making another bad decision, and then we're here back in September and we're making some more, who knows pressured decisions and pumping the brakes is not going to hurt us. So, there are the options, obviously, of selling or partialing. There are so many options, and who knows? Listening to more of the community, of what they think what those options should be, but I strongly urge you to pump the brakes on this. Stop making more bad decisions when it comes to these types of adventures. Look, I am a dreamer. I believe in looking at what the options and what we could do, absolutely. I want to bring business to the south side, all areas of Baytown. Everybody here wants to do that. We want to see our community grow, but just to throw money out there again, what is Troon, or what is it that they want? That transparency hasn't been given to us: how much their contract is, how much money that they've owed. This is the lease agreement and the contract. I've had it for a while. I've gone through it. I've looked at it. I'm aware and I'm sure some of you all actually probably haven't gone through or even revisited these things. That is their debt. Build Baytown 1's

debt, and of course, Troon is going to fight for their money, but it's also incredibly disappointing that they weren't here tonight. If we just evicted or closed the doors, and now they're moving out recently, and they want this money, and they want us to keep a golf course open, they could have been a little bit more present than a Zoom call. That was moderately insulting. We are owed more. Our community is owed more and I urge you to please pump the brakes. Thank you.”

e. Jeff Walters, 2303 James Bowie Drive, commented, “To me, this isn't really about golf; this is about business. The City of Baytown doesn't really have a very good record in doing real estate. Everything they touch has been bad. Troon is a developer. They're here to make money. They're going to tell you whatever you need to hear so that they can get the contract to continue what they do. They're here to sell themselves, put the hope in the people so that they would go with the Council agreeing to continue with this. My thought is: stop it. Shut the place down. Put it on the market. It's beautiful right now. It'll draw top dollar right now and get out of the real estate business. The Heights is a disaster. The Brunson's a disaster. We can't even do Main Street. I don't understand what's so difficult trying to do special deals. You all are about infrastructure and public safety. These people got their stuff down. You all need to get yours down too. I highly recommend everyone vote no. I know people are trying to save face, but the city contracts are not working. The City of Baytown constantly bleeds money. The lawsuits. Why keep paying? There's much more than \$6 million that has been spent on this. The City has wasted so much money with all the different things they do trying to figure out what to do. We need to build Baytown, rebuild our infrastructure, and upgrade our public safety. Quit blowing money on dead-end dreams, I guess. This was an awful idea from the beginning. It was forced, in my opinion, and it ended up exactly the way I thought it would, but it could get a lot worse if we keep funding it. So, I recommend vote no.”

City Manager Reynolds commented, “Yes, Mayor. I just kind of want to open up the conversation because 4A is a budget amendment. No matter which option that council goes with, and based on Friday, right now, we're working under the assumption of 500, but as I said earlier, everything that has been worked up, up to this point, was continuing the short-term agreement and operating until the next steps were determined. So, we didn't have an idea of what we were going to do if the course closed. And from that point of view, I'm opening that conversation back up because I need to understand what some of the next steps are for the council, which we'd like to do. Do you want to go to the short-term agreement? Do you want to continue seizing operations? But before that, I did want to go back two slides and look at the money being spent on the golf course. And if you look at this, and then, Kim, if you open up the Economic Development Agreement that you have in your packet right there and you go to the schedule at the very back, those should align with what's in the schedule. And so, when you ask yourself, what did the city pay for with this \$6 million, you paid for a golf course, you got a golf course. You've got an operational golf course. You did not get a clubhouse. I agree to that. You did not get a clubhouse and that is missing from this. I stand by that. There're no qualms about that. You're missing the clubhouse. You did get the golf course that you paid for or that you wanted to be there. It is operational. Troon has shown that it is operational, that it is on the trajectory that fits with the original models show it to be. So, I'm showing that I wasn't planning to talk about that. I'm talking about that right now, just based on some of the comments that have been said because it's misleading to say that you didn't get what you were paying for because you did. That's what the agreement was there for. Businesses fail, okay? Businesses fail a lot. And unfortunately, this one did and it fell into default. The City is fortunate to be able to act quickly to preserve the asset and the investment that the city has put into what was originally agreed upon with this 380 Agreement. So, it's there. Do I have questions about

this? Yes, I do. I have a lot of questions about it and it's being looked into. I promise you that. But it doesn't mean that you didn't get what the Council wanted or agreed to have built out there. It doesn't mean that. The staff is working to look at all of this. Again, we are exploring all legal options, but with that said, it goes back to, we have to do a budget amendment regardless of where we're at right now when we leave tonight, we have to do a budget amendment because funds have to be appropriated for the next steps of the golf course. And with that, it's kind of opened up the discussion. The lawyer is whispering in my ear, we got most of what we paid for minus the clubhouse. So, with that mayor, I'm just opening up the conversation with the council to go through all the options. Troon's presentation that included the minimal piece is somewhat included in Option 3. We didn't have anything there, but I don't have a true cost with that at this point.”

Mr. Reynolds detailed out the three options that Council could consider.

Council Member Powell commented, “My comments are just going to be that, for me, nothing's changed since Friday. I was in favor of Scenario 3. I have been for a month or so. However long we've been discussing this. And so, no new information or nothing's changed since Friday. And so, I'm still in that same camp. Of these scenarios, that's what I believe we need to do. I agree with a couple of the folks that just commented. For them, it's not about golf, and for me, it's not a decision about golf either. It's just what's a good deal for Baytown? What's the right thing to do? And I'm also thinking of just managing risk. I think that Scenario 2, yeah, we can say we spent \$1.9. That gets us to the end of the fiscal year, but the big if there is we're going to go out, have an RFP, and we're just assuming that we're going to have responses to that RFP. If we don't, we've spent \$1.9 million between now and September and we're right back where we are now. So, that is a really big risk that I'm not willing to take.”

Council Member Lester, commented, “I'll go in there. Several things. I like it when I get quoted from a year or so ago, but our 380 Agreement contract worked. The 380 Agreement contract was that if the Build Baytown 1 and T-36 failed, and we were all hoping that it wouldn't, if it failed, then the golf course would revert back to the City and it did. So, the contract worked. It's unfortunate that there are some financial issues that occurred. My colleague, as far as Option 3 we're looking at potentially \$500,000, but it's just brought out by the City Manager. We still need to go in. If we just said, okay, we're going to close it down and we're going to go back to make it this golf course, and we're going to have the clubhouse to be able to rent out. We're still going to have to spend \$300,000 or \$400,000 to get it to where we can utilize it in the future. So, now that \$500,000 is now close to a million. We can't just sell the property. It's park property. We'd have to get a vote. There's also the issue of, as a City, and I've heard this from a couple of others, as a City, as a City Council, we keep flip-flopping on where we want to provide a commitment. My district is in the southern part of the city. My colleague's district is in the southern part of the city, and I cannot tell you, on a regular basis, how many people I get calls from, it's kind of like, when is something going to happen on the southern side of the city? Everything goes to the northern side, and it's kind of like, okay, so this is, to me, a level of commitment. It's not about golf. I don't play golf. I've been, but I don't play golf. That's correct. Anybody who's seen me knows that that's correct. So, it's about a commitment. Are we going to commit to stay the course and try to do something on the south side of town or are we just going to abandon the south side of town? I think that's just the wrong attitude. Yes, we have a \$6 million investment. So, if any of you out there, if you invested in something, would you just get a financial, you're just going to walk away from an investment? No, you're going to put a little bit more money into it and make it go. I see one of my constituents back there said, yes, and he's in real estate. And to me, it's almost as simple as, okay, we need to keep the course operational. We

need to get the clubhouse functional. Then, again, go out and do an RFP to try to get somebody else to pick up a similar 380 agreement for 30 or so years to own and operate the course. We're going to own it. We're going to own the property and the buildings but it's easier to do that when it's functional and move-in ready versus abandoned and not move-in ready. That's going to take a lot of money to get back into speed and so forth and so on. So, to me, it's managing risk as was referred to earlier, Scenario 2 is a much better risk management than saying, okay, well, let's just walk away, do minimal maintenance, and maybe in 3 to 6 months, we get somebody to come in and take over an overgrown, dilapidated, abandoned course. I just can't see that. I've gotten a lot of calls, as we all have, and about half of them want to vote no on this issue, and about half of them, which a majority of the half that want me to vote yes on the issue, are actually my constituents. And they are adamant that they don't want to see the city walk away from the south side of town. Some of them are pro-golf, and some of them are not pro-golf, but that's where we are. So, I think the more prudent thing to do would be to do the short-term agreement, keep it operational, get the building back to speed, and if we don't get anybody to go for the RFP, then in September, we can vote to move it on and revert it back to a disc golf course and start renting out the clubhouse. But either way - and I hadn't caught that until the City Manager brought it up - we're going to have to spend \$300,000 to \$500,000 to get the clubhouse back up where it can be utilized. So, again, the \$250,000 to \$500,000 is really \$250,000 to a million. So, now we're just a few hundred thousand dollars difference and I hear it. I can already hear it. Well, that's still a \$900,000 difference. Well, we spend a lot more than that maintaining other amenities in town on an annual basis. So, that's where I am with that."

Council Member Graham, commented, "I apologize for my demeanor. There is an emergency at my house right now. I have something that I prepared to say, but I'm going to be honest. I'm very shaken right now. I'm going to read my comments so we can vote because I am an elected official, but I will tell you that my demeanor is different because I have an emergency situation in my house.

The first line of my thing says this has been a week. So, that goes along with what's going on. I do appreciate all the work that's gone into this. Thank you to all the citizens that reached out via text, email, social media, and good old-fashioned phone calls. Previous Mayor Mundinger, also thank you. You gave me a lot of great insight into history and things like that, and I do appreciate the time you spent with me, and thank you, Mr. Schirmbeck for all of your feedback. I also appreciate it. Each one of you gave me some great things to think about. I tried my best to respond quickly to everybody that reached out to me. I have a profound sense of responsibility and commitment to the well-being of our community. The decision we are facing regarding this property is not one that I take lightly. It's a decision that impacts every resident of Baytown, including the ones that I was elected to represent in District 2. It is my opinion, though, that the current situation regarding this property is that we're not here to decide whether to invest in the golf course, which we heard many of you say. That decision was made long before I sat in this chair. Let me just be clear from the outset. I would have voted against that golf course, originally. I actually loved Evergreen Park. I loved its disc golf. It's large level concrete sidewalks. It's stocked fishing ponds. It even had kick soccer golf. The clubhouse was beautiful. I attended galas there. It was always booked out frequently. I didn't want to spend any of our money to change that over, but it's my understanding that the clubhouse is unfinished and not rentable right now. Despite my initial opposition, I recognize the reality of our current situation. We are at a crossroads where inaction is not an option. The property asset could deteriorate and taxpayers' dollars would be spent on it one way or another as we saw here tonight. It would be irresponsible to allow further decay when Troon, which, by the way, is not a developer, they are a management company that they're offering to help our

community make the next best step. I believe this vote represents a commitment to protect an investment where taxpayer dollars have already been spent. I wasn't part of that vote. My debate is not about whether that was the right decision. My vote represents how to move forward. Last week, I did choose to abstain from my vote. Tonight, equipped here with more insight, I want to make a more informed vote, so I won't be abstaining. For me, I'm here to consider a temporary measure, a temporary extension to allow Troon to finish out this fiscal year. That's what I'm voting on, a little over 100 days for complete necessary upgrades to the kitchen and provide additional data. I want some more data on the golf as well. The decision's not about committing to long-term investment for me. It's exactly what's on the agenda. This fiscal year, it's about ensuring continuity and property management while our council and staff work together to determine the best path forward. This temporary agreement is not about supporting a failing venture for me. I agree we need to look at other options such as returning to disc golf. We got to get out real RFPs for future development, but in my opinion, it's irresponsible to allow a property asset to possibly decay when Troon's available. I'm almost done, but it was important for me to say all of this to you all because it's a way to get all of my thoughts out at once to all the people that reached out. So, thank you all for allowing me this time and again apologize about my demeanor. The reality is whether we vote today or not to accept Scenario 1, 2, or 3, taxpayer dollars are going to be spent on this property. If we fail to act, we face the prospect of boarded-up buildings and neglected lots, which cost taxpayers in the long run. Furthermore, the decision is not just about golf. It's about showcasing Baytown as a community that values quality amenities and economic progress. It's about attracting future developers, who will then share our vision for the development and revitalization to the south side. It's about changing the current projection of our town, not what has been, but what will be. By approving a temporary measure, we're not saying yes to a bailout of Build Baytown; that's not how I see it, but a yes for time for the property asset. We're saying yes to maintaining the amenities that, in my opinion, enrich our community. We are demonstrating a commitment to fiscal responsibility while ensuring that decisions about our community's assets are made thoughtfully. It's essential to recognize the vital role our general fund plays in supporting the fabric of our community. There are various projects and upgrades funded by our general fund each year from our desire for a dog park over in Lakewood to the ongoing enhancements of Jenkins, Pirates Bay, and Roseland Park. All of these initiatives play a vital role in enhancing our quality of life and strengthening our sense of community. These projects are not just expenses, they're investments in the well-being and enjoyment of our residents, so let's just remember that as we vote.”

Mayor Capetillo solicited a motion taking Item 4.a. and 4.b. together.

A motion was made by Council Member Laura Alvarado and seconded by Council Member Mike Lester to approve Ordinance No.15,792 and Ordinance No. 15,793 related to Item 4.a. and 4.b. with Scenario 2, which is 1.9 million not to exceed including the contract with the management company to be a 90-day with two 30-day renewals.

Council Member Powell commented, “Obviously, I'm going to be opposed to this, but I would just encourage those on Council that are in favor of this. We do not need to take this 1.9 million from our reserves. We don't have that available. If you think this is a good idea to approve this, then I think you need to be able to make the hard decisions of where can you find 1.9 million in areas that have already been funded. We need to make some decisions and prioritize and we need to say no to some other things if we're saying yes to this.”

City Manager Jason Reynolds commented, “Mr. Powell, would you be okay if the motion was

amended to frame that to pull from the reserves with the intent for City Staff to bring back to the Council to show how the operational expenses are covered and to pay back the reserve?"

Mr. Reynolds recommendation was not considered. The motion is as follows:

A motion was made by Council Member Laura Alvarado and seconded by Council Member Mike Lester to approve Ordinance No.15,792 and Ordinance No.15,793 related to Item 4.a. and 4.b. with Scenario 2, which is 1.9 million not to exceed including the contract with the management company to be a 90-day with two 30-day renewals. The vote is as follows:

Ayes: Mayor Brandon Capetillo, Mayor Pro Tem Laura Alvarado, Council Member Sarah Graham and Council Member Mike Lester

Nays: Council Member Kenrick Griffith, Council Member Jacob Powell and Council Member James Franco

Approved

ORDINANCE NO. 15,792

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS, AUTHORIZING AN AMENDMENT TO THE FISCAL YEAR 2024 BUDGET TO AUTHORIZE A TRANSFER FROM THE GENERAL FUND FOR THE PURPOSE OF ESTABLISHING A NEW FUND SPECIFICALLY DESIGNATED FOR THE GOLF COURSE AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

b. Consider an ordinance authorizing the City Manager to enter into a golf facility management agreement with Troon Golf, LLC in accordance with discussions held in executive session.

ORDINANCE NO. 15,793

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS, AUTHORIZING AND DIRECTING THE CITY MANAGER TO EXECUTE AND THE CITY CLERK TO ATTEST TO A SHORT-TERM GOLF FACILITY MANAGEMENT AGREEMENT WITH TROON GOLF, LLC IN AMOUNT NOT TO EXCEED ONE-MILLION, NINE-HUNDRED THOUSAND DOLLARS (\$1,900,000.00); AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

5. MANAGER'S REPORT

There was no Manager's report given.

6. ADJOURN

With there being no further business to discuss, Mayor Capetillo adjourned the May 07, 2024, City Council Special Meeting at 10:38 P.M.

Angela Jackson, City Clerk



CITY COUNCIL MEETING

3. a.

Meeting Date: 05/23/2024

Subject: Adoption of Downtown Arts District Blueprint

Prepared for: Martin Scribner, Planning and Development Services

Prepared by: Ryan Hvitlok, Planning and Development Services

Department: Planning and Development Services

Information

ITEM

Consider an ordinance authorizing the adoption of the Downtown Arts District Blueprint.

PREFACE

Planning consultants, Kendig Keast Collaborative (KKC) have been working with staff since August 2023 preparing a planning initiative known as the ***Downtown Arts District Blueprint***. The "Blueprint" will serve as a master plan to guide the redevelopment and revitalization of the City's Downtown Arts District and surrounding areas. The planning process included a steering committee of community leaders and business owners in the downtown area. A public open house was held at the beginning of the process in October 2023 with another open house in April 2024 to present the draft plan.

Planning and Zoning Commission held a work session on April 16, 2024 with City Council work session on the plan on April 25, 2024. Planning and Zoning Commission recommended approval of the plan at their May 21st meeting.

Fiscal Impact

Fiscal Year:

N/A

Acct Code:

Source of Funds (Operating/Capital/Bonds):

Funds Budgeted Y/N:

Amount Needed:

Fiscal Impact (Additional Information):

Attachments

Ordinance Adopting Downtown Arts District Blueprint

Downtown Arts District Blueprint

Staff Report

Executive Summary

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BAYTOWN,
TEXAS, ADOPTING THE CITY OF BAYTOWN'S DOWNTOWN ARTS
DISTRICT BLUEPRINT; AND PROVIDING FOR THE EFFECTIVE DATE
THEREOF.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS:

Section 1: That the City Council of the City of Baytown, Texas, hereby adopts the City of Baytown's Downtown Arts District Blueprint. A copy of the Downtown Arts District Blueprint is attached hereto as Exhibit "A" and incorporated herein for all intents and purposes.

Section 2: This ordinance shall take effect immediately from and after its passage by the City Council of the City of Baytown.

INTRODUCED, READ, and PASSED by the affirmative vote of the City Council of the City of Baytown this the 23rd day of May, 2024.

BRANDON CAPETILLO, Mayor

ATTEST:

ANGELA JACKSON, City Clerk

APPROVED AS TO FORM:

SCOTT LEMON, City Attorney



BAYTOWN ARTS DISTRICT BLUEPRINT 2

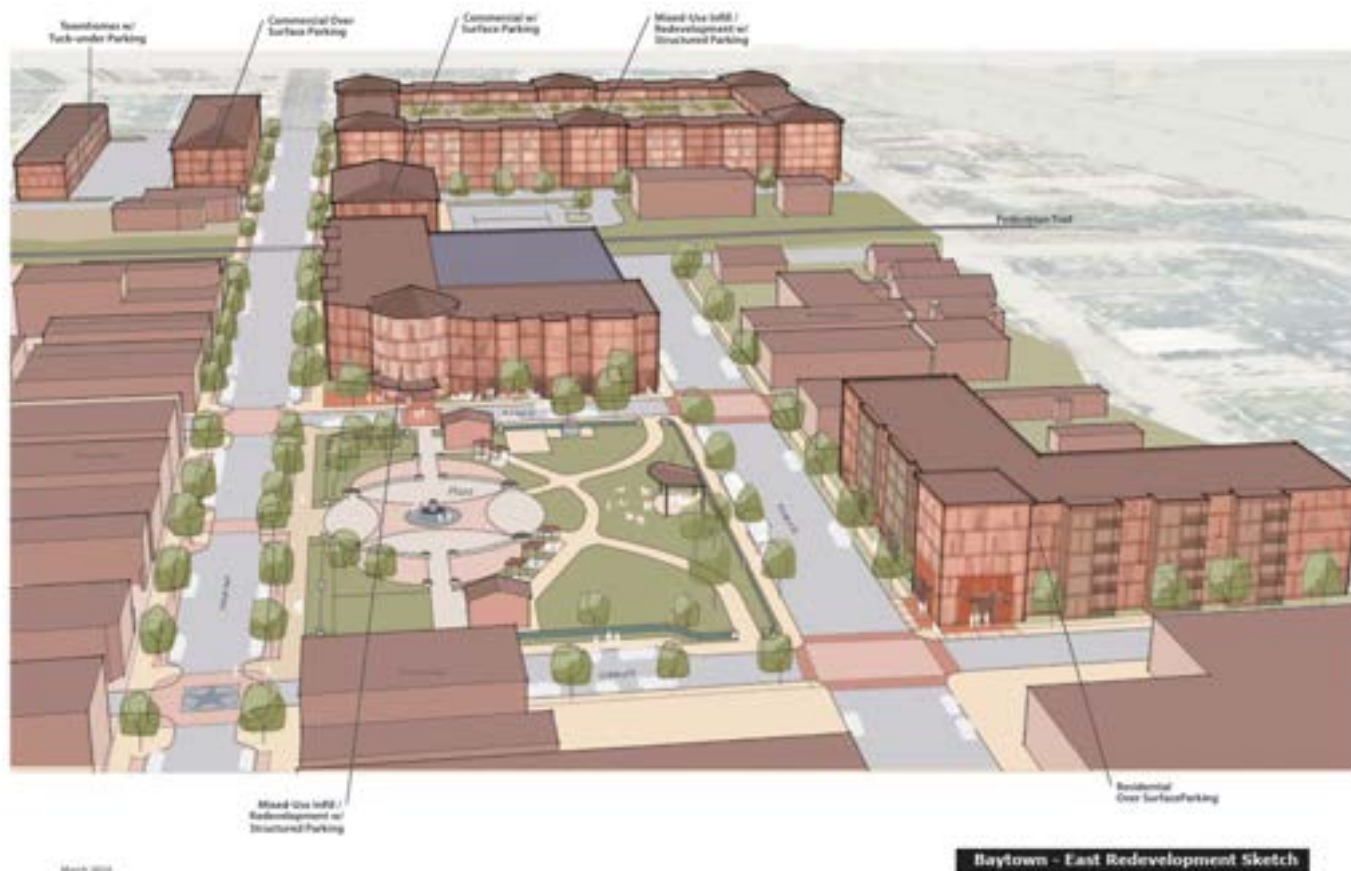
Plan Objectives 9

2



Downtown Arts District Blueprint > Introduction

EXECUTIVE SUMMARY



Effective revitalization planning requires focus on people and programs as well “bricks and mortar.” It involves both “3Ps” (public-private partnerships) as well as the three “P”s: projects, programs and policies. It is equal parts physical design plan, economic development strategy and public policy framework. Achieving visible results requires financial resources, staffing capacity, corporate involvement and political leadership.

Like any plan, the Arts District Blueprint will require the combined application of: zoning, incentives and direct public investment to make it materialize. It will also need developers and entrepreneurs who are willing to invest, along with private property owners and elected officials who believe that the status quo is not acceptable.



The plan, as a whole, is conceptual in nature and is intended to convey a preferred direction, but not an absolute direction, for district development. The plan does not attempt to capture all of the desired changes for the district; only the ones that seem to be the most realistic based on current market conditions, staff capacities and where the city is in the strongest position to help drive outcomes.

The main purpose of the plan is to inform and provide a window into the city's current thinking about the district's future. It is designed to help "steer" the voluntary actions of private developers and landowners, working in their own interests, in the approximate direction of the plan through the gentle *push and pull* of zoning, incentives and leading public investments. The plan also provides city officials with a roadmap on where and when to make strategic investments including the use of incentives, and – as importantly concerning the latter -- when *not* to.

The main objectives of the Arts District Blueprint can be summarized as follows:

- Increase district activity by increasing its residential base.
 - Unlock downtown's college town and urban waterfront potentials.
 - Improve the investment climate for small business and physical (re)development.
 - Enhance the district's overall visibility and connection to other parts of the city.
 - Improve the user experience.
-

The plan's central themes and strategic approaches based on the above are:

1. **Start at the water.** Although not technically inside the district, the Goose Creek waterfront represents one of the city's most important strategic assets as well as one of its most construction-ready development sites. Quality development here will help "make the market" and drive investment deeper into the district's core.
 2. **Enclose the square.** The Town Square needs to be ringed with buildings to become a truly celebrated and self-sustaining community space. The edges of the square are the district's next best redevelopment opportunity after the waterfront.
 3. **Lead with housing.** Downtowns need to have people occupy it throughout the day and week. The only way to do this is to have more, better and denser housing located in and adjacent to it. New multi-family and mixed-use development represents the district's most realistic new construction opportunity. A larger captive resident base also makes commercial development more viable.
 4. **Buildings and Businesses ("B+B").** Downtowns need to build a roster of small businesses to help enliven their streets. Although new housing will help improve the retail market, most prospective new businesses will (should) be small independent retailers. Baytown needs to begin to build its small business ecosystem to help facilitate a stronger storefront economy.
-

A central theme of the plan is that the city needs to double-down on its already significant activity in the Arts District to get it to *turn-the-corner*. This can be done through the use of new and expanded incentives along with taking a more direct role in the redevelopment process. Tools include:



- More expansive and aggressive use of 380 Agreements
 - An augmented Revitalization Incentive Zone (RIZ) tax rebate program
 - The creation of a Revolving Loan Fund Program (RLF)
 - The formation of a redevelopment enterprise agency
 - Proactive, and strategic land acquisition and marketing
-

Early action projects are key to building momentum for harder and longer-taking implementation projects. Some recommended early action projects for the DAD include:

- Adoption of the Unified Land Development Code (ULDC).
- Adoption of an Enhanced RIZ program.
- Coordination with Lee College on their new campus facilities plan.
- Resolution of Sterling Library's future
- Return Defee and Sterling streets to two-way traffic.
- Restripe Commerce and Pearce streets for diagonal on-street parking.

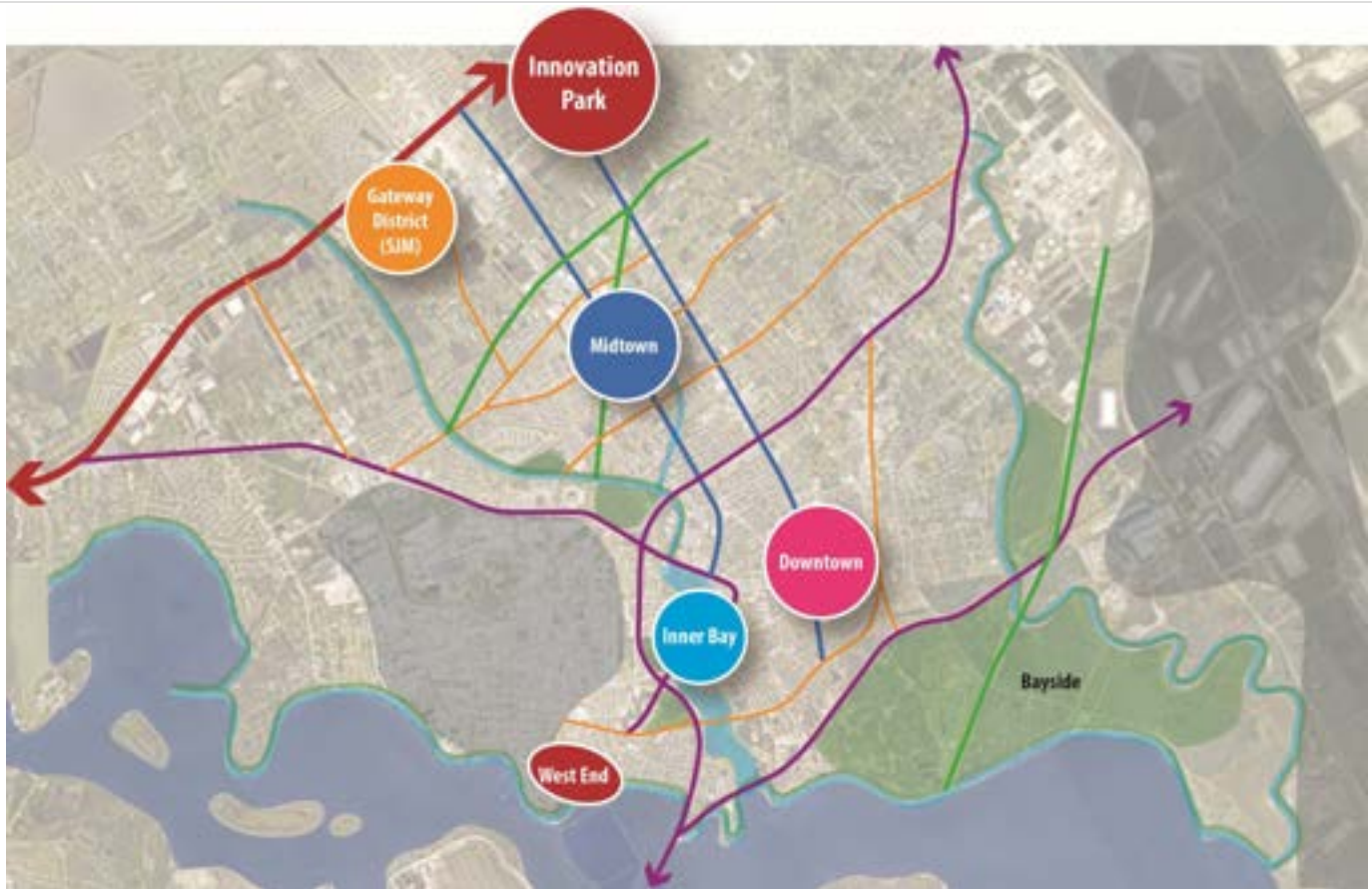
INTRODUCTION



Baytown's Downtown Arts District in 2024 is at an inflection point. After reaching its reported nadir in the early 2000s, it is now, thanks to some recent public interventions as well as a rise in urban lifestyle preferences nationally, poised for a resurgence. In recent years, the city has expended substantial resources in civic beautification and blight removal with the reasonable expectation that private investment would follow. Yet despite these investments, significant sustained private investment has been haltingly slow.

This tepid pace of revitalization has caused some in the community to question the wisdom of any further major public investments in the Downtown Arts District (DAD) area especially if it means depriving other worthy projects of funding instead. Meanwhile, a new sports-anchored mixed-use entertainment district has been proposed for an alternative site well outside of the DAD. Combining urban-format retail, entertainment, hospitality and residential components, this development has the potential to replicate some aspects of a traditional downtown environment. These factors combined have some people wondering whether redeveloping the city's historic Downtown Arts District is worth the effort or whether it should just be left to flounder.

Although opinions will differ, the idea of disengaging from the city's historic core is fiscally and economically questionable. It is hard to find a successful city anywhere in the country with a faltering downtown at its center. Moreover, a city the size of Baytown (36 square miles, 84,000 people) is large enough to support multiple urban hubs and mixed-use neighborhoods of which the Downtown Arts District should be considered but one.



The Downtown Arts District is one urban node in a potentially multi-centered city.

This plan presents various strategies to energize redevelopment in the still important, still viable Downtown Arts District. The strategies were selected based on:

1. The community's stated priorities as inferred through various public input sessions.
2. The "found" opportunities presented by the district's current assortment of assets.
3. The perceived capacity of the city to execute specific elements of the plan based on current and future resource availability.



Plan Objectives

The condensed goals of the plan derived via public input are:

Goal #1

Increase district activity by increasing its residential base.

Successful downtowns need people to animate them throughout the day and week. This is best achieved by increasing and improving the residential base of the surrounding neighborhood through new mixed-use, infill development and by improving the stock of existing single-family housing. It also means increasing residential density in select locations to help infuse the district with regular activity and to create a captive, built-in, customer base for downtown businesses.

Goal #2

Unlock downtown's college town and urban waterfront potentials.

Both Lee College and the Goose Creek waterfront are major downtown-adjacent assets that are not well integrated into the Downtown Arts District. Tying them more firmly into the district through improved bike-ped amenities, infill development and cross-programming of events will widen downtown's geographic scope and create more momentum for redevelopment.

Goal #3

Improve the investment climate for small business and physical (re)development.

The slow pace of private development activity in the DAD is probably due to basic economic infeasibility: This happens when the combined costs of site acquisition and construction exceed a project's ability to service its



debts and return a reasonable profit. The city can help change this calculus by helping to assemble development-ready sites and by introducing new gap financing programs and other subsidies to make urban development “make sense”. On the demand side, it can introduce new programs to help small businesses become more interested in the district and more economically viable at the same time.

Goal #4

Enhance the district’s overall visibility and connection to other parts of the city.

Because of the city’s skewed geography of physical growth, the Downtown Arts District is somewhat isolated from the rest of the city. Increasing reinvestment along with improving the district’s western gateway at the junction of Market, Decker and Texas Avenue, along with expanded wayfinding, co-marketing and public programming (at both Bicentennial and Town Square parks), will help improve its connectedness to other parts of the city.

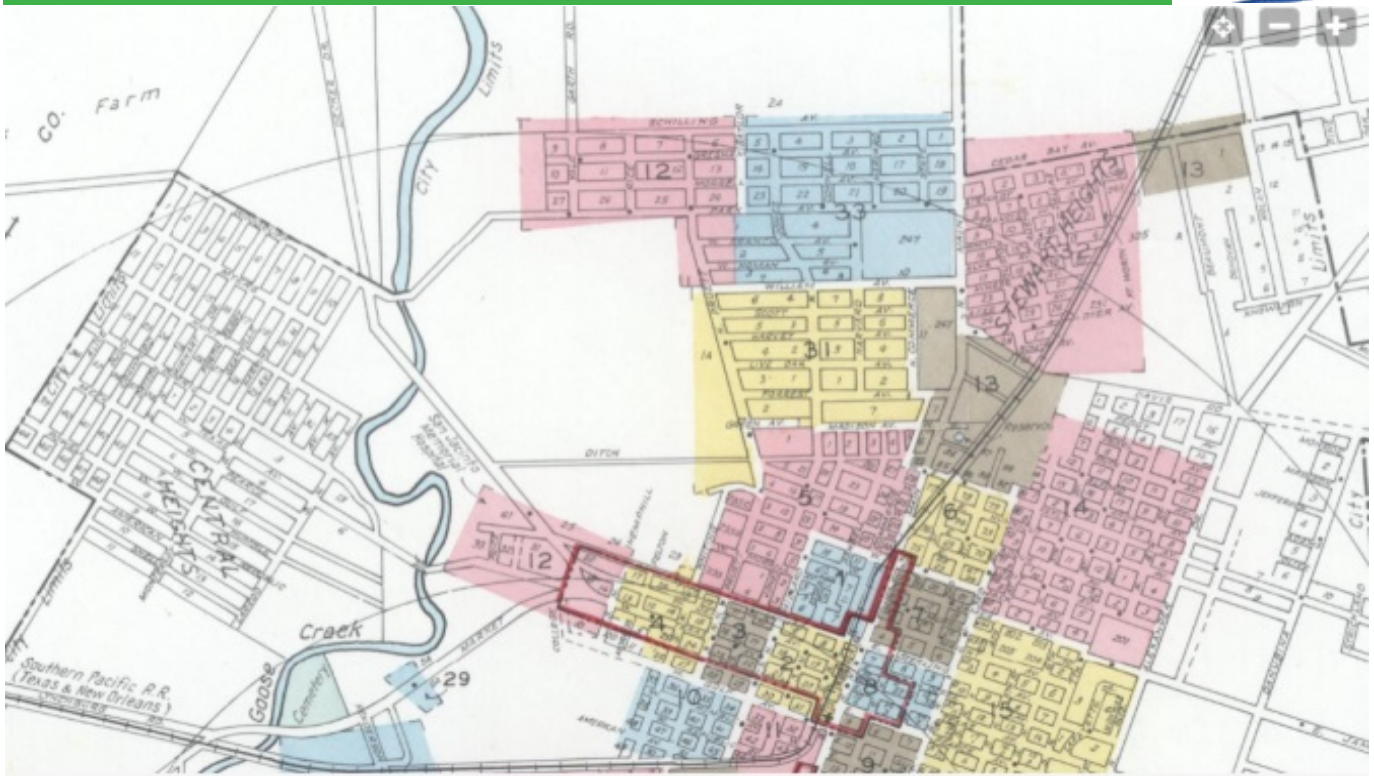
Goal #5

Improve the user experience.

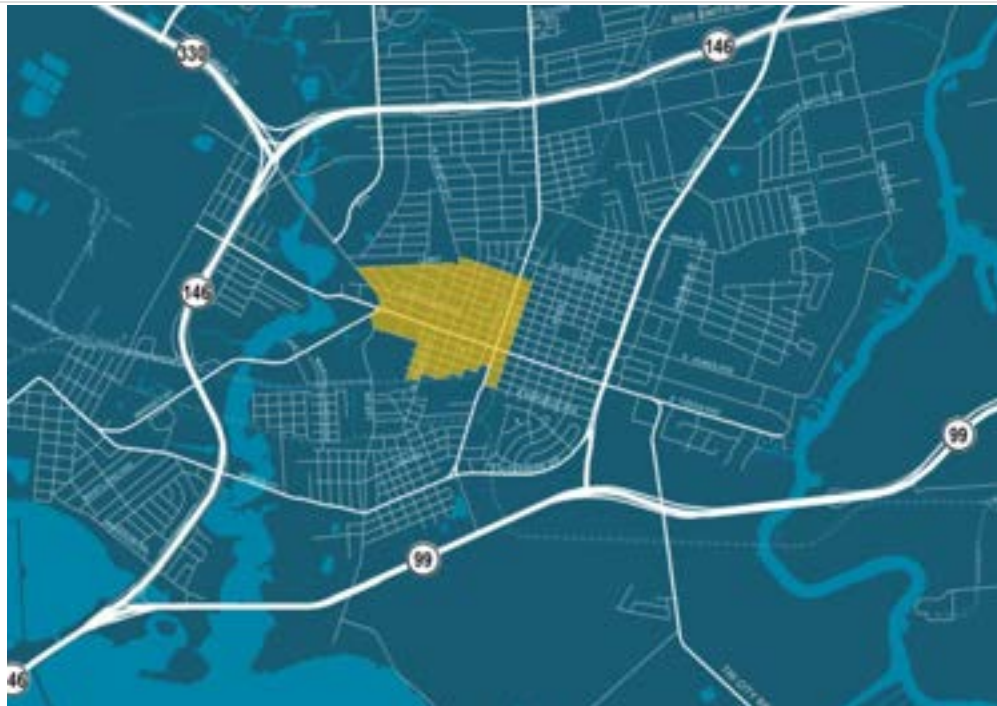
This encompasses a host of things that build-off many of the above items. They include: slower speed, two-way streets (Defee and Sterling), expanded bike-ped features, improved/expanded parking options, storefront activation, waterfront orientation and cleanliness, and improved perceptions of public safety.

Downtown Arts District Blueprint > Introduction

PART 1: DOWNTOWN PAST AND PRESENT



- History
- Physicality
- Legacies



The Downtown Arts District's surrounding transportation network.

Geographic Context



Source: Baytown Public Library

Situated approximately five miles south of I-10 and two miles to the northeast of the Fred Hartman Bridge (Highway 146), the history of Downtown Baytown closely parallels that of many other downtowns' whose existence was shaken during the freeway building era of the mid 20th Century. Originally known as Downtown Goose Creek prior to the merger of the three communities (Baytown, Pelly and Goose Creek) that joined together to form Baytown in 1948, the area originally served as the bustling main street district for the de-facto "company town" that took shape in the shadows of the region's early oil industry.



Source: Baytown Public Library

With the construction of Interstate 10 during the 1960s, the City's economic center-of-gravity began to shift northward where it has remained to this day. And while "Downtown Baytown" may never regain its stature as the city's main commercial center, it does contain the city's richest collection of historic buildings and cultural assets, and has a ready-made physical framework for the type of walkable urbanism that is so much back in-vogue today. It has also served as the focal point for the city's cultural community as evidenced by its recasting as the city's "Arts District". Therefore, if not the singular, capital "D" downtown of years past, the area has all the physical



Source: Baytown Public Library

characteristics of a traditional, mixed-use urban neighborhood in the mold of a Houston Heights or a "Fifth Ward". It is in that spirit (and with that stated potential) that this plan is undertaken.



Source: Baytown Public Library

Physical Context

The Downtown Arts District is a linear, 22 square-block area-oriented east to west and bracketed roughly by Main Street and Goose Creek respectively. Texas Avenue is its main street and, together with the adjoining Town Square, form its central organizing feature. The dimensions of Individual blocks are approximately 300' by 200' and the average parcel is approximately 100' deep with no alley separating the backs of individual lots. Downtown is traversed east to west by a pair of one-way streets (Defee and Sterling Avenues) and paralleling Texas Avenue to the north. Alternating north-south one-way streets serve the district's main core from Ashbel to Jones Street extending between Sterling and Gulf streets.



Sanborn fire insurance map of the downtown core c. 1920: Source: The Library of Congress

The building stock is primarily of early to mid 20th Century vintage and, while many blockfaces are still largely intact and interspersed with landmark quality buildings, much of it consists of unadorned single-story commercial buildings of little remaining architectural distinction. Surviving landmark structures include the Brunson Theater block, the Art Deco 300 West Texas Avenue (BDI Solutions), 400 West Texas Avenue, the K'nesseth Israel Synagogue, the former railroad depot building, and the modernist former Citizen's Bank Building.



Although several buildings have been meticulously restored, many others remain vacant and/or in rundown condition. Many buildings been stripped of any architectural detail through successive phases of adaptation and remodeling. Many are also faced with severe physical and economic constraints that hamper their reuse. Among these are the prevalence of “cheek by jowl” party-wall construction and the lack of rear-lot alleys or access easements. This physical tightness poses major difficulties in running new or expanded utility services to - or accommodating second

points of egress for - interior block buildings. This impinges the adaptability of these buildings into restaurants and other more intensive commercial uses that require heavier “back-of-house” functionality. Moreover, the costs of implementing these adaptations in the instances where they are physically possible, often aren’t justified by the prevailing rents that can be charged in return. This has resulted in a lack of sustained redevelopment activity despite the city’s own investments in the district over the past decade.



Besides its still impressive collection of historic buildings, the district’s most distinguishing permanent features include Town Square, the Goose Creek waterfront, and the campus of Lee College that anchors its west end. (The defiant old oak tree situated in the middle of Texas Avenue near Felton.



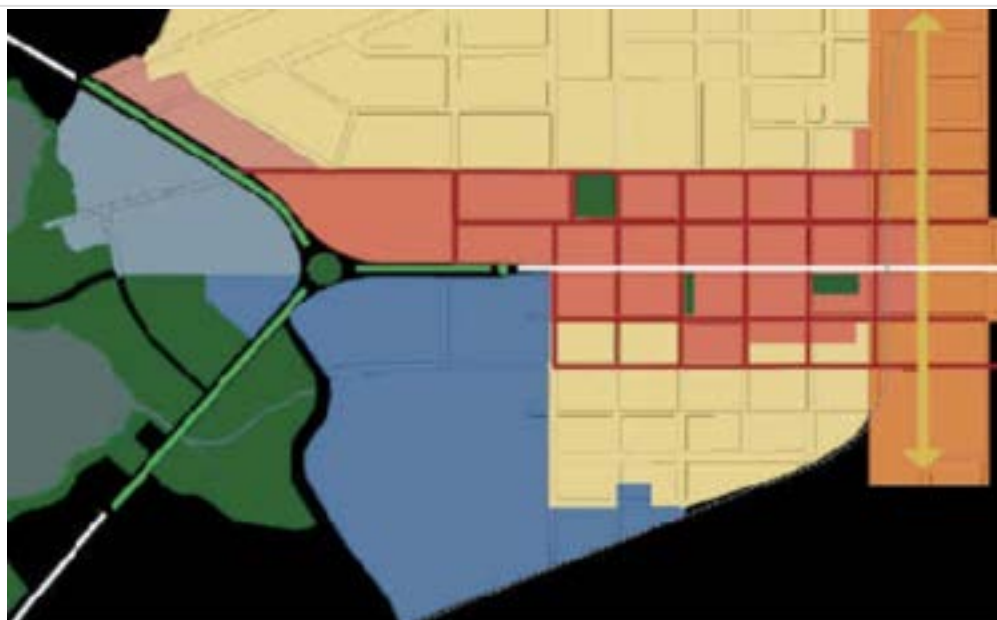
The Texas Avenue oak tree through the years. c.1920s, 1960’s and today: Source: Baytown Public Library

Whiting streets is also a long-standing local fixture.) Downtown's urban framework has been enhanced in recent years by the district's formal designation as a Texas cultural district along with the public art installations comprising the Baytown Sculpture Trail along Texas Avenue. The relatively recent development of the Town Square park together with Texas Avenue streetscaping work and the Art Alley, has signaled the city's commitment to both the arts and to redevelopment more generally. Taken as a whole, these combined assets and achievements have positioned the City well for a new era of downtown revival and reinvestment.

Ongoing challenges facing the district include its lack of both a concentrated resident population and the typical downtown institutional anchors that normally infuse activity throughout the day and week. (e.g. city hall, courthouse, library, theater etc.). Other challenges include the district's relative isolation and disconnection from the larger city, and the earlier mentioned physical constraints facing some of its older, hemmed-in building stock. None of these are themselves unique or insurmountable but will require sustained levels of public investment and proactive district management to overcome.

2004 Downtown Plan

Prior to this plan, the most recent plan covering the area now known as the Downtown Arts District was the 2004 *Baytown Downtown Plan: Area One*. This plan began to address many of the same topics that are further explored in this plan including the need to revitalize and connect Downtown-adjacent residential neighborhoods with higher quality pedestrian infrastructure; the conversion of Downtown's one-way streets to two-way; the importance of historically appropriate building renovations, and the need to establish downtown-focused small business programs --specifically, a revolving loan program and a business incubator.



2004 Downtown Plan

Other recommendations of this plan included: the removal of the “snake” along Texas Avenue (e.g. the 1960’s-era street “modernization”. Completed); “phase one” streetscaping along Texas Avenue (completed); and the reconstruction of the historic traffic circle at the intersection of Texas Avenue, Decker Drive and Market Street (underway). The plan also emphasized the importance of the arts – a concept that the City has since fully embraced with the creation of the Downtown Arts District and its many offshoots. The plan also mentioned the importance of establishing a district management entity to help coordinate area business and property-owners, pursue funding opportunities, program special events and recruit new businesses.

Public Engagement Summary

The initial public participation element of the plan consisted of several focus groups and listening sessions along with approximately 10 one-on-one interviews conducted over a two day in September 2023. The early sessions and interviews culminated in an Arts District Blueprint open house event held on the evening of October 11th, 2023. This event was attended by approximately 30 people including city staff members. Some of the themes and objectives arising this event included the need for the city to:

- Update infrastructure to expedite redevelopment.
- Reduce the level of commercial vacancy.
- Reduce the permitting and economic barriers to investment.
- Improve the climate for small business development.
- Encourage renovation of existing buildings.
- Intensify the pattern of physical development and human activity (more buildings and more people)



A second open house was conducted on February 20th, 2024 to receive feedback on the direction of the plan to that point. Approximately 20 individuals attended this event held at the Lee College Performing Arts Center.

The planning process was overseen by a Downtown Initiative Steering Committee (DISC) consisting of city staff, elected officials and various district property and business owners. The group met every other month during the eight-month duration of the plan (four meetings).



PART 2: OPPORTUNITY ANALYSIS



- **“Putting the ‘Bay’ back in Baytown”**
- **Enclosing the square**
- **“Town to gown” and other linkages**

In looking at Downtown’s physical setting, a number of potential redevelopment opportunities and linkages present themselves. Perhaps the most catalytic of these are the potential off-campus expansion of Lee College, the reclamation and redevelopment of the City’s Goose Creek waterfront, and a fuller realization of Town Square into a central “quad” framed by new buildings. All will require significant amounts of public leadership and investment. They are also seen as complementary and synergistic and will help drive interstitial private investment throughout the district.

Greater Downtown Physical Framework



Connecting the district core with Lee College and Goose Creek, and stretching the “paths of investment”, are key goals of the plan.

The Downtown/Goose Creek Waterfront (The “Inner Bay”)

Much of the downtown waterfront area is currently city-owned and/or underdeveloped. And while much of it consists of unbuildable floodway, a significant amount of land area is not and could be redeveloped either with or without special flood protection engineering. Redeveloping the former hospital site, in particular, along with the underused property behind the library could help unlock the latent value of the waterfront and create a powerful gateway (and market driver) to the DAD from Decker Street and Garth Road. It could also help create a stronger market for infill development and commercial rentals in the district core.





The combination of substantial potential acreage, consolidated city ownership and waterfront location easily makes this site the largest, most attractive and potentially catalytic redevelopment opportunity in or near district. The potential relocation of the Sterling Library (the specter of which has been discussed during this planning process) could make it even more so.

Optimizing this opportunity will involve working with state and Federal environmental and natural resource agencies – as well as volunteer and non-profit groups -- to improve and remediate the

natural environment of Goose Creek over time. The formation of a “Friends of Goose Creek” organization for instance, can help mobilize political support and open-up funding opportunities for clean-up efforts. The aesthetics of the Goose Creek waterfront can also be improved by amenitizing the floodway area with more natural landscaping and boardwalk extensions etc., as well as by introducing aerator fountains or water jets in strategic locations (to both improve water quality and to obscure views of the chemical facilities that some people may find objectionable).

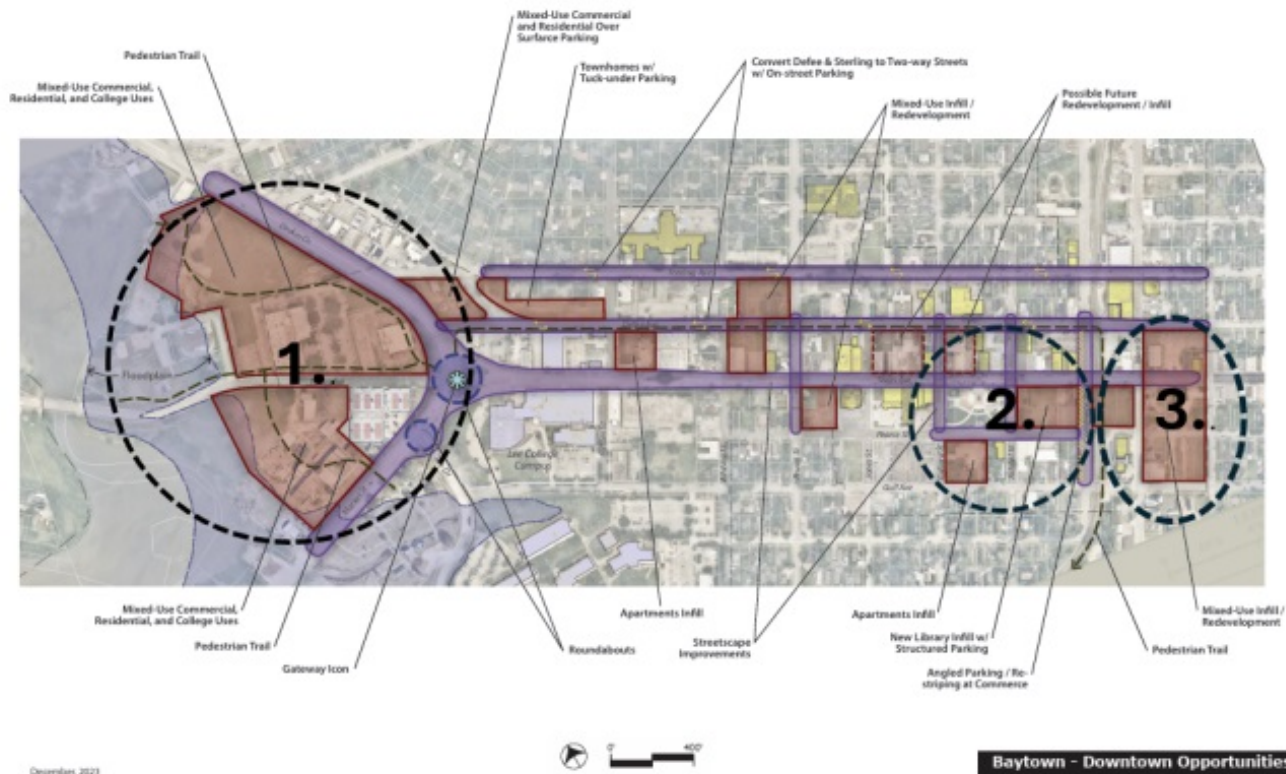
Marketing this area to prospective developers will require proactive marketing involving the offer of incentives to offset the costs of flood hazard mitigation and structured parking. The developer recruitment process should also involve attaching a more distinctive brand identifier to this sub-area that more strongly communicates its urban waterfront location (and the city’s higher expectations for development here). Names such as: The Inner Bay, The Esplanade, The Estuary and The Strand all have strong urban waterfront associations that could bring greater attention to a marketing campaign. The city should intend to retain a public access easement along the water’s edge which should be clearly communicated in all marketing collateral along with a basic funding plan for public improvements such as through a Tax Increment Reinvestment Zone (TIRZ).

The process would start by resolving the issue of the library’s future and possibly acquiring purchase options on adjacent and available privately owned land in order begin the request for proposals (RFP) with the largest assemblage possible. The RFP document itself should include other content from this plan that communicates the city’s larger vision for the Downtown Arts District and the related projects, policies and programs that will help realize it.



Further amenitizing Goose Creek will help accentuate the Downtown waterfront and soften its industrial backdrop.

Redevelopment Focus Areas



Key redevelopment opportunities based on available public/vacant land.

Town Square 2.0

The Town Square project along with the Brunson Theater and the new public utilities building provide solid foundations for future redevelopment. Through the excellent work of the city's Parks Department, the Town Square project, in particular, has proven itself a powerful mixing ground for people from various walks-of-life who otherwise would have little or no occasion to visit the district. The project demonstrates the special drawing power of well-designed urban spaces and the symbolic value that people attach to them particularly in historic downtown settings. Although begun mainly as a blight removal initiative, this project has become an embodiment of the city's urban aspirations, both cultural and civic, and has attracted a loyal fan base. As a place of public celebration, it is also a potential staging-ground for various future public events hopefully for generations to come.



Source: Getty Images

Special events notwithstanding, the symbolic power of a true town square derives as much from the frame of buildings that surround it, and help keep it in constant use, as the public landscape itself. This is what elevates it from a simple park to a flexible, multi-purpose, enclosed civic *space* in the fullest meaning of the term. The classic urban ensemble of an ornamental town square wrapped by distinctive, landmark-quality buildings (often civic ones) is the stuff of old postcards and modern master-planned developments alike (the Sugar Land Town Center and La Centerra at Cinco Ranch are but two regional examples).



Source: Getty Images

Currently, the Town Square Park doesn't have any activity-generating buildings adjacent to enliven it during non-special event times (which is to say, most of the time). Keeping it active throughout the day and week will require more intensive redevelopment along its perimeter: a frame for the 'picture' so to speak, and something that can both take advantage of the city's major investment here and give something back in return. Namely, neighborhood "ownership" and activation including passive resident surveillance.

Redevelopment around the Town Square should strive to extend and intensify periods of activity in the district by introducing new mixed-use development that includes a strong housing component. Another goal is to integrate shared public-private parking into new developments to both eliminate the deadening effect of surface lots and to maximize the area's development potential. Mixed-use examples include one or two floors of apartments over ground floor commercial occupancy with shared, covered, public parking also at ground level. Another example would be a joint City/Lee College cultural center (i.e. library/visual or performing arts center) also with integral parking and optional upper-story apartments. Mixing uses in this way helps elongate periods of active use and helps both moderate and optimize parking needs by mixing daytime and nighttime activities.



Source: Getty Images

Arts District 3.0

With assets like the Sculpture Trail, Art Alley and the Little Theater, the city and its arts community have done admirable work putting Baytown on the state's cultural map. A potential next phase of its evolution would be to set about establishing a functioning, district-centered arts *economy* where resident-artists actually live, work, create, perform, display and sell. More programmed events around the arts such as art fairs, theater in the park, concerts, demonstrations and artist competitions would draw more artists and their patrons into the district

and help support revitalization.



Source: Wikimedia Commons



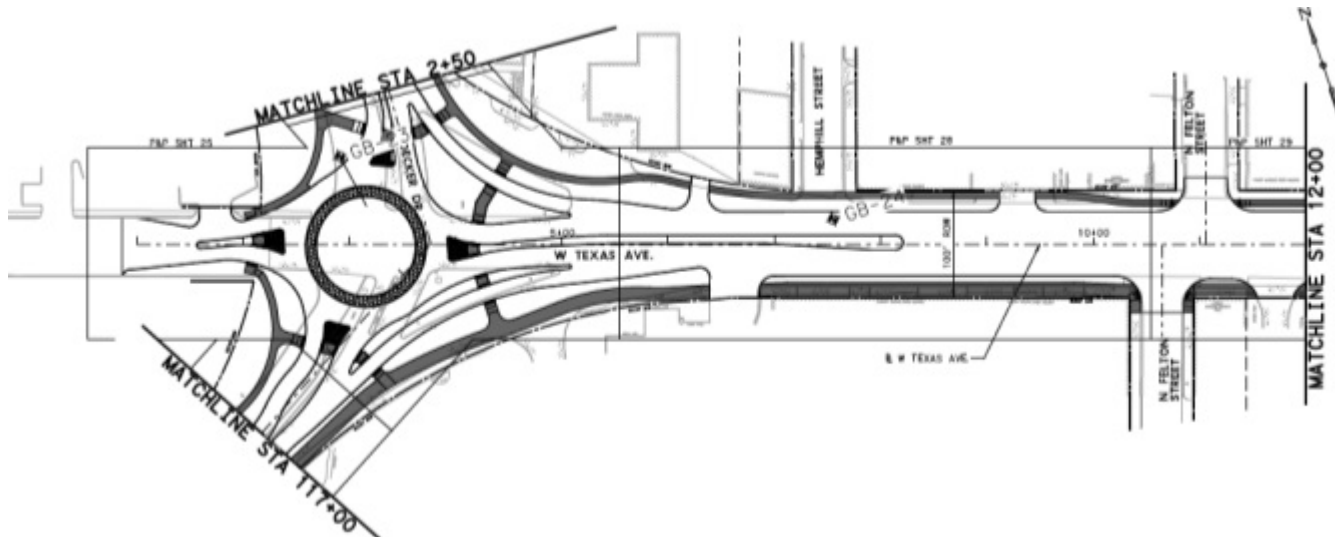
Source: Wikimedia Commons

A new facility or facilities such as an industrial arts makerspace, arts incubator and artist-oriented live-work housing would greatly add to the cultural milieu and economic development potential of the arts in Baytown. An improved and programmed Bicentennial Park would help fuse together the city's waterfront area, Lee College campus and district core into a greater whole. A new Arts District cultural center perhaps combining a new library and Little Theater would help "landmark" the district's cultural identity and provide it with the institutional anchor that it currently lacks.

More immediately, if the city aspires to be a ranking arts community, this needs to come across boldly at the district's front door. The new gateway roundabouts at the district's west end present a great opportunity to punctuate the Sculpture Trail with a major new art installation (its *piece de resistance*). A large, commissioned piece at this high-profile location will announce the district's arrival as a serious creative center as well as arrival into the district itself. Holding a national design competition for this project would further enhance the city's arts *cachet* by generating positive media. Meanwhile, more commonplace opportunities may exist elsewhere in the district to use serviceable vacant storefronts as pop-up galleries and event spaces.



Source: Wikimedia Commons

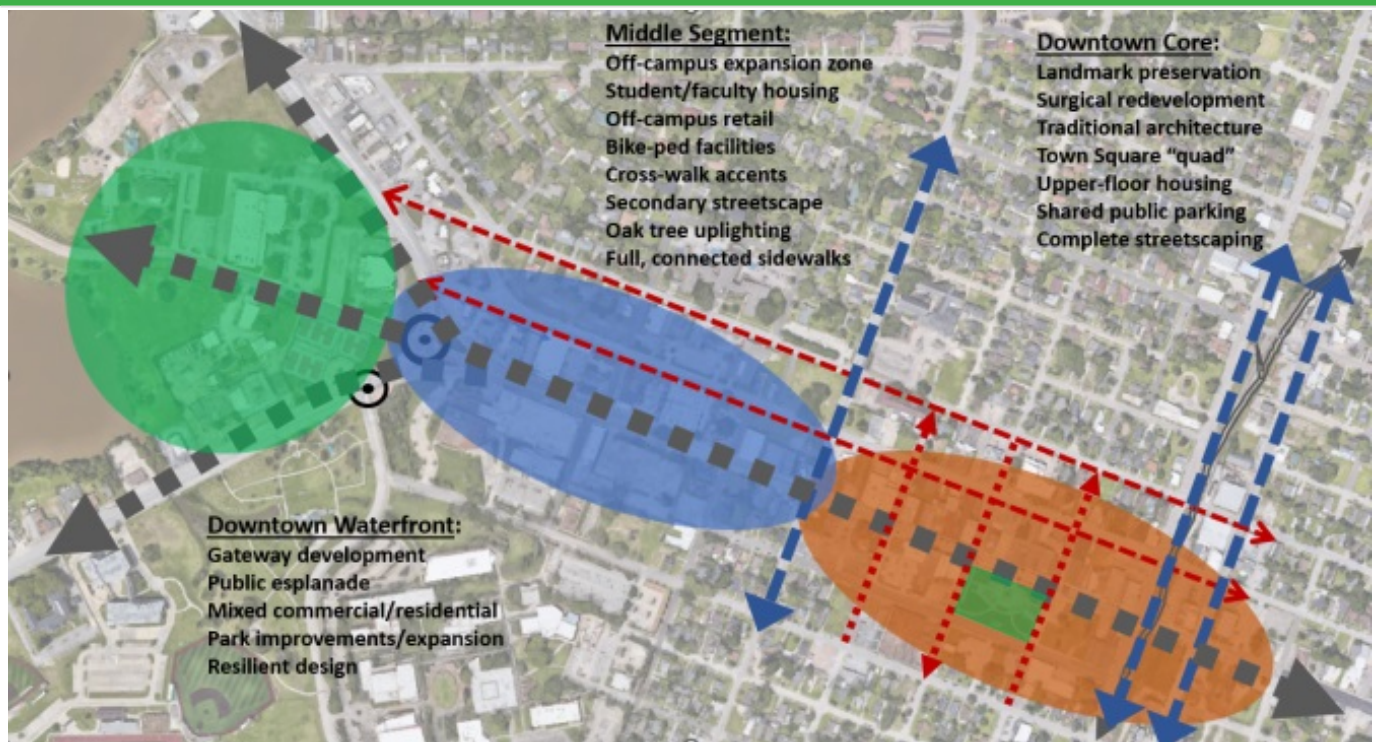


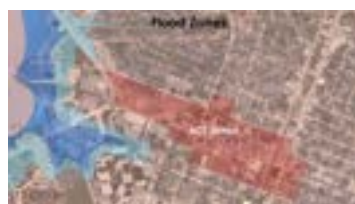
Linking Downtown to Other Activity Areas

The district's separation from other centers of activity within the city, including the bayfront and the planned San Jacinto Marketplace development, is a challenge that defies easy solutions. The routes connecting them are indirect and the distances too far for wayfinding alone to be an effective fix. Although enhanced wayfinding signs will certainly help people navigate the city's large land area (especially along the main connecting routes of: Main Street, Lee Drive, Market/Decker and Garth Road) it won't necessarily compel them to make the trip absent more direct and intentional measures.

Some ways to make stronger connections include: permanent or intermittent shuttle service or paratransit to and from the district between area hotels, the hospital, Lee College; continuing to build-out the city's bike trail system along Goose Creek and City's many utility easements; and making sure that the Downtown Arts District figures prominently in the city's visitor/tourism marketing collateral. The latter should rigorously promote the district's arts scene and special events held at Town Square, as well as a rediscovered and actively programmed Bicentennial Park until a stronger collection of restaurants and entertainment venues begins to take shape. The introduction of micro-transit options such as bike-share, scooters and intermittent river taxis could also help reduce the psychological distance between key destinations.

Downtown Segments





Flood Zones



Publicly-Owned Parcels



Public-Owned + Vacant
Parcels



Publicly Owned + Vacant + <
2 Owners



Urban Building Stock



Permanent Stock



Key Redevelopment
Opportunities

Analysis of existing conditions and key redevelopment opportunities based on public ownership, vacancy, marginal building stock and consolidated private ownership.



PART 3: LOOKING TO THE FUTURE



- Start at the water
- Push toward the middle
- Lead with housing

Conceptual Plan (Area 1)

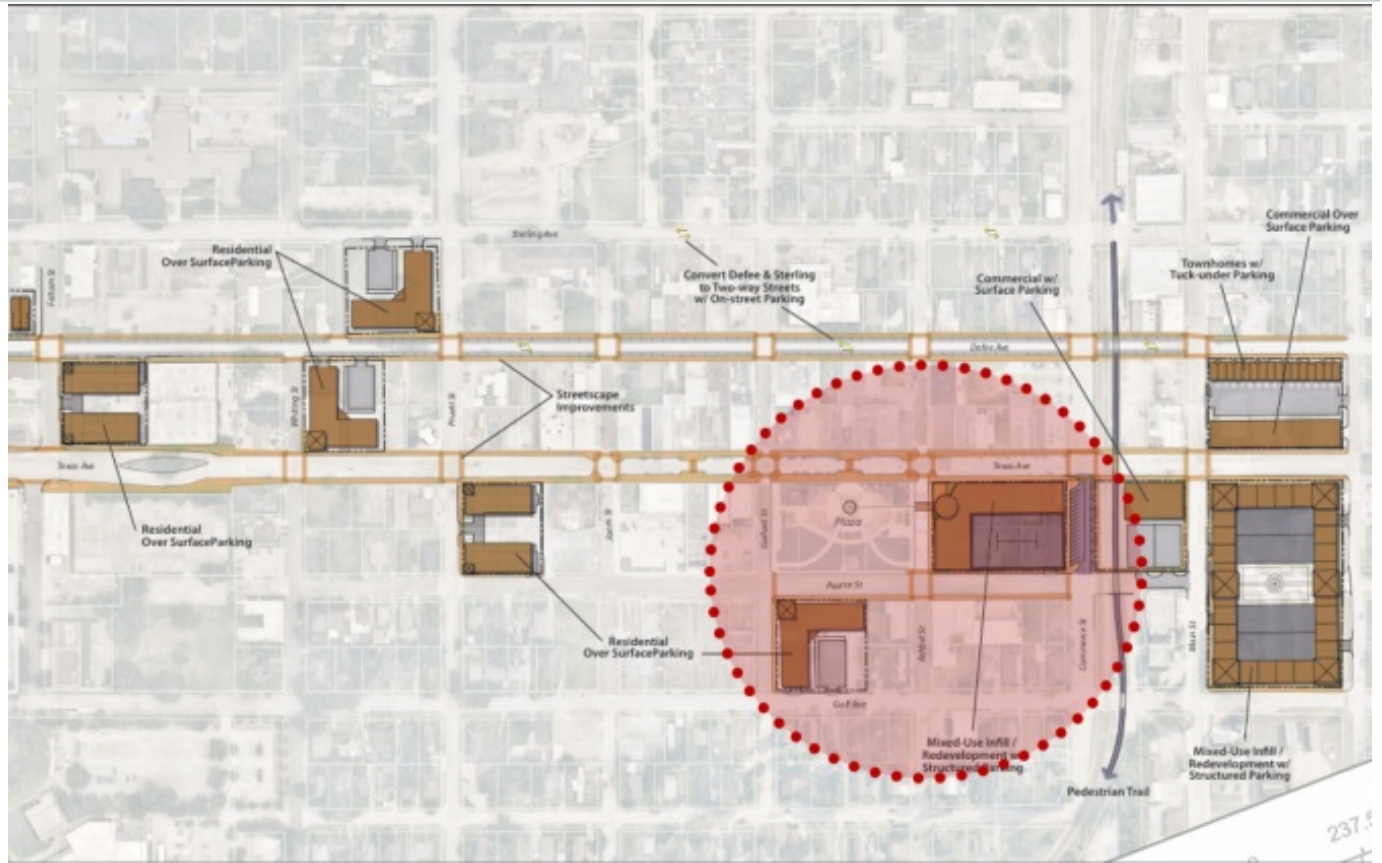


Baytown - West Redevelopment Final Concept



Source: PWL Partnership

Conceptual Plan (Area 2) Alternative 1. Downtown "Quad"



Alternative 2: Interim or Permanent Park Space



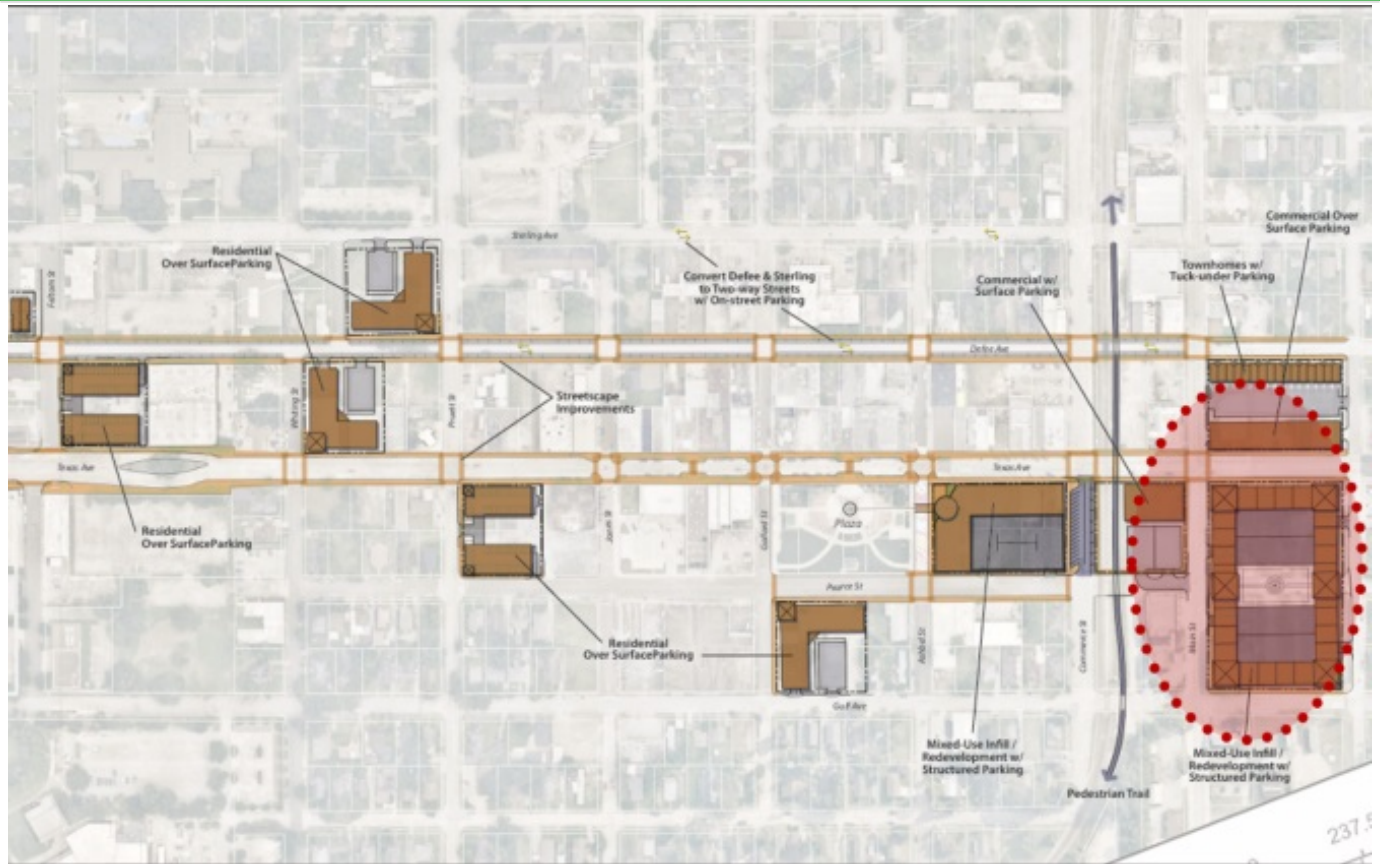
Source: Clark Condon

Alternative 3: Container Park (Hybrid)



Source: SWA

Conceptual Plan (Area 3)





Economic Plan

Like any plan, the Arts District Blueprint will require the joint application of: zoning, incentives and direct public investment to make it materialize. It also needs developers and entrepreneurs who are willing to invest along with private property owners and elected officials who believe that the status quo is no longer an acceptable option. More fundamentally, the new development scenarios depicted in the plan need to be shown to be doable by developers. This boils down to two essential things: (1) that key redevelopment sites are the right size and are, in fact, acquirable (can they be gotten for a fair price?), and (2) that developing them can be shown to be economically feasible (i.e. will developing them return a fair profit compared to a developer's next best investment opportunity?). Equally importantly, the district's economic plan needs to be focused as much on *business* development as physical development if it is to be optimally successful.

Summarized below are suggestions for several new or modified economic development programs that apply directly to the Downtown Arts District. These have been excerpted from the Baytown Economic Prosperity Roadmap plan whose full text can be found here [\(insert link\)](#).



Expanded Use of 380 Agreements

The KKC team recommends wider and deeper use of this tool to potentially include redirection of property taxes beyond the state mandated 10-year limit on standard tax abatements (e.g. a semi-TIRZ structure freed from the strict “public use” restrictions on the use of project revenues). This tool should be bundled into the city’s request for proposals (RFP) for DAD and DAD-adjacent city-owned properties (i.e. in-lieu of standard RIZ) to help close the potentially very large financial feasibility gaps that these projects are likely to face; particularly those requiring costly structured parking and specially engineered flood protection infrastructure.



Enhanced RIZ (or RIZ+)

The KKC team recommends that the city adopt a two-tiered Revitalization Incentive Zone (RIZ) structure whereby projects exceeding \$2.5 million in total project costs (including site acquisition) be eligible for the state maximum of a flat 10 years of 100% tax abatement on incremental tax value. This “longer and deeper” tax reimbursement program should be available on an automatic by-right basis based on cost verification. Projects under \$2.5 million would continue to be eligible for the standard RIZ incentive.



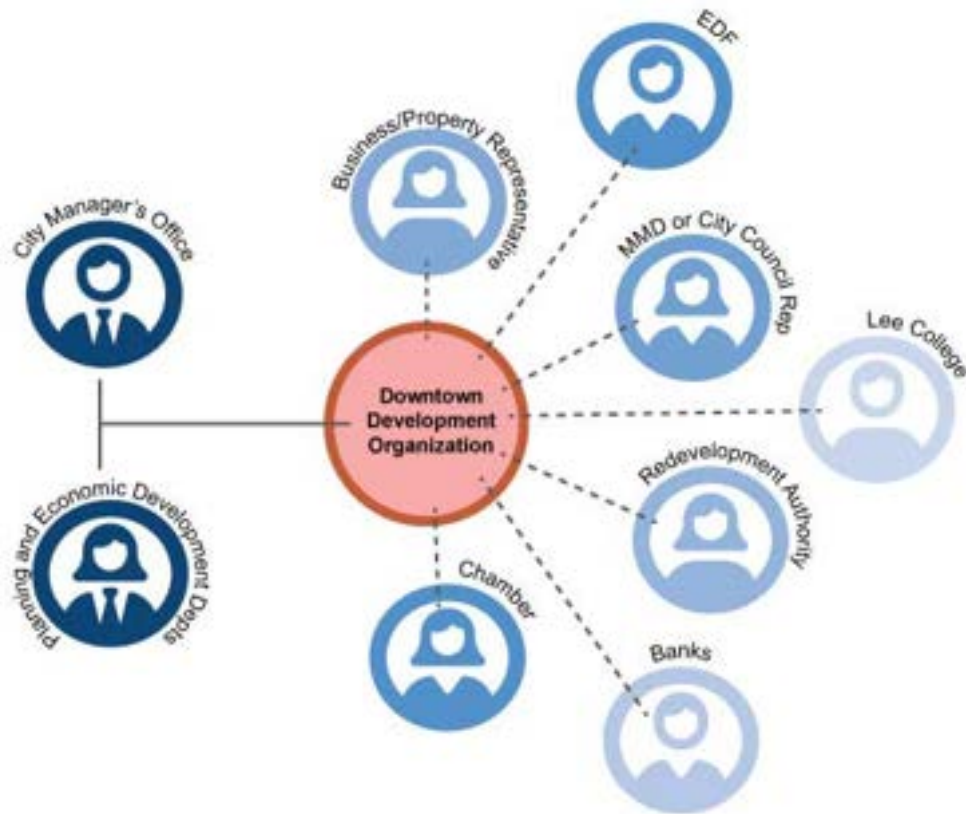
Revolving Loan Program(s)

The KKC team recommends that the city capitalize an RLF program or programs (for both buildings and businesses) to augment its existing RIZ (tax rebates) and Building Improvement Grant (BIG) programs. Such a fund or funds would help fill the intermediate needs of projects that cannot be fully funded through equity, grants or conventional debt alone. An RLF program structured as a lower-interest, subordinated, extended amortization “soft second” mortgage would position borrowers to leverage larger conventional loans and help bridge feasibility gaps while allowing the city to recapture and recycle a portion of its limited incentives resources. The program can be structured similar to the Small Business Administration (SBA) 540 program. (See Madison, Wisconsin’s Business Loan Program for working capital or real estate as a model program <https://mdcorp.org/businessloanprogram>).



Redevelopment Enterprise Agency

Until the downtown market can gain traction, the city will need to build the capacity to take a more proactive, interventionist role in the redevelopment process. This means operationalizing an entity that can function as a de-facto real estate agency or “developer in the public interest”. Such an entity must be resourced and empowered to acquire, control and assemble (at “arms length”) marginal real estate; conduct selective predevelopment work, and then shepherd assembled properties into the hands of vetted developers to build plan-proscribed projects.



District Land Assembly and Marketing

The purpose of the enterprise agency described above is to assemble existing publicly-owned sites, vacant and blighted properties, tax delinquent parcels and available privately-owned sites into scalable development opportunities for developers. It then needs to actively market these opportunities on behalf of the city. This plan identifies several potential redevelopment target areas for the city to pursue. These were selected based on concentrations of existing public ownership, vacancy, marginal building stock and existing private owner consolidation. Marketing the Downtown Arts District to developers is best done through the creation of a market prospectus and website highlighting elements of the DAD Blueprint Plan and city incentives. This needs to be followed up by direct developer solicitations.

Downtown Arts District Blueprint > Introduction

PART 4: WHERE TO START?



- Early actions
- Short-medium-long term priorities

Effective redevelopment planning requires focus on people and programs as well “bricks and mortar”. It involves both “3Ps” (public-private partnerships) as well as the three “P”s: projects, programs and policies. It is equal parts physical design plan, economic development strategy and public policy framework. It also requires financial resources, staffing capacity, corporate involvement and political leadership. Perhaps most importantly, it requires the achievement of some early wins to help build confidence among project stakeholders and to build momentum for projects requiring sustained efforts over several years.

To help break-down the process into manageable pieces, the KKC team suggests an implementation framework ranging from immediate (easier, less costly) to long-term (harder, more costly) priorities. The latter, in particular, are grounded in the understanding that the city will need to build-up its capacity both financial and human, to undertake them effectively.

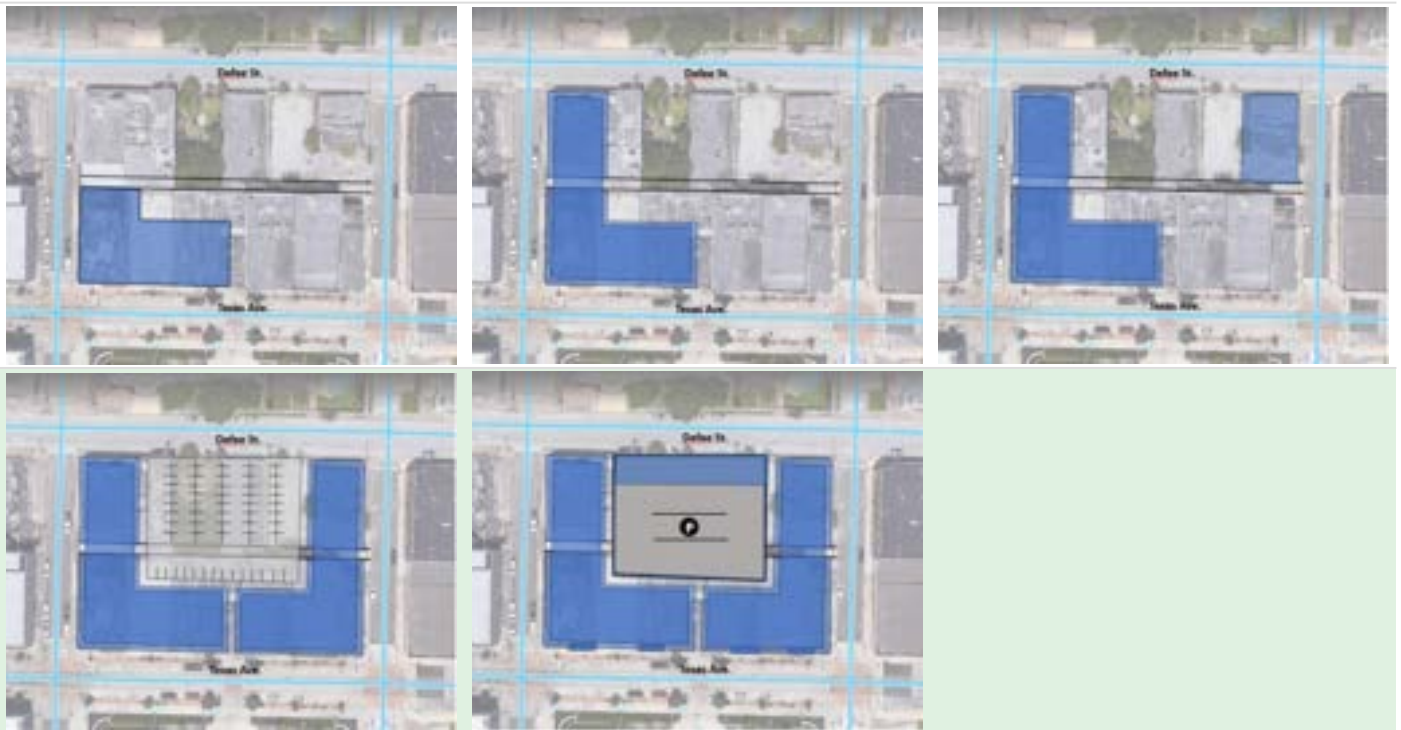
Immediate Priorities:



Adopt the Unified Land Development Code (ULDC).

Concurrent with this plan, the city is working to update its land use regulations. Recommendations for the Downtown Arts District (officially denoted by the acronym “DTA” District in the code), center around making sure that the district provides maximum flexibility within the parameters of current best zoning practices. Specifically, to make sure that the district preserves its compact pattern of development, but that it also encourages more mixed land use (including residential), and that new development and redevelopment adhere to traditional principles of urban design. These principles include, among other things, that building fronts have a minimum of structural definition and articulation, that they extend out toward the sidewalk, that they have a minimum percentage of window and door opening, and that the main entrances face main public rights-of-way.

The need to get the code adopted soon stems from the boxed-in situation facing many district buildings which severely limits their reuse. Under these circumstances, it is not unrealistic to expect that the owners of buildings along Texas Avenue will attempt to acquire the lots directly behind them to facilitate the new utility hook-ups, rear building egress and rear-lot parking that are currently denied to them. If and when this happens, there will be a strong temptation to flip the orientation of the buildings to the rear (i.e. to face the parking lots) possibly resulting in a deadening of the Texas Ave frontage. The new ULDC can help prevent this while also making sure that all rear building entrances have a modicum of design treatment including secondary signs and adequately appointed doorways.



Infill development to full-scale redevelopment: Downtown’s fragmented property ownership and uneven building conditions makes wholesale redevelopment improbable in the short run. This series shows how incremental (re)construction can ultimately lead to a fully reconstituted block with main buildings facing Texas Avenue and parking behind. Downtown’s small block sizes (200’ x 300’) and the need to accommodate off-street parking limits the intensity of development along the Defee frontage.

Texas Ave. Redevelopment & Infill



Replacement buildings should adhere to traditional downtown design principles.

Source: Hitchcock Downtown Redevelopment Plan 2023



Adopt the Enhanced RIZ program.

The city should work immediately to increase the tax incentives within the Revitalization Incentives Zones (RIZ) to help make the Downtown Arts District a more attractive investment proposition. This should be a fairly simple and straightforward process to expand a program that is already on the books. KKC recommends that the Enhanced RIZ program be offered automatically for projects that comply with the zoning code and that meet the proposed investment criteria. (See Economic Prosperity Roadmap (insert link here) for implementation details.)



Coordinate closely with Lee College on their new facilities plan.

Also concurrently with this plan, Lee College is preparing a new facilities plan to identify and quantify their space needs for the next several years. As stated repeatedly in this plan, the future success of the district hinges heavily on creating a stronger “town to gown” relationship with Lee College and a general blurring of the edges that spatially define them. Achieving this will require a strong sense of joint-ventureship between the parties and an openness by Lee College to adopt more of a decentralized urban campus model whereby more college buildings are spread-out from, but still within easy walking distance of, the main group of campus buildings.

The city should make sure that campus planners have a deep familiarity with this plan as the facilities needs assessment work unfolds. The obvious growth path for the college is the north side of Texas Avenue directly across from the main campus, as well as the Goose Creek waterfront; however, sites elsewhere downtown core shouldn’t be ruled out either. The city should also work to connect the college with private developers to help build any off-campus facilities that might be desired such as affordable student housing, temporary faculty housing, co-working space, or any student serving retail and entertainment development.



Determine the future of the Sterling Library.

The library has been a topic of speculation throughout the development of this plan. The current building (although an interesting example of Modernist architecture) is somewhat dated and it is not located in an area that allows it to contribute to the life of the Downtown Arts District. The time to examine the library’s long term future is now when major capital investment is needed (e.g. new HVAC system etc.). Major decision factors include both the structural condition of the building and its adaptability to meet new or emerging program needs years into the future. If it is determined that the costs to renovate, adapt, and maintain the library are untenable, KKC strongly recommends relocating it to the heart of the Downtown Arts District, preferably on or off the Town Square, so that it can serve as a consistent activity generator for the district.



Return Defee and Sterling to two-way traffic.

This is an idea that was initially brought up in the 2004 Downtown Plan but never acted upon. The current one-way pair is a relic of 1960s transportation planning designed to move heavy volumes of traffic at high speed. The Defee/Sterling pair cuts downtown off from the residential neighborhoods to the north and causes excessive speeding. Moreover, there is not a purely transportation-related need that justifies maintaining this system in its current configuration (Defee currently handles only about 2800 vehicles per day which is the same as two-way Texas Avenue and two-way Pruett, while Sterling carries only 1600.) Many cities have made their downtowns’ more walkable and safe (and have maximized on-street parking in the process) by long ago converting their one-way pairs systems back to two-way streets.



Restripe Commerce and Pearce streets for diagonal on-street parking.

The availability of on-street parking especially during events held at Town Square, has been cited as problem by many people consulted for this plan. At 50 feet wide, Commerce Street is much wider than it needs to be to carry the extremely light traffic on it. The center left hand turning lane is superfluous. This street is wide enough for diagonal parking on at least one if not both sides. The slightly narrower Pearce Street (approximately 46 feet), is also likely wide enough to have diagonal parking on one side and parallel parking on the other. Restriping one or both of these streets would help maximize on-street parking directly where it is currently needed the most – just off the Town Square.

Near to Mid-Term Priorities (1-3 years)



Begin capital campaign for entry roundabout design competition.

The new roundabouts on the west end of the district and the newly established TIRZ are excellent early action projects that can be leveraged to strengthen its arts district brand. As depicted in the accompanying design plan, KKC recommends that the city conduct a national design competition for a new, monumental sized gateway art installation in or near the main roundabout.

The basic steps to conduct a competition would involve: establishing a project budget (at least \$1 million is suggested), empaneling a design jury, securing a permanent site, establishing design criteria; issuing a request for qualifications, and then awarding approximately \$20,000 each for up to four finalists to submit mock-ups of their designs. The winner would be awarded the final contract. This process would garner positive media attention and hold out the promise of getting the most innovative design.



(Re)define the job responsibilities of economic development staff and build their capacity.

The city's economic development department currently has two generically defined economic development "analyst" staff positions. KKC recommends that going forward, that these positions be more defined in scope with the intent of building more professional specialization within the department. One of these positions should focus on small business development and the other on redevelopment. Depending on their qualifications, the redevelopment position should serve as either the executive director or assistant executive director of the recommended redevelopment agency depending on the disposition of the host entity. This person will need to have or obtain a strong working understanding of the urban real estate development process including financial feasibility, site and developer due diligence, marketing, gap financing tools and methods, and deal-structuring among other skills. Economic development generalists can typically acquire this knowledge through various certification programs offered through organizations such as: the Urban Land Institute (ULI), the International Economic Development Council (IEDC), the National Development Council (NDC) or the CCIM Institute.

The small business specialist should serve as an ombudsman between the business community and city departments. S/he should have a strong grasp of business finance, marketing and management and work primarily as a small business coach and resource-connector. Qualified candidates may come from the ranks of academia or chambers of commerce, or from within the small business community itself.



Establish a redevelopment enterprise agency and begin to assemble and market district sites.

As stated earlier, city led redevelopment activity requires new staff capacity, financial resources and *agency* (in both the noun and verb usage of the term). Establishing the enterprise will assign responsibility and ownership over the redevelopment process and accelerate outcomes. (See Economic Prosperity Roadmap [\(insert link here\)](#) for implementation details.)



Create a Downtown Arts District investment prospectus.

This is essentially a professional marketing piece oriented to developers with plan highlights, descriptions of available sites, area demographics, incentives information and a summary of citywide assets.



Issue RFP for the city-owned Goose Creek (former hospital) site.

At approximately seven acres in size (not including the library property) this site easily represents the district's most attractive and *development-ready* redevelopment opportunity. Quality redevelopment of this site similar in flavor and scale to what is shown in this plan, will act as a catalyst for other district redevelopment.



Work to gain control over the entire 100 Block of Texas Avenue.

In the early fledgling stages of redevelopment, dormant downtowns such as Baytown's need to have development-ready sites that are both large enough to generate developer interest and to effectively change the market at the same time. Next to the Goose Creek site, the 100 Block is the Downtown Arts District's next best redevelopment opportunity. Acquiring control of the remainder of the block will be key to maximizing the redevelopment possibilities around Town Square, and establishing a redevelopment foothold and momentum-builder in the heart of the district. The city's current assemblage there is not quite big enough to be of interest to most developers or to be able to move the downtown market.

Begin Phase 2 Streetscape

The creation of the new Arts District TIRZ provides both the impetus and a funding source to extend streetscaping along select segments of Texas Avenue and adjoining side streets. These improvements should be scheduled into the city's capital improvement plan with eventual construction work coordinated, to the extent possible, with other public infrastructure work (e.g. stormwater, utilities) or adjoining private construction activity. Priority streets include: Texas Avenue from Jones to Pruett streets (including intersection accents at Pruett); and from Asbel to Commerce Streets with a one-block wraparound treatment along Commerce Street. This work should begin with preliminary design and engineering (years 1-2) and proceeding to budgeting, final design and construction in years 2-5.

In the longer term, secondary streetscape (i.e. outside of the immediate district core) should also be coordinated with future infrastructure work and private development as resources permit.

Proposed Streetscape + Bike-Ped



Longer-Term Priorities (3-5 years)



District business incubator.

Rebuilding downtowns is as much or more about building new businesses as it is about building *buildings*. Incubators are a lynchpin of any small business ecosystem. One is needed in Baytown to help build and sustain the tenant pipeline for the Downtown Arts District's many vacant storefronts as well as in other locations. The incubator needs to be more than a low-cost co-working space. It needs to offer entrepreneur training support services such as classes, business coaching, mentoring and connections to first customers as well as potential funding sources.

Establishing an incubator usually involves a collaboration between municipalities, non-profits, corporate foundations and institutions of higher education. A first step is to create an online portal and clearinghouse for small business support programs/organizations available/present in the region. A model website is KCsourcelink.com. (See Economic Prosperity Roadmap [\(insert link here\)](#) for implementation details.)



Revolving loan fund.

Such a fund is needed to support the gap financing needs of small to medium sized development projects as well as for the start-up and working capital needs of small businesses. KKC recommends that Baytown's program should be structured as a basic loan loss reserve program capitalized in increments by the city and/or the MDD over a period of a few years. A consortium of local banks (including those where the city currently maintains deposits) and regional CDFI institutions should be enlisted to help fund, underwrite and service the loans in conjunction with the city's economic development staff. The process could begin by a city pledge of \$150,000 - \$250,000, the recruitment of an RFL task force from among prospective participants, and a capital campaign led by city political leadership and the BCW-EDF. (See Economic Prosperity Roadmap [\(insert link here\)](#) for implementation details)



Creation of a formal Downtown Arts District (DAD) business association.

The current lack of a critical mass of district businesses challenges the creation of a formal DAD business organization. However, as redevelopment takes place and as new businesses take up residence in the district, the formation of such an organization becomes more possible and potentially more fruitful. Such a group can serve as the collective voice of the district and join together to do things that no one business by themselves can do through cost sharing and "economies-of-scale" (i.e. group purchase of health insurance, group promotional events, customer valet service etc.). As it matures, the organization can choose to implement a dues paying system and management structure to give it more financial and promotional heft.

Down the road, this group could coalesce support for the establishment of a Business Improvement District (BID) to help fund additional district beautification projects and special events. With enough momentum, it could also springboard into a campaign to seek National Main Street and Certified Local Government (CLG) status and the additional outside funding that such designations can sometimes bring.



Implementation Matrix

Project or Program	Timeframe (yrs)			Responsibility	Resources
	0-1	2-4	5(+)		
Near-mid term priorities (1-3 years)					
Roundabout entry monument					
TXDOT approval/site selection	X			TXDOT, City Eng, Planning, Public Works	
Recruit design jury and project chairperson	X			Arts District Board	
Raise funds for design competition	X			Arts District Board, Design Jury, Project Chairperson	TIRZ, corporations, foundations, naming rights
Establish solicitation notice and design criteria	X			Public Affairs, Arts District Board, Design Jury	Arts Connect Houston
Publicize competition	X			Arts District Board City Public Affairs and Communications Depts.	Arts Connect Houston. Houston AIA, National Foundation For The Arts
Solicit design entries		X			
Begin capital campaign for construction		X		Arts District Board, Mayor, Project Chair	TIRZ, corporations, foundations, naming rights
Select winning entry		X		Design Jury	
District Investment Prospectus					
Produce marketing collateral and website	X			ED staff, consultants	
Issue RFP for former hospital site	X			ED staff, consultants	ULI-Houston, CCIM-Houston
Design and pre-engineering of phase 2 streetscape	X			City Engineering	TIRZ, MDD
Longer term priorities (3-5 years)					
Revolving Loan Fund (RLF)					
Convene working group	X			ED staff	EDF, Harris County, CDFIs, Local banks



Project or Program	Timeframe (yrs)			Responsibility	Resources
	0-1	2-4	5(+)		
Secure challenge grant	X			City Council/MDD	MDD, 212 funds, EDA, TX EDC
Begin capital campaign		X		ED staff, EDF, Foundations	Corporations, CDFIs, foundations, 212 funds
Develop program guidelines and bylaws		X		ED staff	Local banks
Recruit loan underwriter and servicer		X		ED staff	Local banks
Establish loan committee		X		ED staff, EDF	Local banks
Promote program		X		ED staff	Social media, city website
Make first loan		X		ED staff	
Redevelopment Enterprise Agency					
Establish charter, mission, bylaws and governance structure	X			ED staff, City legal dept.	TX EDC, IEDC, NDC, Harris County Economic Development
Determine controlling entity	X			MDD, EDF, City ED	
Controlling entity adoption of charter	X			Controlling entity, City Council	
Secure seed funding allocation		X		City ED staff + controlling entity	City, MDD
Professional services agreement or IDA (if applicable)		X		City and/or controlling entity legal	
Develop and post executive director job description		X		ED staff, City HR Dept	
Hire executive director		X		City HR Dept	
Business Incubator					
Recruit project task force		X		ED Staff, EDF, Lee College SBDC	
Solicit potential operators			X	ED Staff, EDF	
Establish budget			X	ED Staff, EDF,	
Develop programming			X	Chosen operator, Lee College	



Project or Program	Timeframe (yrs)			Responsibility	Resources
	0-1	2-4	5(+)		
Begin capital campaign and endowment			X	Foundations, corporations, ED staff, Mayor, EDF, operator	
Select location			(X)	Operator, Lee College	
Break-ground, cut ribbon			(X)		



City of Baytown
Downtown Arts District Blueprint
Staff Report
May 21, 2024

Requested Action:

Recommend adoption of the Downtown Arts District Blueprint as the updated master plan for Downtown Baytown.

Staff Analysis (Background):

The City's current Downtown Master Plan was adopted by City Council on September 9, 2004. In the nearly 20 years of existence the Downtown Master Plan has led to substantial public investment downtown with the hope that private investment would follow. Yet, private investment has been slow, albeit steady. With the major investment that has been made downtown, along with its growing profile regionally and statewide as a burgeoning arts and cultural hub as well as growing preference for an urban lifestyle for many, downtown Baytown is in the best position in decades for a resurgence. To capitalize on this opportunity as well as the need to update a nearly 20-year old plan, in the summer of 2023 the City partnered with Kendig Keast Collaborative (KKC) to update the City's downtown master plan in conjunction with the creation of an economic development strategic plan, known as the Baytown Economic Prosperity Roadmap.

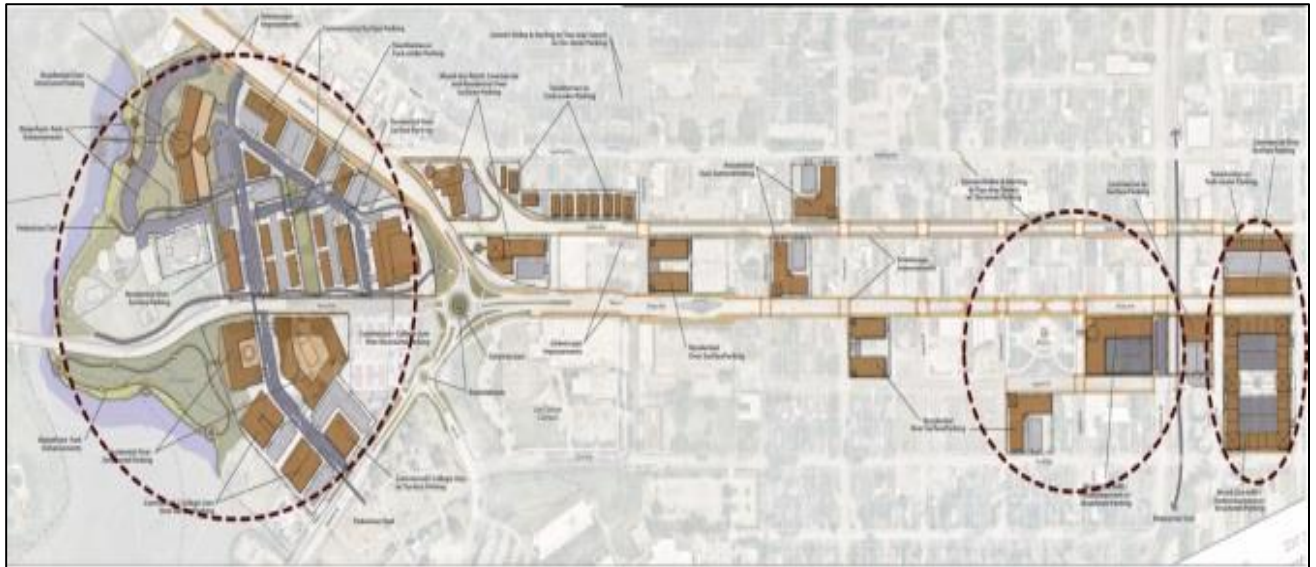
The Downtown Arts District Blueprint ("Blueprint") will serve as the master plan to guide the redevelopment and revitalization of the City's Downtown Arts District and surrounding areas. The planning process has included a steering committee of community leaders and downtown business owners. The public was engaged with several focus groups and at two open house events in October 2023 and April 2024. Work sessions with both Planning and Zoning Commission and City Council were held on April 16 and April 25, 2024, respectively.

The Blueprint includes an analysis of the downtown's history and present state as well as a summary of the accomplishments from the 2004 Downtown Plan. This plan examines several redevelopment opportunities and how to link these opportunities together to create synergy from the Goose Creek waterfront, a potential "campus village" around Lee College, and a full Town Square concept in the heart of downtown. Linking these development opportunities will help to create a vibrant urban district with opportunities to live, work, and play, which will activate the district throughout the daytime and nighttime hours. The Blueprint concludes with an implementation plan that provides an outline of immediate, near and mid-term, and longer-term priorities; as well as a matrix of projects and programs along with responsible parties.

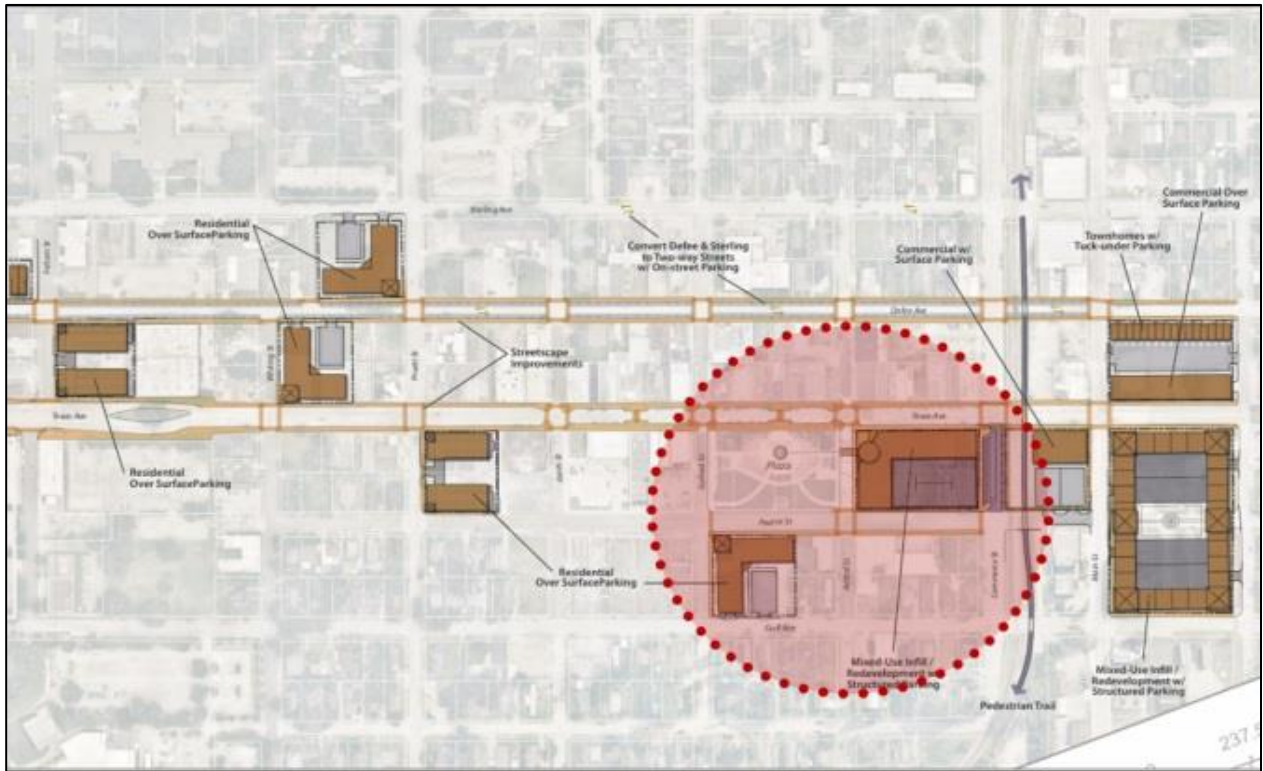
The redevelopment plan is divided into three areas. Area 1 in the redevelopment plan is the Goose Creek Waterfront/Lee College Campus Village area. This Area envisions a waterfront park with residential closest to the water. Mixed use commercial and residential is shown along Decker Drive as well as near the Market Street/Texas Avenue roundabout. Internal to the area is a mix of more residential and institutional uses for Lee College. Pedestrian trails link the area to the waterfront as well as the rest of the downtown area.

Area 2 is the Town Square Park area. This area includes three different alternatives depending on speed of permanent development in the area. Alternative 1 represents the permanent development option for the area. This alternative features a downtown "quad" with a mix of residential uses and potential civic uses (library, city services, etc.) or commercial, surrounding the Town Square Park area. Alternative 2 envisions an interim or permanent expansion of Town Square Park. Alternative 3 includes a container park of potential businesses, recreation areas, and art installations. It is anticipated that Alternative 3 would be the most interim of the proposed alternatives.

Below are maps of the Conceptual Arts District Redevelopment Plan and Implementation Matrix. Note that the redevelopment plan is conceptual in nature and is intended to convey guidance for policymakers but not a final or absolute direction. Imagery in the document is intended to be illustrative in nature, providing inspiration but does not represent final design of development.



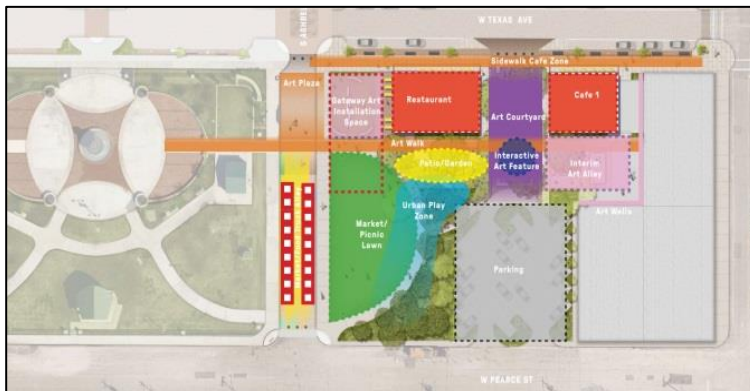
Conceptual Plan (Area 1 – Goose Creek Waterfront/Lee College Campus Village)



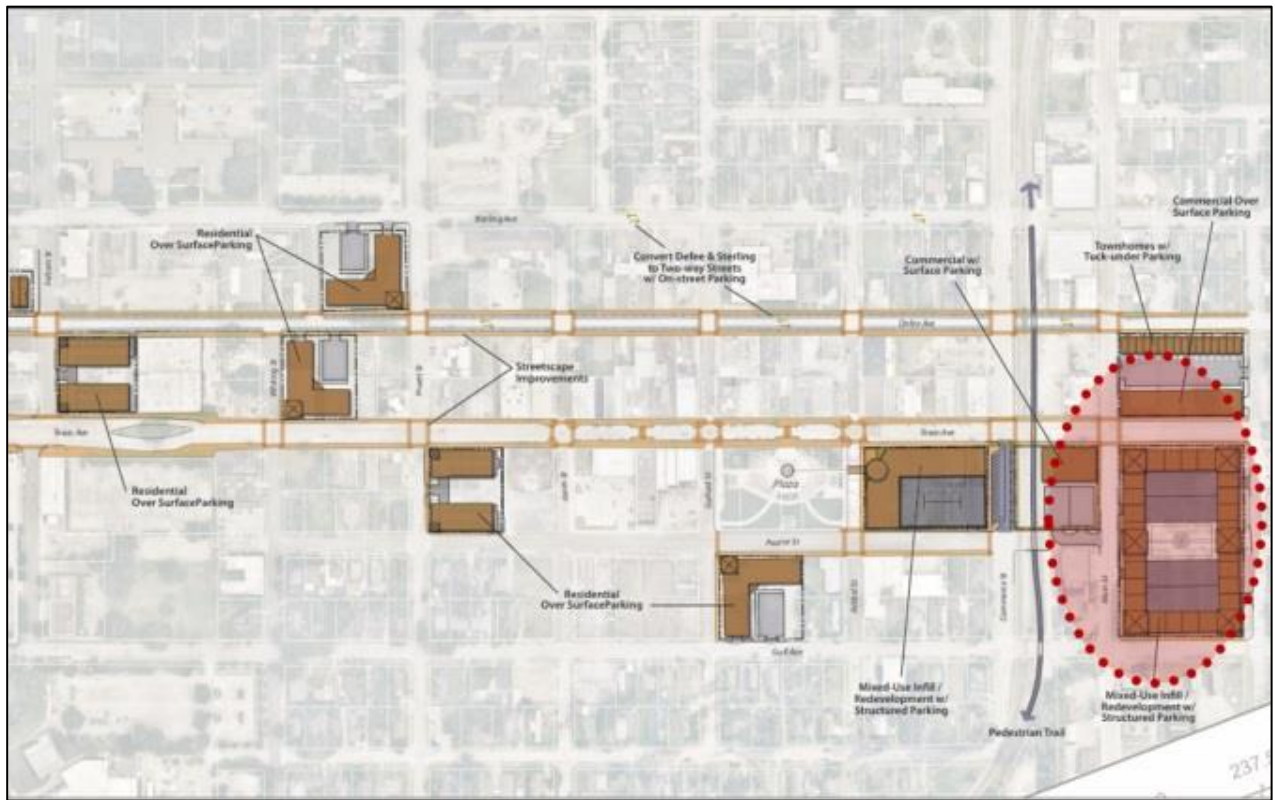
Conceptual Plan (Area 2 – Town Square Park Area) Alternative 1. Downtown “Quad”



Conceptual Plan Alternative 2.2 (Town Square Park Expansion)



Conceptual Plan Alternative 2.3 (Container Park)



Conceptual Plan (Area 3 – East of Main Street)

Downtown Arts District Implementation Matrix:		
Project or Program:	Timeframe:	Responsible Parties:
Roundabout Entry Monument	1 – 3 Years	TxDOT, City Engineering, Planning, Public Works, Arts District Board, Public Affairs
District Investment Prospectus	1 – 3 Years	Economic Development staff, Consultants
Revolving Loan Fund	2 – 4 Years	Economic Development staff, City Council, MDD, EDF
Redevelopment Enterprise Agency	2 – 4 Years	Economic Development staff, City Attorney, MDD, EDF, City Council, potential outside agency
Business Incubator	5+ Years	Economic Development staff, EDF, Lee College SBDC, Chosen operator

Staff Recommendation:

Staff recommends approval of the Downtown Arts District Blueprint.

Downtown Arts District Blueprint

Executive Summary

Overview (Pages 4-8)

The City of Baytown partnered with Kendig Keast Collaborative (KKC) in summer 2023 to update the City's existing downtown master plan which was adopted nearly 20 years ago in September 2004.

This plan focuses on building on the City's successes over the last 20 years and how to parlay these accomplishments into increased private investment in downtown, carving out a unique niche in a vibrant multi-centered city.

Redevelopment Focus Areas (Pages 21-31)



Downtown Waterfront

- Gateway development
- Public esplanade
- Mixed commercial/res.
- Park improvements/exp.
- Resilient design



Campus Village

- Student/faculty housing
- Off-campus retail
- Bike-ped facilities
- Accented Crosswalks
- Streetscaping
- Historic Oak uplighting
- Sidewalk connections



Downtown Core

- Historic preservation
- Surgical redevelopment
- Traditional architecture
- Town Square "quad"
- Upper-floor housing
- Shared public parking
- Streetscaping

Key Findings and

Recommendations (Pages 9-10)

- Increase district activity by increasing its residential base.
- Unlock downtown's college town and urban waterfront potentials.
- Improve the investment climate for small business and physical (re)development.
- Enhance the district's overall visibility and connection to other parts of the city.
- Improve the user experience.

Implementation (Pages 43-45)

Project or Program	Timeframe	Responsible Parties
<i>Roundabout entry monument</i>	1-3 Years	TxDOT, City Engineering, Planning, Public Works, Arts District Board, Public Affairs
<i>District Investment Prospectus</i>	1-3 Years	Economic Development staff, Consultants
<i>Revolving Loan Fund</i>	2-4 Years	Economic Development staff, City Council, MDD, EDF
<i>Redevelopment Enterprise Agency</i>	2-4 Years	Economic Development staff, City Attorney, MDD, EDF, City Council, potential outside agency
<i>Business Incubator</i>	5+ Years	Economic Development staff, EDF, Lee College SBDC, Chosen operator



CITY COUNCIL MEETING

3. b.

Meeting Date: 05/23/2024

Subject: Adopt the Baytown Economic Prosperity Roadmap

Prepared for: Martin Scribner, Planning and Development Services

Prepared by: Ryan Hvitlok, Planning and Development Services

Department: Planning and Development Services

Information

ITEM

Consider an ordinance authorizing the adoption of the Baytown Economic Prosperity Roadmap.

PREFACE

Planning consultants, Kendig Keast Collaborative (KKC) have been working with staff since August 2023 preparing a planning initiative known as the ***Baytown Economic Prosperity Roadmap***. The "Roadmap" will serve as the City's strategic plan and vision for economic development policies, programs, and organizational framework. The engagement process included a working group of community leaders and economic development professionals in the Baytown area. City Council held a work session on the roadmap on April 25, 2024.

Fiscal Impact

Fiscal Year:

Acct Code:

Source of Funds (Operating/Capital/Bonds):

Funds Budgeted Y/N:

Amount Needed:

Fiscal Impact (Additional Information):

N/A

Attachments

Ordinance Adopting the Baytown Economic Prosperity Roadmap

Baytown Economic Prosperity Roadmap

Executive Summary

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BAYTOWN,
TEXAS, ADOPTING THE CITY OF BAYTOWN'S ECONOMIC PROSPERITY
ROADMAP; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS:

Section 1: That the City Council of the City of Baytown, Texas, hereby adopts the City of Baytown's Economic Prosperity Roadmap. A copy of the Baytown Economic Prosperity Roadmap is attached hereto as Exhibit "A" and incorporated herein for all intents and purposes.

Section 2: This ordinance shall take effect immediately from and after its passage by the City Council of the City of Baytown.

INTRODUCED, READ, and PASSED by the affirmative vote of the City Council of the City of Baytown this the 23rd day of May, 2024.

BRANDON CAPETILLO, Mayor

ATTEST:

ANGELA JACKSON, City Clerk

APPROVED AS TO FORM:

SCOTT LEMON, City Attorney



ECONOMIC PROSPERITY ROADMAP 2

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ECONOMIC PROSPERITY ROADMAP

Contents:

Executive Summary

Economic Development Goals

Priority Projects, Programs and Policies

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Asset-Based Economic Positioning

Part 1: Baytown's Economic Context

Baytown's Assets and Opportunities

Baytown's Challenges

Current Tools, Programs and Capacities

Target Industry and Laborforce Analysis

The Retail Landscape

Part 2: Vision and Goals

Part 3: Priority Programs, Projects and Policies

Programs:

Projects:

Policies:

Part 4: Implementation

Appendix

Engagement



EXECUTIVE SUMMARY



The City of Baytown occupies a unique place in the economic landscape of Greater Houston and the nation. The city is home to major legacy facilities operated by Fortune 100 companies such as ExxonMobil and Chevron among others, that place it at the very heart of the nation's evolving petrochemical industry. The city also sits astride the 4th busiest port and 5th largest Foreign Trade Zone (FTZ) in the US which presents major opportunities for logistics and global supply-chain operations including value-added manufacturing. Finally, the city is located within one of the most vibrant and rapidly diversifying urban economies in the entire U.S. (including rapidly growing medical, technology, aerospace and manufacturing sectors) and occupies a central place in the region's emerging "Metro East" sub-region.



All of these factors present major opportunities for the city to participate in many of the emerging economic trends that have accelerated in the post-COVID era. Maximizing these opportunities will require a high level of inter-regional coordination, large doses of patience and persistence, and strong engagement with the city's large corporations. It will also require that the city expand its capacity to do economic development through new staffing and the development of new or expanded funding options. Perhaps most importantly, the City must ground its economic aspirations in its special set of place-based assets and avoid the often ill-fitting copy-cat strategies and "silver bullet" projects that are so prevalent in the economic development arena.

Economic Development Goals

The following goals are an amalgam of those from the City's 2022 Comprehensive Plan* along with those developed by a special project working group convened specifically for this project.

- Diversify the local economy to include more professional and technology jobs.
- Create stronger small business and workforce development support systems.
- Develop wealth-creation programs targeted to existing, low-income city residents.
- Broaden and deepen the city's retail offerings.
- Improve community attractiveness and authenticity.*
- Engage in regional partnerships.*
- Redevelop and revitalize vacant and blighted sections of the City.*





Priority Projects, Programs and Policies



Expanded 380 Agreements

Chapter 380 of the Texas Local Government Code confers broad latitude to municipalities to provide grants and loans in support of economic development projects. Wider and deeper use of this tool to potentially include redirection of property taxes beyond the state mandated 10-year limit on standard tax abatements should be used, in conjunction with other City programs, to close financial feasibility gaps facing redevelopment projects.



Enhanced RIZ (or RIZ+)

Currently, the city's main "by-right" incentive includes a combination of permit fee waivers and five years of stepped-down tax rebates in each of its two Revitalization Incentives Zones (RIZ). Adopting a two-tiered RIZ structure whereby projects exceeding \$2.5 million in total project costs (including site acquisition) would be eligible for up to the state maximum of 10 years of property tax abatement, would make the City far more attractive to outside investors.



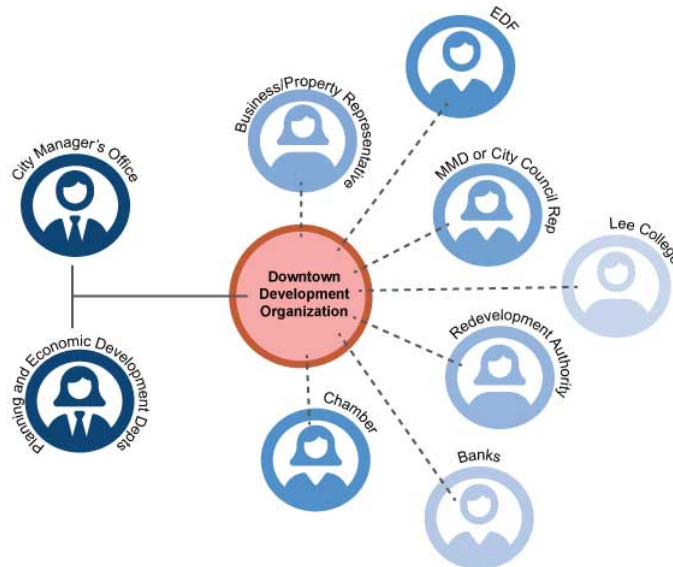
Revolving Loan Program(s)

Baytown currently does not have an intermediate-level, cash up-front, incentive program to address the financing needs of projects exceeding \$1 million. An RLF fund would help fill the intermediate needs of such projects that cannot be fully funded through equity, grants or conventional debt alone. Such a program would position borrowers to leverage larger conventional loans and help bridge feasibility gaps while allowing the city to recapture and recycle a portion of its limited incentives resources. It could also be used to fund the working capital needs of small businesses – an area where the city currently lacks any programming support.



Redevelopment Enterprise Agency

To be successful, Baytown cannot rely solely on passive incentive tools to push its redevelopment agenda. Instead, it will need to build the capacity to take a more proactive, interventionist role in making redevelopment happen. This means operationalizing an entity that can function as a de-facto real estate agency or “developer in the public interest”. Such an entity must be resourced and empowered to acquire and assemble marginal real estate; conduct selective predevelopment work, and then shepherd the properties into the hands of vetted developers to build contractually proscribed projects. The entity would work directly under the aegis of the city; have a board that is accountable to the City Council.



Downtown Land Assembly and Marketing

The Downtown Arts District is the most authentically urban and historic part of the city. Its revival will be key in helping attract new companies and talent to the city. The current lack of private investment activity Downtown basically has to do with three things: inadequate incentives to overcome financial feasibility gaps, a lack of assembled parcels to attract outside investors and a lack of knowledge about the redevelopment opportunities present in the district. The new and expanded incentives mentioned earlier are meant to address the first of these whereas the primary role for a redevelopment agency is to attack the latter two and, in so doing, advance the Baytown’s Arts District Blueprint plan.



Innovation “Power Park”

ExxonMobil’s Blue Hydrogen project along with Metro Houston’s recent designation as a “Hydrogen Hub” (and the billions of Federal dollars at-stake) position Baytown to create a specialty, manufacturing-focused innovation environment unique to the region. This opportunity is enhanced by the city’s port location and Foreign Trade Zone availability, and the growing number of “Clean Tech” industries already present in the region. Offering 99% power reliability and grid independence, such a project has the potential to position the city for a whole new generation of manufacturing industries and quality jobs. It also holds the prospect of helping reshape Baytown’s image and brand around something authentic to its industrial legacy.



Standardized and Predictable Corporate 212 (IDA) Agreements and Incentives

Current city practice has been to negotiate IDAs and 212 Agreements on mostly an ad-hoc project-by-project basis. This practice adds a level of uncertainty and randomness into the incentives process that can be discouraging to new businesses looking to relocate into the city or its ETJ. The city should work with the Baytown-West Chambers County Economic Development Foundation (EDF) to develop a weighted schedule of incentives that are skewed to favored industries and tied to a point system that score projects based on quantifiable measures such as number of full time jobs, average wages and the verifiable number of local hires. A mirrored, dual use scoring system for projects located in both the city and ETJ would add fairness and predictability to the process. A truly effective one would calculate the dollar value worth of incentives or 212 payments in inverse fashion depending on whether the project was located in the city limits or in the ETJ respectively.



Implementation

Implementing the main recommendations of this strategy plan involve a series of support-building steps intended to enlist influential advocates and secure potential funding sources, and to organize for the work ahead. A main recommendation of this project --as well as the city's earlier comprehensive plan -- is for the city to engage in more regional partnerships to advance projects of regional import such as the innovation power park mentioned here, as well as other regional projects that have a strong bearing on the city's future such as the widening of I-10 bridge and the dredging of the Houston Ship Channel.

Many of the other projects and programs will involve building internal staff capacities and defining roles both at a departmental level, but also in relation to other city departments and other local economic development actors. We recommend that going forward, the city focus its economic development efforts mainly in the areas of small business development and redevelopment, and continue to lean heavily on the EDF to lead on corporate attraction, workforce initiatives and other direct "industry-facing" activities.



INTRODUCTION



The City of Baytown occupies a unique place in the economic landscape of Greater Houston and the nation. The city is home to major legacy facilities operated by Fortune 100 companies such as ExxonMobil and Chevron among others, that place it at the very heart of the nation's evolving petrochemical industry. These companies have etched lasting marks on the city and have provided it with good paying jobs and a muscular industrial infrastructure - an infrastructure that is very much part of the nation's critical energy infrastructure. As the evolution of the energy industry accelerates in the coming years, Baytown will be at the cusp of major technological changes affecting almost all aspects of society and the economy. This evolution will bring with it opportunities throughout the Houston area – and Baytown in particular – to capitalize on all the innovation and follow-on investment that comes with Houston's reassertion as the energy capital of the world.

The city also sits astride the 4th busiest port and 5th largest Foreign Trade Zone (FTZ) in the United States, which presents major opportunities for logistics and global supply-chain operations including value-added manufacturing. Finally, the city is located within one of the most vibrant and rapidly diversifying urban economies in the entire United States (including rapidly growing medical, technology, aerospace and manufacturing sectors) and occupies a central place in the region's emerging "Metro East" sub-region. Making the most of these opportunities will require Baytown to assert itself on the regional stage and maneuver strategically to maximize its advantages. It also must capitalize on the many high income workers who commute into Baytown by expanding its variety of housing and recreation options including those that capitalize on the City's waterfront location.

Asset-Based Economic Positioning

All of these factors present major opportunities for the city to participate in many of the emerging economic trends that have accelerated in the post-COVID era. These



include: the on-shoring or “reshoring” of manufacturing ; the reshuffling of supply-chains caused by international

frictions and the widening of the Panama Canal; and the move to decarbonize the nation’s manufacturing, transportation and energy systems. Few cities in the nation sit at the nexus of so many global economic shifts as does the City of Baytown.

Maximizing these opportunities however will require more than go-it-alone efforts focused on “one-off” projects. They will instead require a high level of inter-regional coordination, large doses of patience and persistence, and strong engagement with the city’s large corporations to execute projects that will deliver lasting and compounding results: Particularly those that hold the promise of creating good jobs and improving the life chances of the city’s low-income residents. Realizing these opportunities may require the city to expand its capacity to do economic development through new staffing and the exploration of new or expanded funding options. It will also involve maintaining a circumspect, “eyes-wide-open” view of the city’s economic role within the region and the unique strengths that it has to offer.



Baytown has an extremely robust multi-modal transportation system, and sits within one of the most vibrant metro economies in the entire U.S.



PART 1: BAYTOWN'S ECONOMIC CONTEXT



Baytown's Assets and Opportunities

At the regional level, the City of Baytown is within easy commuting distance of metro Houston's many job centers and has an opportunity --- especially with the impending completion of the Grand Parkway --- to position itself as a stronger eastern node (and Metro gateway) within this constellation. The city also offers some of the most affordable housing within the region and has an emerging eco-tourism and recreation economy recently enhanced by the new [Hyatt Hotel](#) and the [T36 golf course](#).

In terms of local innovation assets, Baytown is home to ExxonMobil-Chemical Group's Technology and Engineering Complex including its global polymers research center. ExxonMobil's Olefins Plant will stage the company's potentially revolutionary [Blue Hydrogen project](#). This will be the first large-scale hydrogen power project in the U.S. combining hydrogen production along with carbon capture, making it a potentially paradigm changing clean energy demonstration project.

Beyond the bragging rights that come with hosting this trail-blazing facility, nearby industries may benefit from the clean and reliable excess power that it promises to generate. This captive energy source could provide an opportunity for follow-on eco-industrial, new materials and precision manufacturing development; particularly of the type that requires highly reliable, redundant and conditioned power supplies. This type of power infrastructure offers the best possible insurance against crippling power outages and major business interruption losses that come with it.



Baytown is well positioned to establish itself as the main job center within Greater Houston's "Metro-East" Subregion.

ExxonMobil's Blue Hydrogen Project: What Could It Mean?

Hydrogen has been long considered to be the “Holy Grail” in moving the world toward clean and plentiful sources of renewable energy. The Blue Hydrogen project is conceived as a “force multiplier” demonstration project that will use natural gas to generate even greater amounts of hydrogen to power ExxonMobil's Olefins Plant. Excess hydrogen power will reportedly be available for use by nearby industry. This surplus power could be a major feed source for a new distributed energy “power park” in or near Baytown. Potentially employing a family of complementary technologies such as solar, co-generation (combined heat and power), battery banks and micro-grids, such a park would be a first of its kind project in Metro



Houston and be a potential beacon for other innovative energy industries such as those in the EV battery supply chain. By offering both grid-connected and “on-site” power-supply redundancy, the park can offer what other industrial complexes cannot; namely, a much higher level of protection against the region's major storm risks and the state's notoriously shaky power grid. Add to this the incentives that come with Federal Foreign Trade Zone status, such a park has the potential to be a major innovation hub and job generator for the Metro East sub-region. It could also enhance the region's positioning for green technology jobs and cold storage facilities.

This opportunity is made all the more real by Metro Houston's designation as a “Hydrogen Hub” as part of the recent [Federal Infrastructure Bill](#). The bill earmarks \$7 billion of Federal funds for hydrogen power-related demonstration projects and applications. Houston is just one of seven such hubs in the U.S.

Additional city assets include its many natural areas including miles of waterfront property as well as its recreational resources including the [Baytown Nature Center](#), the [Wayne Gray Sports Complex](#), the bayfront [Hyatt Hotel and Conference Center](#), and the [T36 golf course](#). Project Vector and the San Jacinto Marketplace both promise to be further draws to the area and major place-quality assets. Adding to these are the city's major education and healthcare facilities which enhance the city's position as both a solidly metro-connected yet self-contained, “full stack” community.

Baytown's Challenges

A major issue facing the city is overcoming the dominating physical presence of the area's petrochemical industry and the image that it cast on all communities along the Houston Ship Channel. Aside from what non-residents may think about Baytown, this presence has seemingly (and more worryingly) imbued locals with the attitude that nice things don't happen in the city. This psychology is reflected in the city's relative lack of attention, until recently, to demand (or expect) higher-quality development or make – with the exception of the Downtown Arts District and the new gateway monuments -- major public investments in civic beautification.

This mindset seems to have created something of a self-fulfilling prophecy whereby low expectations have resulted in unremarkable development in a perpetual, reinforcing cycle. This “stasis” condition may be preventing the city from capturing more of the wealth and spending power generated by the city's major corporations whose employees generally chose not to reside in Baytown. It is also a drag on the city's ability to attract other talent into the community including medical professionals. It also relates to many citizens' frustrations over not having a greater breadth and selection of shopping and dining options in the city.

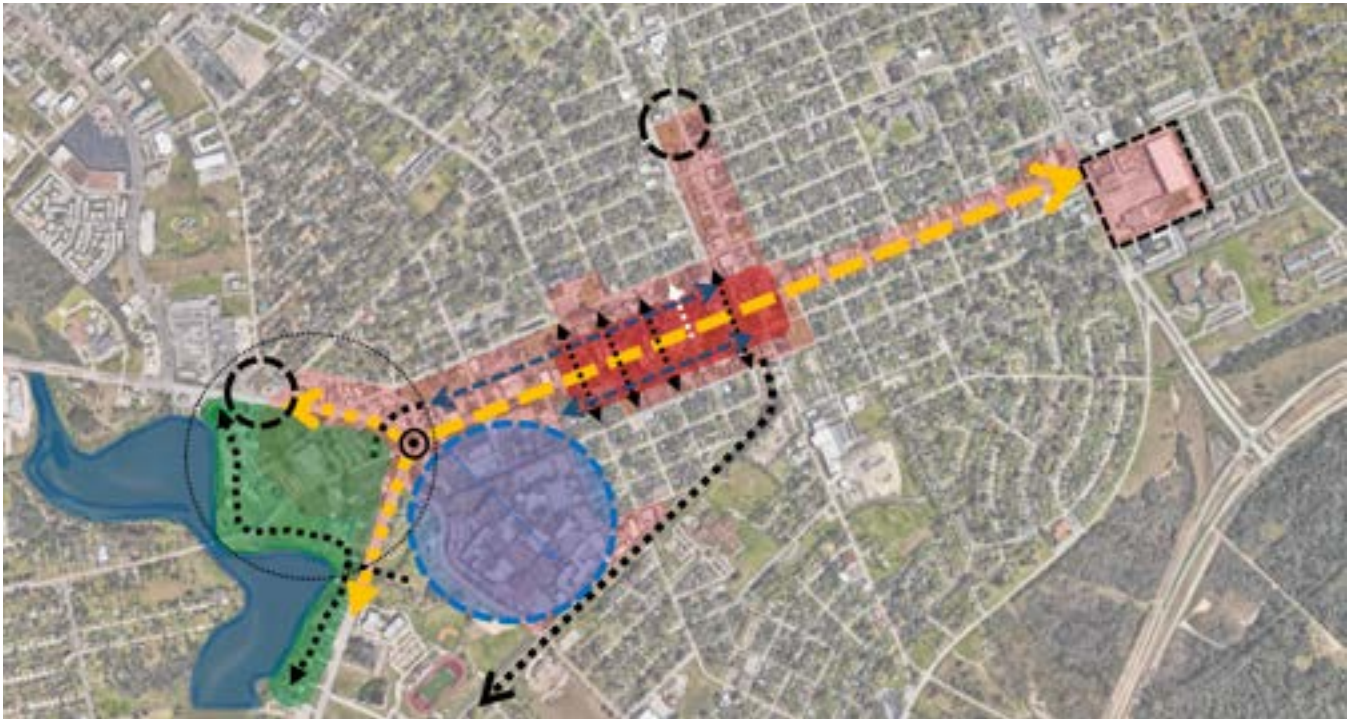


Key to capturing more of this wealth must be a concerted and sustained “move to quality” on the part of the city. This must be reflected not only in the area of land use controls, but also in the city's parallel application of incentives, code enforcement and in making continued public investments in the public domain including critical infrastructure and public “placemaking” amenities. These tools must be applied in combination and in a concentrated manner to make the desired impact.

An example of this is the City's Downtown Arts District. Although having already been the beneficiary of a significant amount of public investment, the area still needs an added push in terms of property maintenance

enforcement, development incentives, small business supports and additional direct public investment to spark significant follow-on private investment. This is critically important since a revived downtown and other healthy urban neighborhoods is key to attracting talent into the community. Also important is having a range of housing options available in these neighborhoods for people at various stages of their lives and careers and to help support the businesses in them.

Downtown Baytown's Arts District is a special area focus of the City's Economic Prosperity Roadmap, the substance of which can be viewed here. [\(insert link\)](#)



Integrating the Lee College Campus and the Goose Creek waterfront into the Downtown Arts District is a major focus of the city's Arts District Blueprint.

Elsewhere, many of the city's neighborhoods and business centers lack distinction and physical definition. This is partly the result of the city's large physical size and its history of amalgamation of three separate communities, that left many of the city's anchor institutions separated from one another. This has the effect of isolating and obscuring the city's many assets and making the neighborhoods where they're located difficult to identify or to "brand". The result is a city that lacks "legibility" and a strong sense of physical organization.

Key to the city's placemaking efforts will be to create more special areas of distinctiveness within the city. These areas should be accentuated with special streetscape and signage, and have a more curated selection of land uses and building types in them. This can be achieved over time through targeted public investments in infrastructure and streetscape, special zoning designations, the use of special incentives, and direct public intervention in the real estate market. Besides the Downtown Arts District, other areas worthy of special identification include the Historic West End, the area around the hospital, the bayfront and the I-10/Garh Road gateway.



Creating identifiable districts through the targeted use of zoning, incentives and public investments will help improve the city's sense of place.

Current Tools, Programs and Capacities

Existing economic development programs in Baytown consist almost exclusively of real estate-based incentives such as tax increment finance (TIRZ); sales tax redirection (via 380 Agreements); tax rebates and permit fee waivers (city Revitalization Incentive Zone "RIZ") stepped-down over five years; and Building Improvement Grants (BIG) of up to \$80,000 per project based on funding availability. The formation of a second city TIRZ for the Downtown area has been recently established.

The city receives substantial revenues from companies within its extra territorial jurisdiction (ETJ) via Industrial Development Agreements (IDAs) via a payment-in-lieu of taxes (Section 212). These agreements can also be construed as a form of incentive depending on how rigorously they are negotiated. The city currently doesn't offer any grants or loans for the working capital needs of small businesses such as a revolving business loan fund or micro loan programs (although Harris County Economic Development is currently working on establishing their own program).



Organizations or boards either directly or indirectly involved in economic development in the city include: The [Greater Houston Partnership](#) (metro region); the [Baytown-West Chambers County Economic Development Foundation](#) “EDF” (sub-region); [Harris County – Economic Development](#) (County); the City of Baytown Municipal Management District (MMD); the Baytown Redevelopment Authority (TIRZ board); and the [Baytown Chamber of Commerce](#) (Chamber). [Lee College](#) operates the city’s [Small Business Development Center](#) (SBDC) and also serves as the city’s major workforce development provider operating out of its [Center for Community and Workforce Development](#).



The city’s Economic Development Division is currently funded for two full-time Economic Analyst staff positions plus an Economic Development Manager housed in the City Manager’s Office.

Target Industry and Laborforce Analysis

Strategic economic development begins with an objective assessment of a community’s existing asset-base. Among other things, this asset-base consists of the companies and “economic clusters” that are currently concentrated in or near Baytown. These concentrations represent economic specialties and areas of competitive advantage that can be capitalized on to both expand and diversify the local economy.

The purpose of selecting specific industry targets is to help focus corporate marketing and recruitment efforts, and to be more deliberate in matching companies to regional strengths (i.e. in the areas of land, labor and infrastructure, etc.). The objective is to grow and evolve an existing local industry concentration to a point where the community becomes a gravitational center for other supporting companies and talent, particularly in emerging industries. The goal is to increase the local tax base and the number of high paying jobs in the community.



In 2019, the [Baytown-West Chambers County Economic Development Foundation](#) conducted a target industry analysis for the greater Baytown area. Not inappropriately, the findings of that study were based primarily on the number and type of existing employers and jobs in the Baytown area and what it portends for a changing economy. The study did not delve into the occupational profiles and strengths of workers who actually reside in or near Baytown. This is an important distinction due to the unusually high commuting patterns that exist in the city and the fact that relatively few Baytown workers are also Baytown residents. [This study was updated](#) and expanded as part of this strategic planning process, to address these latent “*resident-force*” factors along with new or rapidly evolving economic opportunities particularly in the areas of clean energy and infrastructure. A closer look at how the area’s workforce development system can be positioned to advance these economies locally was also included in the update.

The 2019 analysis identified three specific economic clusters (defined loosely as a collection of related and inter-linked firms and their associated supply-chains and vendor networks) that were best suited for the Baytown area based on the community’s current strengths and values, the clusters’ potential return-on-investment (ostensibly based on job and tax base growth), and the clusters’ global growth potential. These clusters are shown in the table below.

TARGET CLUSTER	NICHE SECTORS
 ADVANCED MANUFACTURING	Advanced Materials & Composites
	Fabricated Metal Manufacturing
	Machinery & Robotics Manufacturing
	Petrochemical & Plastics Manufacturing
	Predictive Maintenance Technologies
 LOGISTICS & DISTRIBUTION	Freight Transportation Support
	Logistics Management Technologies
	Retail Distribution & Online Retail Fulfillment Centers
	Refrigerated Storage
 HEALTHY LIFESTYLES & RECREATION	Retail & Dining
	Ecotourism
	Healthcare Services

Source: Avalanche Consulting, 2019

Evaluating the current composition of the area's labor-force against the most in-demand regional occupations (both current and projected), the updated analysis revealed the following:

- The region has a **large supply** of hard-to-find workers particularly in the **skilled trades** and **craft labor**.
- **Transportation and Materials Moving** is **projected** to be the **fastest growing occupation** both within the city and in the region through 2028 followed by Food Preparation and Serving. Installation Maintenance and Repair is the third fastest growing occupation in the city, while Legal is the third fastest growing regionally.
- **Current occupational strengths** in the Baytown area (as measured by their concentration as a percentage of the local workforce as compared to the state as a whole) include: **Production; Architecture and Engineering; Transportation and Materials Moving; Construction and Extraction; Installation Maintenance and Repair; and Life Sciences**. Most of these reflect the city's heavy petrochemical concentration and pay significantly higher than the area's median salary.
- **Current and projected high-wage**, high-demand jobs in Baytown include: Heavy and Tractor-Trailer Truck Drivers (\$46K), General and **Operations Managers** (\$97K), **Registered Nurses** (\$80K), Bookkeeping and Accounting Clerks (\$45K), Automotive Service Technicians and Mechanics (\$40K) and Nursing Assistants (\$31K). Most of these occupations require some amount of post-secondary education.
- **Short-term, non-degree certificates** make up a **full two-thirds** of Lee College's matriculations annually. Its **most popular non-degree programs** include: **Chemical Technology, Welding and Instrumentation Technology**.
- **Construction trades, industrial maintenance, and production technicians/operations** are **potential growth areas** for Lee College but its programs in these areas, either because of internal capacity restrictions or student demand or both, have not kept up with industry demand.

- Lee College's **most popular fields of study (Business Administration and Liberal Arts)** indicate a potential misalignment with critical regional industry needs. Students may benefit from enhanced knowledge of, and exposure to, current in-demand occupations in the region. This exposure should extend to the high school level to include classroom instruction and opportunities for internships and apprenticeships.
- **Construction and Transportation Equipment** is a **special sub-set** within the **advanced manufacturing** (fabricated metals) niche sector that Baytown is particularly well-suited for given its large supply of skilled trades workers; its existing sector strengths in new materials and transportation and logistics; and the nation's renewed emphasis on new infrastructure investment and energy transition.

A Sidenote on Logistics

Although it is acknowledged that logistics and distribution are well suited to Baytown due to the area's superior infrastructure and geographic location (and that they involve more than just routine fulfillment work), there is a sense among some in the community that the city is at-risk of becoming inundated with warehousing activities to the detriment of other employment and land use opportunities. This wariness suggests that, going forward, the city should focus its logistics-based business recruitment activities more on the essential, back-end technology and professional management aspects of the logistics field than in additional fulfillment operations themselves. This would mean more direct recruitment of third-party logistics (3PL) headquarters facilities, supply-chain management application developers, transportation equipment manufacturing and service companies, and other value-added activities. It could also involve adding a supply chain management track to Lee College's Business Administration degree program.



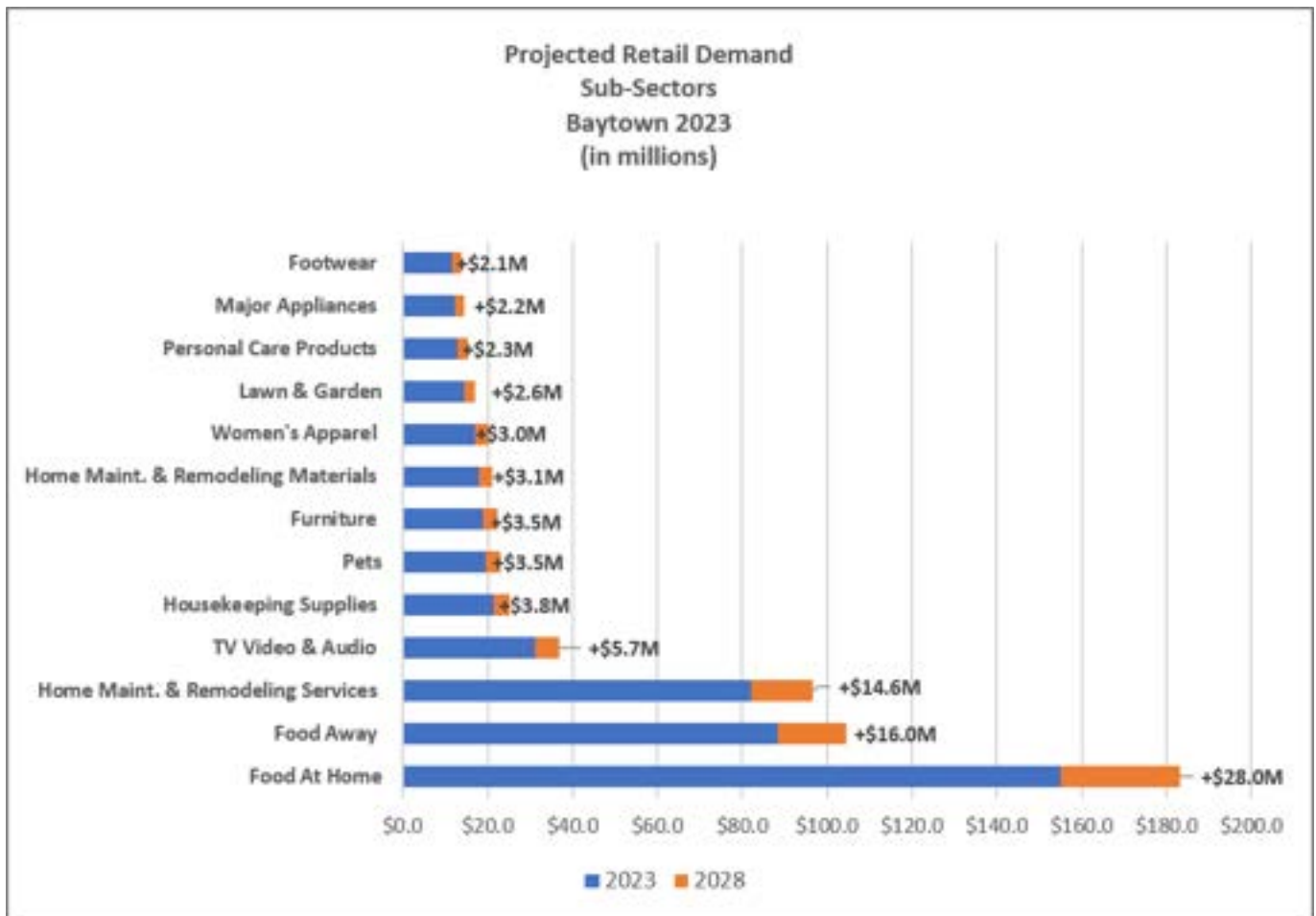
incentivized within the city limits.

This is not to suggest that the city should spurn additional warehousing operations particularly within the ETJ. Rather, that it use its limited promotional and incentives capacities on business types that aren't already so predisposed to locate in Baytown anyway. Also, because of the impacts to traffic, infrastructure and other externalities that logistics operations often generate, they should be expected to compensate the city via IDA agreements (e.g. payment-in-lieu of taxes) perhaps more generously than other facility types within larger industry target. They should also not be



The Retail Landscape

Increasing the depth and variety of Baytown's retail offerings has been frequently cited as one of the city's top economic development goals. Although projections do show that Baytown has expansion potential in several retail categories (*see chart below*), the rise of services such as Amazon Prime and Uber Eats have radically changed the retail landscape across the U.S. and has reduced the need for physical stores. Because of this, the old adage that "retail follows rooftops" is perhaps less true than it used to be.



Source: ESRI, MRI Simmons

Nationally, COVID accelerated the e-commerce trend and retail's continued movement away from "bricks and mortar" stores. With the exception of discount retailers, many name brand stores have reduced or consolidated their regional footprints into what are deemed "Class A" retail centers typically in higher income areas. Many restaurants meanwhile have, at least temporarily, scaled back their expansion plans due to persistent labor shortages and rising labor costs.



The recent Project Vector Feasibility Analysis notes that the Baytown retail submarket has experienced “negative absorption” over the past year (meaning less space is being leased overall). Somewhat paradoxically, the vacancy rate is also down but this is because of San Jacinto Mall’s removal from the overall retail inventory following its demolition. The study notes that the hotel market in Baytown is also currently flat but that Project Vector could stimulate new demand. An update to a separate 2021 market study performed by Community Development Strategies (CDS) for Baytown notes that the city’s retail, office and hospitality markets are currently adequately supplied with rentable space. This implies that any immediate additions to the city’s commercial retail inventory could result in lower rents or higher vacancies or both.

It is too early to write the final chapter on how e-commerce will impact traditional retail in the future. Current trends indicate however that name brand retailers will continue to gravitate to newer master-planned, mixed-use centers in higher income areas – the spaces they vacate being backfilled by discount stores. The prime retailers will probably occupy less space in these new centers using them as more or less as showrooms to help drive their online sales. Food, including grocery stores, may increasingly be the largest retail presence in these developments. If this is true, Baytown’s Project Vector – with new food and entertainment-based attractions in a walkable, mixed-use format - may be striking exactly the right formula. One thing seems for certain: Traditional bricks and mortar retail, such that it continues to exist, is still very sensitive to area demographics and the belief that most people shop mostly where they live, not where they work or visit. This provides more impetus for the city’s “move to quality” particularly if it wants to attract more of the high income workers who work, but don’t currently live, in Baytown. For Baytown, as in most other places, the best retail strategy may indeed be a good *housing* strategy. Much of this starts with making the types of changes to the city’s incentives structures and land use regulations as suggested here and, in the city’s, new Unified Land Development Code (ULDC).



PART 2: VISION AND GOALS

The **Kendig Keast Collaborative** (KKC) team working with the Economic Strategy Working Group or “ESWG” (serving as the advisory group for this plan) came up with the following vision statement for the city’s future economy:

The City of Baytown is the economic hub of a surging Metro East region with a diverse and dynamic economy, and robust entrepreneurial ecosystem.

Following from this, a list of economic development goals were developed and ranked by the ESGW below. These goals overlap with many of the goals and themes of the **City’s Comprehensive Plan** including: a focus on community attractiveness and authenticity, the need for the City to engage in regional partnerships, encouraging redevelopment and infill, economic diversification, and strengthening workforce development and small business support systems.

Goal #1

Diversify the local economy to include more professional and technology jobs.**KKC Recommended Strategies:**

- Network closely with the [Greater Houston Partnership](#), the [Houston-Galveston Area Council](#) and area chambers of commerce to stay apprised of new corporate attraction/expansion opportunities.
- Standardize the use of corporate tax incentives based on performance metrics such as: the number of full-time equivalent jobs, average wage, payroll totals, or the amount of capital investment (i.e. using a standardized scorecard system).
- Tier incentives to favor companies in the target industries of professional services, healthcare, green-tech, and advanced manufacturing.
- Expand opportunities for upper-scale and luxury housing including new market rate apartments.
- Improve/expand placemaking efforts especially in Downtown and the bayfront area.
- Seek to add new community amenities especially in the recreation, youth sports, retail and “edutainment” spheres.
- Work with Lee College to expand matriculations for in-demand occupations such as paralegal, engineering, healthcare and construction management.
- Work with developers to improve/expand the supply of Class A office space.
- Work to create a new innovation park in the I-10 corridor focused specifically on advanced manufacturing businesses.



Goal #2

Create a more robust small business support system.

KKC Recommended Strategies:

- Work with [Harris County Economic Development](#), the [Lee College Small Business Development Center](#) (SBDC), [Baker-Ripley](#), [SCORE](#) and other area non-profits and foundations to develop capital sources, training opportunities and a support network for the small business community.
- Work with [Lee College](#) and area corporations to operationalize a Downtown business incubator/accelerator and one-stop shop for small businesses. Contract with an experienced 3rd-party operator already active in the region such as [Greentown Labs](#).
- Create a small business revolving loan fund capitalized through a city seed grant along with state and Federal grants, corporate/foundation contributions and pooled bank funds. Work with funders to establish loan underwriting guidelines and a standing loan committee.
- Using real estate development incentives and subsidies, work with developers and property-owners to provide more higher-quality, turn-key commercial spaces for small businesses, especially in Downtown.
- Capitalize a revolving loan program for working capital loans and building improvements.
- Pilot a tenant improvement grant/loan program specially for restaurant uses.



Goal #3

Develop wealth-creation programs targeted to existing, low-income city residents.

KKC Recommended Strategies:

- Develop or expand first-time homeowner and housing rehabilitation grant/loan programs using [Community Development Block Grant](#) (CDBG) funds (e.g. down payment assistance, interest rate buy-downs, soft second mortgage rehab loans, etc.).
- Work with Lee College and other educational institutions to expand outreach and awareness of in-demand jobs within the region along with related training opportunities among K-12 and high-school students.
- Capitalize a special business micro-loan program targeted specifically to underserved residents.
- Partner with Lee College, area social service agencies and non-profits to provide free financial literacy classes through area churches and community centers.
- Enlist area corporations to establish high school internship programs coordinated through the [Goose Creek Consolidated Independent School District](#) (CISD).
- Work with area corporations and non-profits to create an annual, residency-based small business grant competition oriented specifically to scalable, neighborhood serving businesses located in economically distressed neighborhoods.
- Require that all recipients of City incentives commit to local hiring goals for both construction and permanent jobs.
- Work with area foundations, non-profits and family offices to create a guaranteed college scholarship program for all low-income high school graduates of the Goose Creek CISD who graduate with at least a B average (e.g. patterned after the [Kalamazoo Promise program](#)).
- Work with Legal Aid and area law enforcement agencies to explore the possibility of conducting criminal record expungement/restitution clinics for minor offenders.
- Explore the possibility of establishing a pilot, lottery-based “baby bond” program for locally born children of low-income families (e.g. matching savings program for college tuition).
- (see also small business strategies above)



Goal #4

Broaden and deepen the city's retail offerings.

KKC Recommended Strategies:

- Create a bricks-and-mortar focused, data-heavy, web-based retail prospectus highlighting the city's current unmet retail needs, aggregate purchasing power, development incentives and available sites.
- Actively prospect at state-level [International Council of Shopping Centers \(ICSC\)](#) events and conferences to scout-out potential retail recruitment opportunities.
- Work with commercial developers and property-owners to help redevelop, rehab, reposition their commercial properties and construct new entertainment and food focused mixed-use destination developments.
- Work to improve the city's overall quality-of-place (including Downtown) to attract much greater numbers of higher-income households ("retail follows rooftops").
- Work to improve and expand new urban-format apartment development in select targeted locations to expand Baytown's collective purchasing power (and corresponding retail market potential).
- Solicit the petrochemical companies and the hospital on establishing corporate-funded housing down payment bonus programs for resident-workers (e.g. premised on ensuring operational security/continuity during emergencies).



Goal #5

Improve community attractiveness and authenticity.

KKC Recommended Strategies:

- Adopt the city's new Unified Land Use Code (ULDC).
- Implement the Downtown Arts Blueprint plan.
- Designate and invest in additional branded neighborhood districts.
- Continue to invest in civic beautification and environmental clean-up efforts.
- Hold design competition for new Downtown gateway feature at new roundabout.
- Improve access to, and development along, the city's waterfront locations.



Goal #6

Redevelop and revitalize vacant and blighted sections of the City.

KKC Recommended Strategies:

- Implement the new redevelopment incentive programs recommended in this plan.
- Establish redevelopment enterprise agency to lead redevelopment efforts.
- Implement the **Downtown Arts Blueprint plan**.

PART 3: PRIORITY PROGRAMS, PROJECTS AND POLICIES



Listed below are some priorities that the Kendig Keast team believes both respond to the opportunities and goals of the city and should be within the city's grasp to perform. We understand that the city will not be able to do all or many of these things all at once and that a further process of prioritization may occur. Detailed implementation frameworks ([Part 4: Implementation](#)) must also be developed. They are listed here in menu format as part of a customized economic development toolbox.

Restructure the Economic Development Department and build staff capacity.

A first step is to redefine staff roles to align with the goals of the plan. Currently, the city's economic development department consists of two generically defined economic development "analyst" staff positions. KKC recommends that going forward, that these positions be more defined in scope with the intent of building more professional specialization within the department. One of these positions should focus on small business development and the other on redevelopment.

Depending on their qualifications, the redevelopment position should serve as either the executive director or assistant executive director of the recommended redevelopment agency depending on the disposition of the host entity. This person will need to have or obtain a strong working understanding of the urban real estate development process including financial feasibility, site and developer due diligence, marketing, gap financing tools and methods, and deal-structuring among other skills. Economic development generalists can typically acquire this knowledge through various certification programs offered through organizations such as: the [Urban Land Institute \(ULI\)](#), the [International Economic Development Council \(IEDC\)](#), [Grow America](#) (formerly NDC) or the [CCIM Institute](#).



The small business specialist should serve as an ombudsman between the business community and city departments. The individual should have a strong grasp of business finance, marketing and management and work primarily as a small business coach and resource-connector. Qualified candidates may come from the ranks of academia or chambers of commerce, or from within the small business community itself.

Programs:

The following recommendations are intended to either expand or optimize Baytown’s current economic development toolbox and practices. They include program additions addressing both redevelopment and business development.



Expanded 380 Agreements

Chapter 380 of the Texas Local Government Code confers broad latitude to municipalities to provide grants and loans in support of economic development projects. The City of Baytown has previously used this tool to redirect new project-generated sales tax back to their source as a form of performance-based incentive. The KKC team recommends wider and deeper use of this tool to potentially include redirection of property taxes beyond the state mandated 10-year limit on standard tax abatements (e.g. a semi-TIRZ structure freed from the strict “public use” restrictions on the use of project revenues).

This bonus incentive structure should be reserved mainly for select redevelopment projects in Downtown and in the struggling commercial corridors feeding into it. This tool should be bundled into the city’s request for proposals (RFP) for Downtown and Downtown-adjacent city-owned properties (i.e. in-lieu of standard RIZ) to help close the potentially very large financial feasibility gaps that these projects are likely to face; particularly those requiring costly structured parking and specially engineered flood protection measures. To that end, and if warranted by the financial hurdles facing a particular project (i.e. such as the project’s inability to secure full conventional financing), the City could structure the program as an upfront interest-bearing loan that would be retired by future incremental tax revenues and backed by a developer guarantee to make up any shortfalls. This is a not uncommon model for larger catalytic projects in many cities involving highly creditworthy developers.

Along with TIRZ, the potency of this tool would be greatly enhanced with full participation of all taxing bodies under a Memorandum of Understanding (MOU) stipulating the criteria under which “all in” participation is warranted (i.e. generally within all city RIZ and Opportunity Zones (OZs) and any additional areas deemed economically distressed under U.S Department of Treasury guidelines.)

**Goals advanced: #1, #4 along
with goals of the Arts District
Blueprint**

**Implementation Actions:**

1. Prepare a draft program brief laying out the purpose and applicability of the program (redevelopment), eligibility criteria (RIZ and OZ locations and minimum investment thresholds etc.) and approval/amount basis (i.e. by-right or “but-for”), and the process by which the incentive is awarded and by whom.
2. Convene a roundtable of developers and lenders to vet the program and suggest modifications and/or alternatives. Present the above to the City Council for their reaction and approval.
3. Modify the program description based on stakeholder feedback.
4. Seek formal City Council approval of program terms and conditions (draft resolution)
5. Prepare an MOU summarizing the above for taxing body review and approval
6. Raise developer awareness through City led requests-for-proposals.

**Enhanced RIZ (or RIZ+)**

At present, the city’s main “by-right” incentive includes a combination of permit fee waivers and five years of stepped-down tax rebates within its two designated RIZ areas. Although the program has been fairly actively used, there isn’t any evidence that it has been instrumental in attracting significant outside investment. This is particularly true for larger commercial projects. We note that many resurgent cities around the U.S., even those with a long history of urban “infill” redevelopment and stronger real estate markets, offer significantly more aggressive tax abatements than does Baytown.

To increase Baytown’s competitiveness in attracting outside investment, the KKC team recommends that the city adopt a two-tiered Revitalization Incentive Zone (RIZ) structure whereby projects exceeding \$2.5 million in total project costs (including site acquisition) be eligible for the state maximum of a flat 10 years of 100% tax abatement on incremental tax value. This “longer and deeper” tax reimbursement program should be available on a by-right basis based on cost verification. The city could opt to pilot this “Enhanced RIZ” or “RIZ+” program for a 10-year period after which time the project could either be allowed to sunset or the eligibility criteria adjusted to an as-needed (“but for”) basis (i.e. as determined by a financial gap analysis performed by a third-party financial analyst paid for by the developer but technically under contract to the city via a funding agreement). Projects under \$2.5 million would continue to be eligible for the basic RIZ program as currently structured.

As with TIRZ and 380 Agreements, the potency of an augmented RIZ program would be enhanced by the participation of all taxing bodies.

**Goals Advanced: #1, #4 and
goals of Downtown Plan**

**Implementation Actions:**

(see steps: 1,3,5,6 and 7 above)

**Revolving Loan Program(s)**

Currently, the city's main redevelopment tools include the aforementioned RIZ program along with its Building Improvement Grant (BIG) program. The latter is a competitive grant that has been approved for as much as \$80,000 per project based on funding availability. Although the programs offer an attractive and stackable combination of operating cost reduction and upfront cash infusion, they are still not likely adequate to close the substantial financial feasibility gaps facing larger scale redevelopment projects in Baytown. In addition, the city currently doesn't offer any grant or loan products geared specifically toward small businesses such as for working capital or tenant improvements.

Notwithstanding the recent creation of Harris County's own small business revolving loan fund (RLF) program, the KKC team recommends that the city capitalize its own RLF program or programs (for both buildings and businesses) to round-out its program offerings. Such a fund or funds would help fill the intermediate needs of projects that cannot be fully funded through equity, grants or conventional debt alone. Continuing the current practice of increasing BIG grant allocations to cover these gaps may not be sustainable in the long run or even needed if a project has the potential to service more than a single loan (or a portion thereof) over its full life.

A city-level RLF, structured as a lower-interest, subordinated, extended amortization "soft second" mortgage would position borrowers to leverage larger conventional loans and help bridge feasibility gaps while allowing the city to recapture and recycle a portion of its limited incentives resources. Depending on potential bank participation in the fund(s), the program could perhaps be structured as a simple loan guarantee or loan loss reserve program thus eliminating the need for the city to perform (or contract out) its own loan underwriting or loan servicing. In the case of real estate projects, the program could take the form of a "patient capital" lien where repayment (including capitalized interest) is triggered only after an agreed upon 10 or 15-year refinancing event or at the time of sale. Borrowers could be granted forbearance for any outstanding loan balances that are not fully satisfied by sales proceeds.



Monetized RIZ

We note that the city has previously explored the idea of “monetizing” or front-loading the RIZ program’s tax rebates to provide applicants with an upfront loan that would be paid back by assigning the normal tax reimbursements back to the lender. This is a creative way to “financialize” a fairly predictable revenue stream. However, unless the lending institution is the city itself, such a program would still likely need a loan guarantor (such as the city) to get most banks to participate. This is because the only other loan security would be a tenuous second mortgage lien on the subject property. (That, or the city could possibly agree to subordinate its priority tax lien position in favor of the lender and then enforce it on the bank’s behalf.).

Also, because such a program is secure by increased property-values, it would not help serve any working capital needs of small businesses tenants. A separate, non-tax rebate dependent RLF program, either operated or guaranteed by the city, on the other hand, would serve both types of needs and, as importantly, would be additive to the City’s current RIZ program. It would provide the necessary dual “belt and suspenders” support of up-front loan and short-term reduction of operating costs to help businesses get established through their first difficult years.

The KKC team recommends that the city attempt to capitalize either a single combined \$1 million loan fund for both development projects and small business working capital loans (a “B2 fund”) or two separate funds capitalized at \$500,000 each. Funding sources could include: Federal [Economic Development Administration](#) (EDA) grants, any remaining American Rescue Plan Act (ARPA) funds, pledged 212 or Industrial Development Agreement (IDA) funds, pooled bank (Community Reinvestment Act credit) funds, Texas Enterprise Funds, MDD funds, city general funds, foundation funds or locally allocated CDBG funds (providing that the latter are reserved for blight removal or affordable housing projects only).

Early participation should be sought from banks where the City holds deposits in addition to Houston area Community Development Finance Institutions (CDFIs). CDFIs are federally chartered non-profit banks and credit unions whose mission is to promote economic and community development projects in challenging “soft market” communities throughout the U.S. Houston area CDFIs include: Houston Business Development Inc., Houston Metropolitan Federal Credit Union, Texas Bay Area Credit Union and the Houston chapter of the Local Initiatives Support Corporation (LISC-Houston).

Unless structured purely as a loan guarantee or loan loss reserve program, establishing one or more RLF programs will require staff resources, the establishment of program underwriting guidelines and application forms and the formation of a local committee or committees comprised of volunteer lending professionals. Some but not all of the costs associated with operating these types of programs can typically be recouped through loan fees.

**Goals advanced: #2, #3, #4
and goals of Downtown Plan**



Implementation Actions:

1. Convene a working group of City and EDF staff, local banking officials, Harris County Economic Development and area Community Development Finance (CDFI) institutions to work through the challenges of establishing and managing a local RFL program.
2. Secure a challenge grant from the Baytown City Council to kick-off a capital campaign.
3. Approach Baytown's major corporations and foundations for matching seed fund grants to further capitalize the program.
4. Secure financial and in-kind participation from local banks and Houston-area CDFIs.
5. Work to secure a tranche of RFL funds via an ETJ 212 Agreement through one or more sources.
6. Develop program guidelines, bylaws and loan application documents.
7. Secure a pro-bono loan underwriter and loan servicing provider from among participating financial institutions.
8. Empanel a loan committee from among participating financial partners.
9. Promote the program on the City website, social media and other information channels.



Redevelopment Enterprise Agency

In addition to the use of TIRZ, tax abatements (RIZ), 380 Agreements and other programmatic tools, the city will need to build the capacity to take a more proactive, interventionist role in making redevelopment happen. This is particularly the case regarding Downtown's revival. This means operationalizing an entity that can function as a de-facto real estate agency or "developer in the public interest". Such an entity must be resourced and empowered to acquire, control and assemble (at "arms length") marginal real estate; conduct selective predevelopment work, and then shepherd assembled properties into the hands of vetted developers to build city-proscribed projects. These projects would be subject to performance-based development agreements with the city and reinforced via deed restrictions or covenants.

The entity would work directly under the aegis of the city; have a board that is accountable to the City Council; be organized as a public non-profit; and serve mainly as a land assembler, real estate clearinghouse and developer recruiter. It could be funded through a combination of city general funds, ground lease revenues, shared developer fees, land sale proceeds and special sales tax revenues much like the city's current Municipal Development District (MDD). It could also be potentially subsumed under the MDD or under the city's existing Redevelopment Authority (note: the latter entity currently operates only as a TIRZ board).

Goals advanced: #1, #4 and goals of Downtown Plan



Redevelopment Corporations

These entities are known by several names such as Development Corporations or Redevelopment Authorities and are staffed either by city planning/economic development staff or, in some cases, by a dedicated full or part time executive director who may or may not be a direct city employee. (Note: we understand that Baytown's current Redevelopment Authority is structured mainly as a TIRZ board that oversees public expenditures within TIRZ boundaries only.) In addition to its nominal "public developer" role, such an entity may also manage a larger public real estate portfolio or "land bank". This portfolio may consist of abandoned or blighted properties acquired by default and/or for no immediate purpose either through tax foreclosures or as part of blight removal efforts.

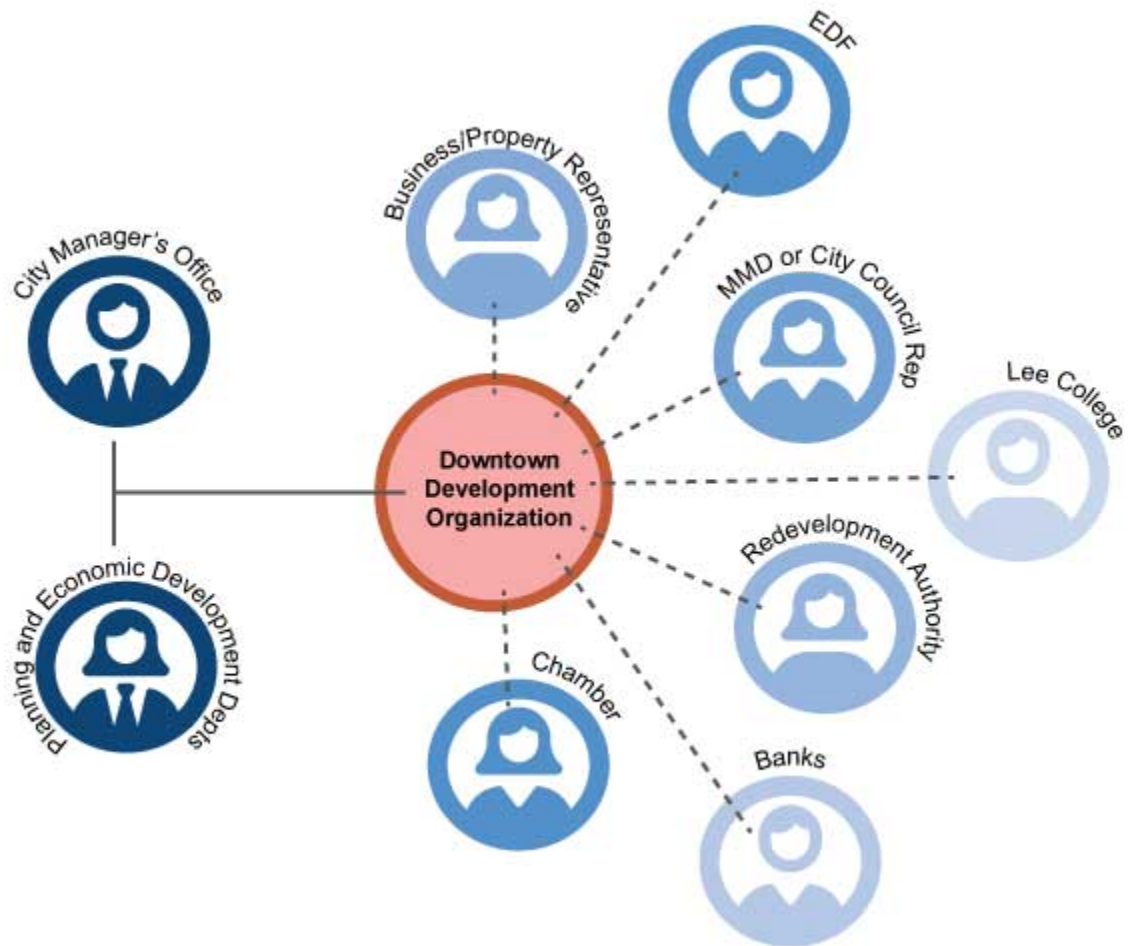
The advantages of doing redevelopment work through a special, city-controlled/created legal entity rather than at the municipal departmental level are several: Developer confidentiality can be better maintained, the development process can be more professionalized and partially insulated from usual politics, and, perhaps most importantly, the real estate transaction process isn't bound by normal public bidding procedures. The latter means that developers can be selected based on their qualifications and specific project proposals (and be legally bound to execute them) rather than having the highest bid be the sole disposition criteria. This prevents city lands from falling into the hands of land speculators and the like and assures more direct control of outcomes.

We note that the Baytown-West Chambers County Economic Development Foundation (EDF) has been considered for this role (or a variation thereof) through its Cedar-Trinity Corp. 501-C3. This may be a workable option for the city for capacity reasons; however, if the EDF's role is contemplated to be more than just a property pass-through mechanism (e.g. a non-autonomous entity working at the city's sole direction and discretion) then it will be important for the city to have the EDF's role and priorities clearly spelled-out via a professional services agreement. This agreement must stipulate regular and rigorous coordination with city staff and the development of a strategic plan. And unless their role is limited strictly to the acquisition and disposition of "orphaned" property (i.e. a land bank or similar facility), the strategic plan will need to demonstrate the agency's capacity to do proactive, assertive and scalable land assembly, as well as developer recruitment and incentives-packaging to advance the city's priority redevelopment projects. The board makeup of the Cedar-Trinity Corp. may also need to be adjusted to ensure adequate city representation.

Another option may be to restructure the city's current Redevelopment Authority or MDD to take on a more direct role in city real estate transactions. This may involve changing their legal status as well as board makeups to bring in more professional real estate expertise (lenders, architects, brokers, lawyers, construction managers, etc.). City Economic Development could serve as staff to the authority provided that the chosen executive director has relevant real estate development experience.

Yet another option is to establish a special Downtown Development Corporation organized along similar lines but with a more limited charge or geographic focus. In either case, the legal entity must be funded to acquire and hold property and all the myriad expenses associated with it such as: property maintenance, title clearance, option fees, transactions costs and marketing. The composition of the various entities may include many of the same individuals provided that real estate-adjacent expertise is represented, and conflicts of interest are avoided.

The graphic below depicts a hypothetical organization structure for a city-led development entity.



Goals advanced: #2, #3 and
goals of Downtown Arts
District Blueprint



Implementation Actions:

1. Create redevelopment entity chartering document including mission, bylaws, statutory authority organizational structure and governance.
2. Explore entity “nesting” options through the MDD and EDF.
3. Draft professional services agreement (if applicable).
4. Obtain City Council and/or MDD adoption of organizational charter.
5. Seek City and/or MDD seed-funding allocations.
6. Draft professional services agreements and/or intergovernmental cooperation agreements (if applicable)
7. Develop and post executive direction job description and qualifications.
8. Hire executive director and administrative assistant.

Projects:



Innovation “Power Park”

As mentioned earlier, the specter of [ExxonMobil’s Blue Hydrogen](#) project along with Metro Houston’s recent designation as a “Hydrogen Hub” (and the billions of Federal dollars at-stake) position Baytown to create a specialty, manufacturing-focused innovation environment unique to the region. This opportunity is enhanced by the city’s port location and [Foreign Trade Zone](#) availability, and the growing number of “Clean Tech” industries already present in the region. This opportunity aligns with Baytown’s legacy strengths and would fill a unique niche in Metro Houston’s increasingly innovation-driven manufacturing landscape. It would also help neutralize the region’s perceived weak-spot for precision and advanced manufacturing; namely, reliable and redundant power provided in a controlled, master-planned setting.

KKC believes that the city should aggressively explore this opportunity by coalescing regional political, economic, education and corporate leaders (particularly [ExxonMobil](#) and the [Greater Houston Partnership](#)) and mobilizing congressional support. The process would begin with developing a white paper, identifying potential sites, conducting a feasibility study, acquiring site control, identifying funding sources, obtaining in-kind commitments from the city and [Lee College](#) and mobilizing political leadership.





Although this type of project will likely take time and resources to cultivate, it has the potential to position the city for a whole new generation of manufacturing industries and quality jobs. It also holds the prospect of helping reshape Baytown's image and brand around something authentic to its' industrial legacy. In addition to Federal infrastructure funds, other potential funding sources include: [TIRZ](#), [Industrial Revenue Bonds \(IRBs\)](#), [Department of Energy and Economic Development Administration \(EDA\) grants](#), [pledged 212 payment-in-lieu of taxes \(PILT\) funds](#), [Texas Enterprise Development funds](#) and [Texas Skills Development Fund](#) (job training).

Goals advanced: #1 and #3.

Implementation Actions:

1. Confer with knowledgeable ExxonMobil executives on the timing and scope of the Blue Hydrogen project and ways in which the City can both assist and benefit from it.
2. Create a project whitepaper describing the power park concept.
3. Organize an exploratory committee to help vet the project and provide early advocacy and leadership.
4. Conduct feasibility study.
5. Seek commitments from the Greater Houston Partnership to help lead advocacy and fundraising efforts.
6. Identify potential sites and secure property-owner participation.
7. Coalesce political leadership to help lobby for state and Federal funding.
8. Seek sponsorships from regional utility companies and clean-tech industry groups.
9. Pursue various Federal funding sources including the Hydrogen Hub program, the Economic Development Administration (EDA) and the Department of Energy (DOE).
10. Announce the project nationally through press releases, select ad buys and earned media.
11. Select a site, secure entitlements, and recruit highly qualified developer with related, national experience.



Project Vector

This proposed project involves a new medium-sized sports and entertainment facility and supporting mixed-use development in an, as yet, undetermined Baytown location. Based on an early project feasibility study (and a separate cursory retail analysis showing a potential local demand for up to \$15 million per year of new local spending on entertainment and recreation in Baytown by 2028), the project appears to fulfill a regional need for a new mid-sized sports and special events venue. The project's feasibility seems to be partly driven by the age, condition and geographic distribution of existing regional venues in a growing regional entertainment market.

The project is currently conceived as a sports and food-anchored, "live-play" development that would serve both a local and regional clientele and serve as the "home court" for a second-tier professional sports franchise such as the United States Football League (USFL) or National Basketball Association "D League". Alternatively, the facility would be programmed for a combination of youth sports events, concerts and other ticketed events. A new hotel and ancillary retail development are also included in the overall development program.

Although detailed program-level specifics are not available at this time, it is clear that both the arena and hotel components will require substantial public subsidies to attract investors. It is unclear if the subsidies would be one-time infusions to help with initial construction or for ongoing operations or both. It is also unclear if the substantial projected increases in project-generated tax revenues (an estimated \$81 million over 30 years) will be enough to offset these subsidies or not. The city will need to subject the project to a rigorous cost-benefit analysis once the project concept is more fully developed and more detailed development budgets and pro-formas become available. Typical public funding sources for this type of project include: TIRZ, 380 Agreements and hotel occupancy (HOT) taxes. (We note that ExxonMobil has reportedly pledged \$75 million in 212 revenues to the project.)

As currently conceived, the project holds the potential to increase the number of retail attractions and amenities desired by so many individuals consulted for this plan. Insofar as it delivers on this, it has the further potential to attract more middle- and higher-income households that have proven so elusive for Baytown. It also has the potential to drive the city's fledgling recreation and youth sports economy. As the project gets refined, city leaders will have to weigh the net public costs of subsidizing this type of project (and its inherent risks) versus those of other projects and programs that may have to be forgone in its favor (i.e. its "opportunity costs"). If the project can be shown to be largely cost-neutral (with new project-induced tax revenues mostly offsetting subsidies and any anticipated public service cost increases) it may well be a worthwhile investment that could provide as many intangible benefits as tangible ones.

Goals advanced: #4



Implementation Actions

1. Prepare detailed project financials (e.g. construction budgets, preliminary sources and uses of funds, and operating pro-formas).
2. Prepare full fiscal impact analysis comparing alternative locations and development programs.
3. Identify gap financing funding sources.
4. Select preferred location and development program.
5. Update market study and feasibility analysis to reflect selected site and development program.
6. Identify developer representative/project manager.
7. Acquire site control of preferred location.
8. Issue RFPs for project developer and operator



Downtown Land Assembly and Marketing

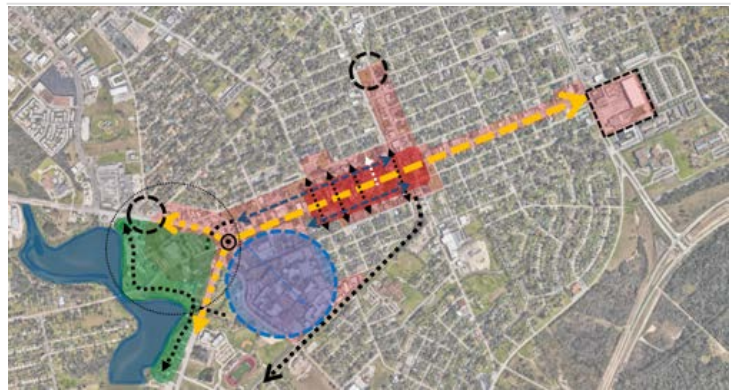
Despite the city's already substantial investment in the Downtown Arts District, private follow-on investment has yet to fully materialize. This has caused some in the community to think that further public investment in Downtown is basically throwing good money after bad and that scarce city resources would be better spent elsewhere. Others think that there isn't enough of a Downtown left to save and that it should be recreated somewhere else instead.

While these sentiments are understandable, the KKC team strongly believes that Downtown Baytown is worthy of additional public investment and that its rejuvenation will be key in attracting new residents. It contains Baytown's richest collection of historic buildings and cultural assets and has a ready-made physical framework for the kind of authentic, walkable urbanism that is so much back in-vogue today. If not the singular, capital "D" downtown of years past, the area still has the classic features of a traditional, mixed-use urban neighborhood that can draw-in the kind of creative talent that the city wants to attract.

The current lack of private investment is mostly due to the heavy costs of renovations and the lack of available large sites to attract outside developers. It also has to do with the soft market conditions in Baytown where rents fall well below regional averages. Under these conditions, most developers are not willing to engage in the protracted process of site assembly and investor recruitment if other easier and more profitable opportunities are available to them elsewhere. Their calculus begins to change, however, if larger sites can be served-up to them allowing them to effectively alter the market in a single stroke. Public subsidies such as tax abatements, subordinated low interest loans and/or discounted land can help get the projects to "pencil out" and to attract investors.

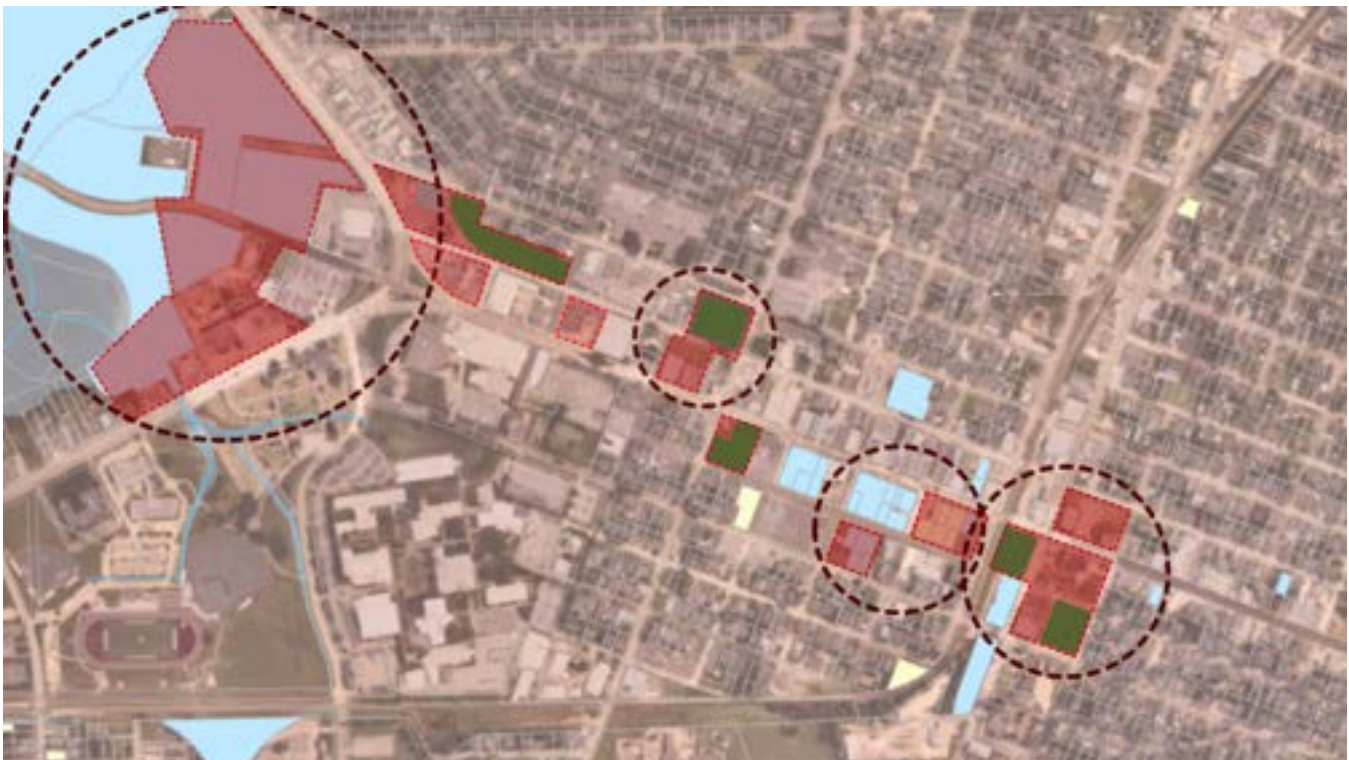
The purpose of the redevelopment enterprise discussed earlier is to establish a proactive public intermediary to conduct necessary predevelopment work and to package land deals for private developers. Essentially, to prep the "playing field". This entity is intended to work to cobble together existing publicly-owned sites, vacant and blighted properties, tax delinquent parcels and available privately-owned sites into scalable development opportunities for developers. It then actively markets these opportunities on behalf of the city. Its job is to essentially groom areas for redevelopment until the local market stabilizes and can function on its own. The enterprise though is merely the administrative vehicle. It still needs to be *fueled and driven* with both operating resources and experienced and motivated staff.

The Downtown Plan done in tandem with this plan identifies several potential redevelopment target areas for the city to pursue. These were selected based on concentrations of existing public ownership, vacancy, marginal building stock and existing private owner consolidation. These areas were identified using only cursory research. Other opportunities may reveal themselves with further probing and diligence. The new redevelopment entity's job will be to develop or *manufacture* such opportunities, unearth new ones, and actively promote them to the development community. As it grows in experience and sophistication, it may also help carve-out future job opportunities for local contractors and affordable retail spaces for small businesses.



Merging Downtown Baytown, the Lee College campus, and the Goose Creek waterfront are key goals of Baytown's "Arts District Blueprint" plan.

Central to this effort will be to create a Downtown development market prospectus and website highlighting elements of the Downtown Plan along with existing available redevelopment opportunities and city incentives (including the BIG program and enhanced RIZ tax abatements). This must be followed by direct developer solicitations involving the publishing of requests for proposals (RFPs) and interpersonal prospecting at real estate conferences and networking events.



Composite map of potential redevelopment focus areas based on city ownership, vacancy, marginal building stock and contiguous private ownership. Source: Baytown Arts District Blueprint (Downtown Plan).



**Goals advanced: #2, #3, #4
and goals of Downtown Arts
District Blueprint**

Implementation Actions:

1. Seek confirmation, staffing and initial tranche of funding for the redevelopment enterprise agency (see above).
2. Using the Downtown Arts District Blueprint as a guide, work to acquire site control (purchase agreements or options) on one or more target redevelopment sites.
3. Develop marketing prospectus highlighting the Arts District Blueprint vision, market highlights, and select redevelopment opportunities.
4. Issue first metro-wide RFP for city-controlled redevelopment site(s) on high visibility platforms such as the Certified Commercial Investment Member (CCIM) Institute (Houston chapter), the Urban Land Institute (ULI) (Houston Chapter), the Association of Commercial Real Estate Professionals (ACRP) and the Houston Chapter of the National Association of Industrial and Office Parks (NAIOP).
5. Follow-up with networking at commercial real estate events in addition to email and social media blasts.



Edutainment and Recreation Development

Individuals consulted for this plan, as well as previously conducted plans and studies, consistently cited the need for the city to add new amenities and retail as a way to attract both new residents and visitors. Many also referenced the opportunity for the city to take better advantage of its waterfront areas and to develop a stronger recreation niche. Conceived as both a retail and recreation/entertainment venue, Project Vector has the potential to deliver in many of these areas. However, given the current uncertainties surrounding this project (and understanding that resources are limited), the KKC team would offer a few other options for the city to consider even if that project moves forward as planned. These are things that could variously: synergize with other city assets and opportunities, help forge a new image of the city, attract visitors, improve education, and align with the interests of local corporations and foundations. All will require strong business plans, significant public funding, forceful advocacy and public leadership, and major corporate/foundation sponsorship. They are offered as possible topics for consideration, not as firm recommendations.



STEM Learning Center

Many cities are home to one or more public-private run Science Technology Engineering and Math (STEM) education centers that serve as a hybrid of museum and external classroom. These are typically underwritten with major donor contributions and are



“flagged” by allied corporations who serve as major patrons and sponsors. Often, these corporations’ foundations have a mission to improve public education. In other cases, the corporations themselves have a self-interest in projecting their innovations, their corporate ethos, or in cultivating a future workforce pipeline. Baytown is fortunate to have a cadre of Fortune 100 companies deeply involved in innovations in energy, power systems and new materials among other spheres. All of these areas deeply involve science and technology and the need to groom a future workforce. A potential area of focus for Baytown could be a hydrogen and clean power-focused STEM center that could serve as a regional draw for students and parents and a public relations tool for corporate benefactors. This is also the type of project that would be a boon to area school systems and likely garner additional foundation and agency funding.



Goals advanced: #1, #3



Industrial-Arts Makerspace



Baytown has heavily invested in the arts and has a rich industrial history. The city has yet, however, to develop a functioning arts economy (i.e. with artists making, displaying, living and selling in the community). Baytown also has a large number of skilled craftsmen working in the industrial trades but with very little in the way of any discernable cottage or craft industries (craft metalworking, custom furniture or other “Etsy” type commerce).

An industrial arts makerspace equipped with the type of tools and equipment that most people either cannot afford or cannot store in their homes (i.e. Computer Numerical Control “CNC” machines, laser cutters, welding apparatus) could help unlock this economy, ground it in a specific place, make it more collaborative and visible, and attract other artist-residents to the city. It could also provide an entrepreneurial outlet for many of the area’s skilled workers as well as informal training and career exposure opportunities. There are a number of both independent and franchise operators of such facilities in Texas and throughout the U.S. offering a range of subscription options and likely requiring a range of public incentives to set up shop.



Goals advanced: #2, #3, #4



Specialty Sportsplex (Aquatics/Ice)

This opportunity is similar to Project Vector but with less emphasis on mainline spectator sports and wrap-around mixed-use development. Instead, the focus would be more on youth athletic training and competitions including in the specialty areas of aquatics, ice sports and gymnastics. We understand that there is a shortage of appropriately outfitted facilities in the region thus presenting less potential competition (and a greater geographic catchment area) for a Baytown facility. This opportunity would align well with existing city recreational, outdoor and health and wellness amenities/facilities and also drive visitation, hotel stays and additional retail. It may also require less public subsidy.

Goals advanced: #1, #4



Downtown Cultural Center

As noted in the companion Downtown Plan, the ACE District lacks some of the typical institutional anchors (e.g. city hall, courthouse, library, movie theater) that drive consistent activity in many downtowns. The Downtown arts community also lacks a central focal point feature that would give it more visibility and gravitas. The Town Square area lacks a permanent activity generator to enliven the space during non-event times.

Interestingly, the possibility of the Sterling Library's potential future relocation and/or redevelopment has been loosely raised during the course of this plan. Downtown's Little Theater meanwhile is housed in a non-descript building situated well away from Downtown's main blocks and stranded on all sides by little used parking lots. A new mixed-activity cultural center off the square – possibly combining a new public library, Little Theater, gallery space and public parking – could provide Downtown's needed anchor institution while freeing up underdeveloped sites on either side of it for new infill development.

Goals advanced: Arts District Blueprint



Clean-Tech Accelerator

This type of facility is intended to commercialize potential innovations spinning out of, or drawn to, the region's

centers of innovation such as in energy, power systems, construction, new materials, aerospace and logistics. It would serve as part start-up incubator, classroom, networking facility, and collaboration space and be actively programmed with various events, grant competitions and business bootcamps, etc. A familiar set-up would have one or more of the region's major corporations leasing or sponsoring space in the facility to be close to useful sources of talent and innovation or as a platform to spin-out new innovations of their own. It is also fairly common for a corporation to host the facility on their own campus.



This opportunity presents somewhat of a high bar for Baytown given the relative physical seclusion of its corporations and the city's current lack of a functioning small business ecosystem. Still, ExxonMobil's Blue Hydrogen project could position Baytown as a magnet for start-ups in the clean-tech space and gather-in entrepreneurs and their supporting systems around it. A possible pilot project could involve the city hosting an outpost or satellite center of Houston's Green Tech Labs franchise to serve as a proof of concept (see also Innovation Power Park concept above).

Goals advanced: #1, #2



Policies:



Consistent Code Enforcement and Solution-Oriented Permitting

Downtown Baytown and many of its commercial tributaries have historically been plagued by high levels of vacancy and blight. Symptomatic of struggling neighborhood economies, the presence of blighted properties can become cancerous for a community, making the redevelopment process even harder than it already is. Although no one wishes to “punish” property-owners for sagging market conditions, allowing properties to simply deteriorate in-place devalues investments made by responsible others. It also discourages outside investment and understates the true holding costs of owning urban real estate.

The KKC team strongly believes that the future of Downtown, as well as other sections of the city, hinges heavily on the continuation and expansion of a fair and consistent building code maintenance regime. Dangerous or blighted properties should be dealt with promptly and firmly and property-owners made aware of all possible remedies – including potentially selling-out to a newly chartered city redevelopment agency. Equally importantly, the city should review its building code procedures to assure that it is not being unnecessarily uncompromising or rigid in such a way that makes building improvements largely impractical keeping in mind that critical life safety requirements anywhere in the city need to be maintained, especially the oldest area which has no modernization of structures or utilities to match current code minimums. This is especially the case in Downtown where the tight arrangement of buildings together with the city’s normally correct prohibition of meters on front facades, makes the installation of new electrical services nearly impossible. The City should initiate discussions with the local electrical utility on potential workaround solutions and be open to ways to mitigate undesired aesthetic effects through disguising and screening techniques. While challenges have been encountered in attempting compromises with the utility companies in the past, efforts to provide alternative solutions should continue.

Goals advanced: #2, #4 and
goals of Downtown Arts
District Blueprint



Implementation Actions:

1. Hold regular brainstorming workshops with City inspection and code enforcement officials on potential workaround solutions for common redevelopment problems.
2. Conduct an audit of the City's current building code focusing on the commonly encountered and difficult to remedy building problems.
3. Where possible, adjust building codes and other development regulations to accommodate alternative treatments in hardship situations.
4. Reinstate and enforce the City's Vacant Building Ordinance.
5. Add specific reporting category of "building code violation" on Better Baytown App.
6. Inculcate a stronger culture of public service and problem-solving among City staff through regular in-service training opportunities, staff retreats and staff recognition events/ awards.
7. Organize workshops with utility companies and contractors to develop specific, situation-based solutions to serve the Downtown Arts District.
8. Step up the use of building code fines and liens for repeat "scofflaws".
9. Aggressively pursue legal condemnation/demolition or receivership of dangerous or blighted buildings in worst case situations.
10. Pursue voluntary ("arms-length") acquisition of vacant or blighted buildings where they can be obtained at fair market value and combined into scalable redevelopment sites.



Standardized and Predictable Corporate 212 (IDA) Agreements and Incentives

Current city practice has been to negotiate IDAs and 212 Agreements on mostly an ad-hoc project-by-project basis. Although the city understandably always wants to keep its options open, this practice adds a level of uncertainty and randomness into the negotiations that can be discouraging to new businesses looking to relocate into the city or its ETJ. Many site selectors (the third-party representatives that many corporations hire to secure new sites) are often turned-off by communities that cannot provide them reasonable assurances on the estimated amount of available incentives or a timeframe for their approval. These communities usually drop out of contention pretty quickly unless there is some other offsetting "X-factor" driving corporate decision-makers.



The KKC team recommends that the city work with the Baytown-West Chambers County Economic Development Foundation (EDF) to develop and socialize a weighted schedule of incentives for new companies looking to relocate or expand in Greater Baytown. The dollar value of incentive awards should be based on a point system tied to specific performance metrics such as: the number of full-time equivalent jobs (FTEs), average wages, total payrolls, amount of total capital investment or other quantifiable (and verifiable) measures. They should also be skewed to favor specific target industries noted herein (and identified by North American Industrial Classification System (NAICS) code) that the city very much wants to attract and are heavily feted (e.g. advanced manufacturing, professional services and corporate headquarters) versus those that are probably inclined to locate in the city/ETJ regardless of incentives due to the city's special infrastructure and location (e.g. warehousing and logistics). Consideration should be given for companies willing to provide incentives for their employees to purchase a house in Baytown (resident-worker downpayment bonuses), local hiring goals, or those companies willing to make meaningful cash or in-kind sponsorship commitments (e.g. STEM center). Companies that are expected to create potentially harmful offsite impacts (e.g. pollution, noise, traffic) should be incented less or *pay more* as the case may be.

Goals advanced: #1

Implementation Actions:

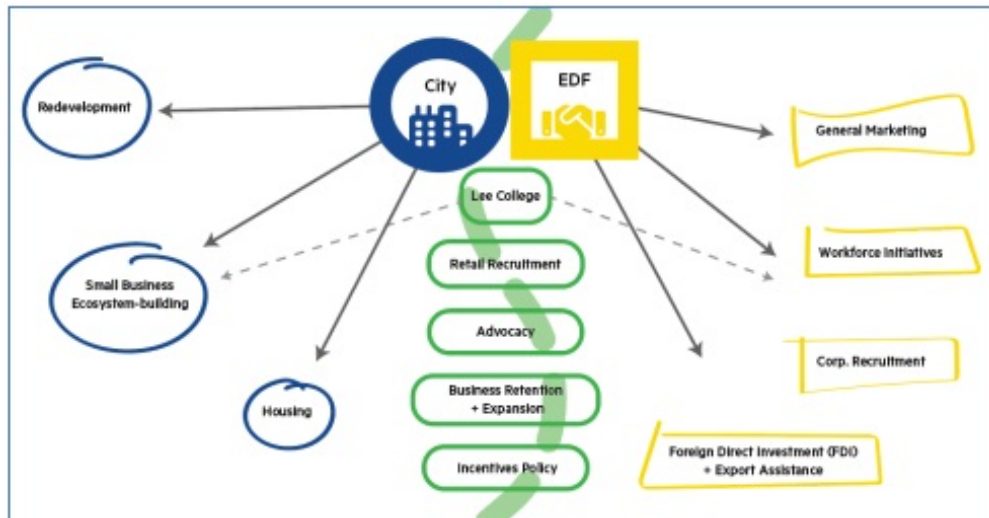
1. Work with the EDF to develop a tiered list of preferred industry targets by their NAICS code (see above)
2. Develop a mirrored incentives/212 Agreement scoring system tied to specific performance metrics (e.g. average wages, full time equivalent jobs etc.) and skewed to preferred target industries. The system should work in reverse for 212 Agreements with the lowest scoring applicants expected to compensate the City more.
3. Prepare an incentives application and process approval flow chart and post on the City's economic development page.

PART 4: IMPLEMENTATION



Implementing the main recommendations of this strategy plan involve a series of support-building steps intended to identify influential advocates and potential funding sources, and to organize for the work ahead. A main recommendation of this project --as well as the city's preceding comprehensive plan -- is for the city to engage in more regional partnerships to do exactly this. For purposes of advancing one-of-a-kind regional projects like the innovation power park, regional actors include, besides the Baytown-West Chambers County Economic Development Foundation, the Houston-Galveston Regional Council (HGAC), the Greater Houston Partnership, Lee College and select local corporations. (Reciprocally, the city should proactively engage with these partners to advance other projects with regional import such as the widening of the I-10 bridge and the dredging of the Houston Ship Channel.). Many of the other projects and programs will involve building internal staff capacities and defining roles both at a departmental level, but also in relation to other city departments and other local economic development actors. Still others such as expanding the RIZ program and the use of 380 Agreements can be advanced immediately.

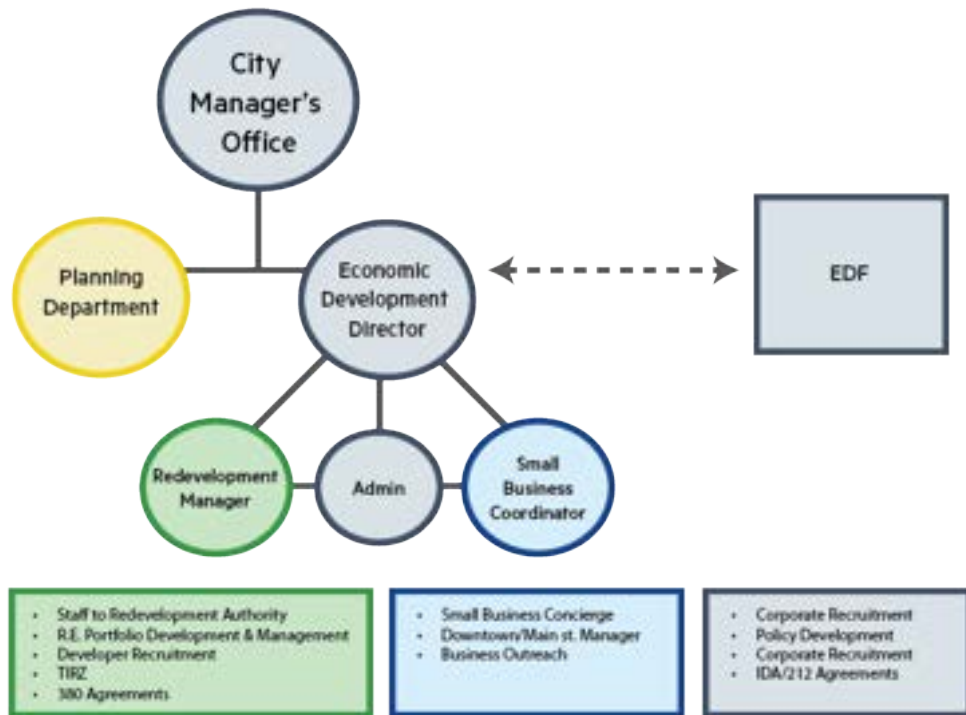
Proposed inter-agency division of responsibilities



City Economic Development staff's core activities should be in the areas of: Redevelopment, Small Business Development and Housing, and act in a supporting capacity in other areas.

Starting at the departmental level, we recommend that the city focus its efforts mainly on small business development and redevelopment and continue to lean heavily on the EDF to lead on corporate attraction, workforce initiatives and other direct “industry-facing” activities. This suggests a move away from generic economic development practitioner staff titles to the more specialized roles of Redevelopment Manager and Small Business Coordinator (while recognizing both the need and desire of staff to collaborate closely both among themselves and with the EDF, and to occasionally cross-over into the other's domain). Job descriptions and salary ranges should be updated accordingly to reflect the possible need for higher credentialed individuals (particularly for the redevelopment manager who could potentially step into the auxiliary -role of executive director of the recommended redevelopment agency).

Proposed City of Baytown Economic Development Organization Structure



At the project level, the proposed work program is outlined as follows:

Policy or Program	Timeframe (yrs)			Responsibility	Resources
	0-1	2-4	5+		
Expanded 380 Agreements	X				
Draft program brief	X			ED staff	
Developer roundtable	X			ED staff	
City Council approval	X			City Council	
Taxing body MOU	X			ED staff	
First RFP		X		ED staff	
RIZ+					
Draft program brief	X			ED staff	
City Council resolution/ordinance	X			ED staff	
City Council approval	X			City Council	
Taxing body MOU	X			ED staff	
RLF					



Policy or Program	Timeframe (yrs)			Responsibility	Resources
	0-1	2-4	5+		
Convene working group	X			ED staff	EDF, Harris County, CDFIs, Local banks
Secure challenge grant	X			City Council/MDD	MDD, 212 funds, EDA, TX EDC
Begin capital campaign		X		ED staff, EDF, Foundations	Corporations, CDFIs, foundations, 212 funds
Develop program guidelines and bylaws		X		ED staff	Local banks
Recruit loan underwriter and servicer		X		ED staff	Local banks
Establish loan committee		X		ED staff, EDF	Local banks
Promote program		X		ED staff	Social media, city website
Make first loan		X		ED staff	
Redevelopment Enterprise Agency					
Establish charter, mission, bylaws and governance structure	X			ED staff, City legal dept.	TX EDC, IEDC, NDC, Harris County Economic Development
Determine controlling entity	X			MDD, EDF, City ED	
Controlling entity adoption of charter	X			Controlling entity, City Council	
Secure seed funding allocation		X		City ED staff + controlling entity	City, MDD
Professional services agreement or IDA (if applicable)		X		City and/or controlling entity legal	
Develop and post executive director job description		X		ED staff and City HR Dept.	
Hire executive director		X		City HR Dept	
Innovation Power Park					
Meet with ExxonMobil re: timing and scope of Blue Hydrogen project	X			ED Staff, City Mgr's Office, EDF	



Policy or Program	Timeframe (yrs)			Responsibility	Resources
	0-1	2-4	5+		
Draft project white paper (i.e. concept paper)	X			ED Staff, EDF, ExxonMobil, planning consultants	Dept of Energy (DOE), Rice University, UofH. Greater Houston Partnership (GHP), Siemens, Johnson Controls, utility companies
Seek leadership commitment from GHP	X			ED staff, EDF, City Mgr's office, mayor	
Create exploratory committee	X			ED Staff, EDF	ExxonMobil, GHP, utility companies
Conduct feasibility study		X		ED staff, EDF, GHP	GHP, universities, Siemens, Johnson Controls, utility companies
Identify potential sites		X		ED staff	
Coalesce political leadership		X		Mayor, City Manager, EDF, GHP, ExxonMobil	State and Federal elected representatives
Seek funding sponsorships		X		Same as above	Economic Development Administration (EDA), Department of Energy (DOE), utility companies
Obtain site control and secure entitlements			X	ED staff, EDF	
Issue developer request-for-proposal (RFP)			X	ED staff, EDF	
Select developer			X	ED staff, EDF	

APPENDIX



Engagement

The City of Baytown formed an Economic Strategy Working Group (ESWG) as part of the plan to garner input. The ESWG met throughout the plan four times developing the following vision and goals that were incorporated into the plan. The goals were then ranked as shown below.

VISION

The City of Baytown is the economic hub of a surging Greater East Houston region with a diverse economy characterized by new business growth and an innovative small business and entrepreneurial ecosystem.



Goals



Short-Term Goals	Composite Score
Improve the City's quality of life/place to attract (retain) more talent to (in) the city.	1.8
Expand the area's petrochemical industry and reinforce the area's locational advantages and appeal amid the ongoing energy sector transition.	2
Establish a stronger local hospitality, convention and entertainment economy.	2
Diversify the local economy to include more professional and technology jobs.	2.5
Establish a more comprehensive and well-funded small business support system.	2.67
Broaden and deepen the city's retail offerings.	2.75

Long-Term Goals	Composite Score
Attract more start-up companies and make clear the local support available for their growth trajectory and success.	3
Improve and expand the area's workforce development programs and systems.	3.5
Expand the area's logistics and warehousing operations in suitable locations that do not crowd out desired commercial and retail investment.	3.5
Expand wealth creation programs targeted to area residents (job training programs, first time homeowner programs, etc.).	4.2
Attract more outside corporate investment from non-petrochemical and logistics industries.	4.5

Baytown Economic Prosperity Roadmap Executive Summary

Overview (Pages 3-4)

The City of Baytown partnered with Kendig Keast Collaborative (KKC) in summer 2023 to prepare an economic development strategic plan. This plan was produced in conjunction with a working group of local economic development stakeholders.

This plan focuses on proposing priority projects, programs, and policies to help guide economic development programming and investment by the City and its economic development partners.

Priority Projects, Programs, and Policies (Pages 5-7)

- Expanded 380 Agreements
- Creation of an Enhanced RIZ program (RIZ+).
- Creation of a Revolving Loan Program(s).
- Creation of a Redevelopment Enterprise Agency.
- Downtown Land Assembly and Marketing.
- Innovation "Power Park".
- Standardized and Predictable Development Agreements and Incentives.

Vision and Goals (Pages 22-27)



Economic Development Vision

The City of Baytown is the economic hub of a surging Metro East region with a diverse and dynamic economy, and robust entrepreneurial ecosystem.



Recommended Goals

- Diversify the economy to include more professional and technology jobs.
- Create a more robust small business support system
- Develop wealth-creation programs targeted to existing, low-income city residents.
- Broaden and deepen the city's retail offerings.
- Improve community attractiveness and authenticity.
- Redevelop and revitalize vacant and blighted sections of the city.

Implementation (Pages 49-53)

Policy or Program	Timeframe	Responsible Parties
<i>Expanded 380 Agreements</i>	1-3 Years	Economic Development staff, City Council
<i>Enhanced RIZ Program (RIZ+)</i>	1-2 Years	Economic Development staff, City Council
<i>Revolving Loan Fund</i>	2-4 Years	Economic Development staff, City Council, MDD, EDF
<i>Redevelopment Enterprise Agency</i>	2-4 Years	Economic Development staff, City Attorney, MDD, EDF, City Council, potential outside agency
<i>Innovation Power Park</i>	5+ Years	Economic Development staff, City Manager's Office, EDF, ExxonMobil, planning consultants, Mayor, Greater Houston Partnership



CITY COUNCIL MEETING

3. c.

Meeting Date: 05/23/2024

Subject: Consider an ordinance to provide the disbursement request from the Hyatt Regency Hotel

Prepared for: Teresa McKenzie, Finance

Prepared by: Elizabeth Donato, Finance

Department: Finance

Information

ITEM

Consider an ordinance to provide the disbursement request from the Hyatt Regency Hotel.

PREFACE

This ordinance fulfills the disbursement request from the Hyatt Regency Hotel intended to cover shortfalls of the monthly operating account. The transfer will be held in the Working Capital Fund with the Hotel Trustee in the amount of \$600k for the remainder of Fiscal Year 2024.

The City supports the financial stability and continued operations of the Hyatt Regency Hotel.

Fiscal Impact

Fiscal Year: 2024

Acct Code: 21501-74021-HOTOPS-74021

Source of Funds (Operating/Capital/Bonds):

Funds Budgeted Y/N: Y

Amount Needed: 600,000

Fiscal Impact (Additional Information):

Attachments

Ordinance - Hyatt Disbursement

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS, AUTHORIZING AND DIRECTING THE CITY MANAGER TO HONOR THE DISBURSEMENT REQUEST FROM THE HYATT REGENCY HOTEL FOR PAYMENT OF SIX-HUNDRED THOUSAND DOLLARS (\$600,000.00) FOR THE REMAINDER OF FISCAL YEAR 2024 FOR THE PURPOSE OF COVERING SHORTFALLS OF THE MONTHLY OPERATING ACCOUNT; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS:

Section 1: That the City Council of the City of Baytown, Texas, hereby authorizes and directs the City Manager to honor the disbursement request from the Hyatt Regency Hotel for payment of Six-Hundred Thousand Dollars (\$600,000.00) for the remainder of Fiscal Year 2024 for the purpose of covering shortfalls of the monthly operating account. A copy of said Agreement is attached hereto, marked Exhibit "A" and incorporated herein for all intents and purposes.

Section 2: This ordinance shall take effect immediately from and after its passage by the City Council of the City of Baytown.

INTRODUCED, READ, and PASSED by the affirmative vote of the City Council of the City of Baytown, this the 23rd day of May, 2024.

BRANDON CAPETILLO, Mayor

ATTEST:

ANGELA JACKSON, City Clerk

APPROVED AS TO FORM:

SCOTT LEMON, City Attorney



CITY COUNCIL MEETING

4. a.

Meeting Date: 05/23/2024

Subject: Bay Creek Public Improvement District

Prepared for: Brian Moran, Administration

Prepared by: Brian Moran, Administration

Department: City Management

Information

ITEM

Consider a resolution accepting the Preliminary Service and Assessment Plan for the Bay Creek Public Improvement District.

PREFACE

The proposed resolution accepts the Preliminary Service and Assessment Plan and is prepared and adopted in conformance with the Public Improvement District Assessment Act, codified as Chapter 372, Texas Local Government Code ("the Act"), and pursuant to the Resolution passed on July 22, 2021 creating the Bay Creek Public Improvement District which contain approximately 76.086 acres of land.

The outline of the proposed Preliminary Service and Assessment for this residential development includes:

- Development in two phases
- Development of thirty-five (35) fifty-five (55) foot lots
- Development of one hundred eight (108) fifty (50) foot lots

Water Improvements

The water improvement portion of the Major Improvements consists of construction and installation of waterline mains, valves, and appurtenances, necessary for the water distribution system that will service the Assessed Property. The water improvements will be designed and constructed according to City standards and specifications and will be owned and operated by the City.

Sanitary Sewer Improvements

The sanitary sewer improvement portion within Phase #1 consist of construction and installation of pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to the Assessed Property. The sanitary sewer improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Storm Drainage Improvements

The storm drainage improvement portion of the Major Improvements consist of reinforced concrete pipes, reinforced concrete boxes, multi-reinforced box culverts, junction boxes, inlets, headwalls, appurtenances, and regional detention necessary to provide adequate drainage to the Assessed Property. The storm drainage collection system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Landscaping, Parks, and Trail Improvements

The detention, landscaping, and trail improvement portion within Phase #1 consists of trailhead, lighting, water fountains and amenities. The detention, landscaping, and trail improvements will be designed and constructed according to City standards and will be owned and operated by the City.

Other soft and miscellaneous costs

The soft and miscellaneous costs portion of the Major Improvements consists of engineering and surveying, project management fees, contingency, PID set up costs, and other soft and miscellaneous costs.

The service plan for Phase I identifies the Public Improvement District Phase I Special Assessment to be \$4,661,000 with a total improvements being \$7,156,340.

As Future Phases are developed, this SAP will be amended to determine the Assessment for each Parcel or Lot located within such Future Phase (e.g. an appendix will be added as the Assessment Roll for Future Phases).

Fiscal Impact

Fiscal Year:

Acct Code:

Source of Funds (Operating/Capital/Bonds):

Funds Budgeted Y/N:

Amount Needed:

Fiscal Impact (Additional Information):

No fiscal impact associated with this item.

Attachments

Resolution

Bay Creek Preliminary Service and Assessment Plan

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS, ACCEPTING THE PRELIMINARY SERVICE AND ASSESSMENT PLAN FOR THE BAY CREEK PUBLIC IMPROVEMENT DISTRICT; SETTING A DATE FOR PUBLIC HEARING ON THE PROPOSED LEVY OF ASSESSMENTS; AUTHORIZING THE PUBLICATION AND MAILING OF NOTICE; AND ENACTING OTHER PROVISIONS RELATING THERETO.

Whereas, the City Council (the “City Council”) of the City of Baytown, Texas (the “City”) received a petition (the “Petition”) requesting creation of a public improvement district (the “District”) under Chapter 372 of the Texas Local Government Code (the “Act”), from the record owners of taxable real property representing more than fifty percent (“50%”) of the appraised value of the real property liable for assessment (as determined by the most recent certified tax roll) in the proposed District and the record owners of taxable real property that constitute more than 50% of all of the area of all taxable real property that is liable for assessment in the proposed District; AND

WHEREAS, on June 24, 2021, the City Council approved a resolution (the “Resolution”) to provide for a public hearing date on July 22, 2021 to consider the creation of the District; and

WHEREAS, notice of the hearing was published in a newspaper of general circulation in the City in which the District is to be located on July 4, 2021; and,

WHEREAS, on June 28, 2021, notice to the owners of property within the proposed District was sent by first-class mail to the owners of 100% of the property subject to assessment under the proposed District containing the information required by the Act such that such owners had actual knowledge of the public hearing to be held on July 22, 2021; and

WHEREAS, the City Council approved the creation of the District by Resolution approved on July 22, 2021 (the " Creation Resolution") and published the Creation Resolution as authorized by the Act; and

WHEREAS, the District is to be developed in phases and assessments are anticipated to be levied in each development phase (each a “Phase”); and

WHEREAS, the City has previously levied assessments on property within Phase #1 of the District for certain public improvement benefitting Phase #1 of the District; and

WHEREAS, pursuant to Sections 372.013, 372.014, and 372.016 of the Act, the City Council has directed the preparation of a Preliminary Amended and Restated Service and Assessment Plan (the “Preliminary Plan”), for the levy of assessments for certain public improvements (the “Phase #1 Improvements”) that benefit Phase #1 of the District (the “Assessments”) such Preliminary Plan attached hereto as Exhibit B, covers a period of at least five

years and defines the annual indebtedness and the projected costs of the Phase #1 Improvements within the District; and

WHEREAS, the Preliminary Plan also includes assessment plans that apportion the cost of an Phase #1 Improvements to be assessed against property within Phase #1 of the District and such apportionment is made on the basis of special benefits accruing to the assessed property within Phase #1 of the District because of the Phase #1 Improvements; and

WHEREAS, the City Council also directed the preparation of an assessment roll for the District that states the assessment for the Phase #1 Improvements against each parcel of land within Phase #1 of the District (the “Phase #1 Assessment Roll”) and such Phase #1 Assessment Roll is attached to and a part of the Preliminary Plan; and

WHEREAS, after determining the total costs of the Phase #1 Improvements, the City Council notes that the Preliminary Plan and proposed Phase #1 Assessment Roll may be changed as the City Council deems appropriate before such Preliminary Plan and Phase #1 Assessment Roll are adopted as final by the City Council; and

WHEREAS, the City has determined to call a public hearing regarding the proposed levy of Assessments pursuant to the Preliminary Plan and the proposed Phase #1 Assessment Roll on property within Phase #1 of the District, pursuant to Section 372.016 of the Act; and

WHEREAS, the City desires to publish and mail notice of such public hearing in order to provide notice to all interested parties of the City's proposed levy of Assessments against such property in Phase #1 of the District, pursuant to Section 372.016 of the Act; and

WHEREAS, the City desires to file the Preliminary Plan and Phase #1 Assessment Roll with the City Secretary such that they are available for public inspection pursuant to Section 372.016 of the Act.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS, THAT:

Section 1. Findings. The findings and determinations set forth in the preambles hereto are hereby incorporated by reference for all purposes.

Section 2. Calling Public Hearing. The City Council hereby calls a public hearing (the “Public Hearing”) for 6:00 p.m. on June 27, 2024 at the regular meeting place of the City, the City Council Chamber at Baytown City Hall, 2401 Market Street, Baytown, Texas 77522, to consider approving the Preliminary Plan, with such changes and amendments as the City Council deems necessary, and the proposed Phase #1 Assessment Roll with such amendments to the Assessments on any parcel as the City Council deems necessary, as the final Service and Assessment Plan (the “Final Plan”) and final Phase #1 Assessment Roll (the “Final Roll”) for Phase #1 of the District. After all objections made at such hearing have been heard, the City Council may (i) levy the Assessments as special assessments against each parcel of property in Phase #1 of the District as

set forth in the Final Plan, including the Final Roll; (ii) specify the method of payment of the Assessments; and (iii) provide that Assessments be paid in periodic installments. Notice of the Public Hearing setting out the matters required by Section 372.016 of the Act shall be given by publication at least eleven (11) days before the date of the hearing, in a newspaper of general circulation in the City. Notice of such hearing shall also be given by the City Secretary, by mailing a copy of the notice containing the information required by Section 372.016(b) of the Act to the last known address of each owner of property liable for an Assessment in the proposed Final Roll as reflected on the tax rolls of the Harris County Appraisal District. All residents and property owners within Phase #1 of the District, and all other persons, are hereby invited to appear in person, or by their attorney, and contend for or contest the Preliminary Plan and the Final Roll, and the proposed assessments and offer testimony pertinent to any issue presented on the amount of the Assessments, purpose of the Assessments, special benefit of the Assessments, and the costs of collection and the penalties and interest on delinquent Assessments. At or on the adjournment of the hearing conducted pursuant to Section 372.016 on the proposed Assessments, the City Council must hear and pass on any objection to a proposed Assessment. The City Council may amend a proposed Assessment on any parcel in the District. The failure of a property owner to receive notice does not invalidate the proceeding.

Section 3. Publication of Notice. The City Council hereby directs the City Secretary to cause the publication and mailing of notice of the Public Hearing substantially in the form attached as Exhibit A. Such publication shall occur before the 10th day before the date of the Public Hearing.

Section 4. Conduct of Public Hearing. The City Council shall convene at the location and at the time specified in the notice described above for the Public Hearing and shall conduct the Public Hearing in connection with its consideration of the Final Plan, including the Final Roll, for Phase #1 of the District and the levy of the proposed Assessments, including costs of collection, penalties and interest on delinquent Assessments. At the Public Hearing, the City Council will hear and pass on any objections to the Preliminary Plan and the proposed Assessment Roll and the levy of the proposed Assessments (which objections may be written or oral). At or on the adjournment of the Public Hearing, the City Council may amend a proposed Assessment on any parcel in Phase #1 of the District. After all objections, if any, have been heard and passed upon, the City may (i) levy the Assessments as special assessments against each parcel of property in Phase #1 of the District as set forth in the Final Plan and Final Roll for Phase #1 of the District, (ii) specify the method of payment of the assessments, and (iii) provide that the Assessments be paid in periodic installments.

Section 5. Filing of Proposed Assessment Roll. The proposed Assessment Roll shall be filed in the office of the City Secretary and be made available to any member of the public who wishes to inspect the same.

Section 6. Further Action. The City Secretary is hereby authorized and directed to take such other actions as are required, including providing notice of the Public Hearing as required by the Texas Open Meetings Act and placing the Public Hearing on the agenda for the June 27, 2024 meeting of the City Council.

[Signature Page Follows]

DULY RESOLVED by the City Council of the City of Baytown, Texas, on the 23rd day of May, 2024.

Mayor

ATTEST:

APPROVED:

City Clerk

City Attorney

EXHIBIT A

CITY OF BAYTOWN NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN THAT a public hearing will be conducted by the City Council of the City of Baytown, Texas for 6:30 p.m. on June 27, 2024 at the regular meeting place of the City, the City Council Chamber at Baytown City Hall, 2401 Market Street, Baytown, Texas 77522. The public hearing will be held to consider proposed assessments to be levied against certain assessable property in Phase #1 of the Bay Creek Public Improvement District (the "District") pursuant to the provisions of Chapter 372 of the Texas Local Government Code, as amended (the "Act").

The general nature of the proposed public improvements (collectively, the "Authorized Improvements") may include: (i) street and roadway improvements, including related sidewalks, drainage, utility relocation, signalization, landscaping, lighting, signage, off-street parking and right-of-way; (ii) establishment or improvement of parks and open space, together with the design, construction and maintenance of any ancillary structures, features or amenities such as trails, playgrounds, walkways, lighting and any similar items located therein; (iii) sidewalks and landscaping, including entry monuments and features, fountains, lighting and signage; (iv) acquisition, construction, and improvement of water, wastewater and drainage improvements and facilities; (v) projects similar to those listed in subsections (i) - (iv) above authorized by the Act, including similar off-site projects that provide a benefit to the property within the District; (vi) special supplemental services for improvement and promotion of the District; (vii) payment of costs associated with operating and maintaining the public improvements listed in subparagraphs (i) – (v) above; and (viii) payment of costs associated with developing and financing the public improvements listed in subparagraphs (i) - (v) above, and costs of establishing, administering and operating the District. These Authorized Improvements shall promote the interests of the City and confer a special benefit upon Phase #1 of the District.

The estimated cost to design, acquire and construct the Authorized Improvements, together with bond issuance costs, eligible legal and financial fees, eligible credit enhancement costs and eligible costs incurred in the establishment, administration and operation of the District is \$20,000,000. The City will pay no costs of the Authorized Improvements, supplemental services or operation and maintenance costs from funds other than assessments levied on property within the District. The remaining costs of the proposed improvements will be paid from sources other than those described above.

The proposed District is composed of approximately 70 acres located generally 1.4 miles north of Interstate 10 and bounded by the east by Ellis Branch creek and the west by North Main Street. A metes and bounds description of the proposed District is available for inspection at the City Secretary's office at Baytown City Hall, 2401 Market Street, Baytown, Texas 77520.

All written or oral objections relating to the levy of the proposed assessments will be considered at the public hearing.

A copy of the Preliminary Amended and Restated Service and Assessment Plan, including the proposed Assessment Roll, for Phase #1 of the District, which includes the Assessments to be levied against each parcel in Phase #1 of the District is available for public inspection at the office of the City Secretary, 2401 Market Street, Baytown, Texas 77520.

EXHIBIT B

PRELIMINARY SERVICE AND ASSESSMENT PLAN

BAY CREEK PUBLIC IMPROVEMENT DISTRICT

CITY OF BAYTOWN, TEXAS

PRELIMINARY SERVICE AND ASSESSMENT PLAN

May 23, 2024

PREPARED BY:

MUNICAP, INC.
— PUBLIC FINANCE —

BAY CREEK PUBLIC IMPROVEMENT DISTRICT

PRELIMINARY SERVICE AND ASSESSMENT PLAN

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APPENDIX G – PROPOSED PHASE #1 ASSESSMENT ROLL

I. PLAN DESCRIPTION AND DEFINED TERMS

A. INTRODUCTION

On October 14, 2021, the City Council of the City of Baytown, Texas passed and approved Resolution No. 2750 approving and authorizing the creation of the Bay Creek Public Improvement District (the “PID”) to finance the costs of certain public improvements for the benefit of property in such public improvement district, all of which is located within the City of Baytown.

The property in the PID is proposed to be developed in multiple phases, and the PID will finance public improvements as the property within the PID is developed. Assessments will be imposed on all property in the PID for the public improvements that benefit the entire PID and on the property in each phase for the public improvements to be constructed for the benefit of that phase.

Chapter 372 of the Texas Local Government Code, the “Public Improvement Assessment Act” (as amended, the “PID Act”), governs the creation and operation of public improvement districts within the State of Texas. This Bay Creek Public Improvement District Service and Assessment Plan (the “Service and Assessment Plan”) has been prepared in accordance with the PID Act and specifically Sections 372.013, 372.014, 372.015 and 372.016, which address the requirements of a service and assessment plan and the assessment roll. According to Section 372.013 of the PID Act, a service plan “must (1) cover a period of at least five years; (2) define the annual indebtedness and the projected costs for improvements; and (3) include a copy of the notice form required by Section 5.014, Property Code.” Additionally, the PID act requires that “the governing body of the municipality or county shall review and update the service plan annually for the purpose of determining the annual budget for improvements.” The service plan is described in Section IV of this Service and Assessment Plan. The copy of the notice form required by Section 5.014 of the Texas Property Code, as amended, is attached hereto as Appendix E.

Section 372.014 of the PID Act requires that “an assessment plan must be included in the annual service plan.” The assessment plan is described in Section V of this Service and Assessment Plan.

Section 372.015 of the PID Act requires that “the governing body of the municipality or county shall apportion the cost of an improvement to be assessed against property in an improvement district.” The method of assessing the costs of the Authorized Improvements and apportionment of such costs to the property in the PID is included in Section V of this Service and Assessment Plan.

Section 372.016 of the PID Act requires that “after the total cost of an improvement is determined, the governing body of the municipality or county shall prepare a proposed assessment roll. The roll must state the assessment against each parcel of land in the district, as determined by the method of assessment chosen by the municipality or county under this subchapter.” The Phase #1 Assessment Roll is included as Appendix G of this Service and Assessment Plan. The Assessments as shown in the Assessment Roll are based on the method of assessment and apportionment of costs described in Section V of this Service and Assessment Plan.

B. DEFINITIONS

Capitalized terms used herein shall have the meanings ascribed to them as follows:

“Actual Cost(s)” means, with respect to an Authorized Improvement, the demonstrated, reasonable, allocable, and allowable costs of constructing such Authorized Improvement, as specified in a Certification for Payment that has been reviewed and approved by the City. Actual Cost may include (a) the costs for the design, planning, financing, administration, management, acquisition, installation, construction and/or implementation of such Authorized Improvement, including general contractor construction management fees, if any, (b) the costs of preparing the construction plans for such Authorized Improvement, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Authorized Improvement, (d) the costs for external professional costs associated with such Authorized Improvement, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services, and property taxes (e) the costs of all labor, bonds and materials, including equipment and fixtures, incurred by contractors, builders and material men in connection with the acquisition, construction or implementation of the Authorized Improvements, (f) all related permitting, zoning and public approval expenses, architectural, engineering, legal, and consulting fees, financing charges, taxes, governmental fees and charges (including inspection fees, City permit fees, development fees), insurance premiums, miscellaneous expenses, and all advances and payments for Administrative Expenses.

Actual Costs may include general contractor’s fees in an amount up to a percentage equal to the percentage of work completed and accepted by the City or construction management fees in an amount up to five percent of the eligible Actual Costs described in a Certification for Payment. The amounts expended on legal costs, taxes, governmental fees, insurance premiums, permits, financing costs, and appraisals shall be excluded from the base upon which the general contractor and construction management fees are calculated.

“Additional Interest” means the 0.50% additional interest rate charged on Assessments (if applicable) pursuant to Section 327.018 of the PID Act.

“Administrative Expenses” mean the administrative, organization, maintenance and operation costs associated with, or incident to, the administration, organization, maintenance and operation of the PID, including, but not limited to, the costs of: (i) creating and organizing the PID, including conducting hearings, preparing notices and petitions, and all costs incident thereto, including engineering fees, legal fees and consultant fees, (ii) the annual administrative, organization, and operation costs and expenses associated with, or incident and allocable to, the administration, organization, and operation of the PID, (iii) computing, levying, billing and collecting Assessments or the Annual Installments thereof, (iv) maintaining the record of installments of the Assessments and the system of registration and transfer of the Bonds, (v) paying and redeeming the Bonds, (vi) investing or depositing of monies, (vii) complying with the PID Act and other laws applicable to the Bonds, (viii) the Trustee fees and expenses relating to the Bonds, including reasonable fees, (ix) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, and (x) administering the construction of the Authorized

Improvements. Administrative Expenses do not include payment of the actual principal of, redemption premium, if any, and interest on the Bonds. Administrative Expenses collected and not expended for actual Administrative Expenses in one year may be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid the over-collection of amounts to pay Administrative Expenses.

“Administrator” means the employee or designee of the City, identified in any indenture of trust relating to the Bonds or in any other agreement approved by the City Council, who shall have the responsibilities provided for herein.

“Annual Installment” means, with respect to each Parcel, each annual payment of: (i) the Assessments including both principal and interest, as shown on the Assessment Rolls attached hereto Appendix G, or in an Annual Service Plan Update, and calculated as provided in Section VI of this Service and Assessment Plan, (ii) plus additional interest, upon the issuance of Bonds, (iii) and the Administrative Expenses.

“Annual Service Plan Update” has the meaning set forth in Section IV.A of this Service and Assessment Plan.

“Assessed Property” means the property that benefits from the Authorized Improvements to be provided by the PID on which Assessments have been imposed as shown in each Assessment Roll, as each Assessment Roll is updated each year by the Annual Service Plan Update. Assessed Property includes all Parcels within the PID other than Non-Benefited Property.

“Assessment” means an assessment levied against a Parcel or Lot imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on any Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and the PID Act.

“Assessment Ordinance” means an Assessment Ordinance adopted by the City Council approving the Service and Assessment Plan (including amendments or supplements to the Service and Assessment Plan) and levying the Assessments.

“Assessment Revenues” mean the revenues actually received by or on behalf of the City from the collection of Assessments.

“Assessment Roll” means the Phase #1 Assessment Roll or any other Assessment Roll in an amendment or supplement to this Service and Assessment Plan or in an Annual Service Plan Update.

“Authorized Improvements” mean those public improvements described in Appendix B of this Service and Assessment Plan and Section 372.003 of the PID Act, constructed and installed in accordance with this Service and Assessment Plan, and any future updates and/or amendments.

“Bonds” mean bonds, if any, issued by the City in one or more series and secured in whole or in part by the Assessment Revenues.

“Budgeted Cost(s)” means the amounts budgeted to construct the Authorized Improvements as used in the preparation of this Service and Assessment Plan.

“City” means the City of Baytown, Texas.

“City Council” means the duly elected governing body of the City.

“County” means Harris County, Texas.

“Delinquent Collection Costs” mean interest, penalties and expenses incurred or imposed with respect to any delinquent installment of an Assessment in accordance with the PID Act and the costs related to pursuing collection of a delinquent Assessment and foreclosing the lien against the Assessed Property, including attorney’s fees.

“Developer” means Castlerock Communities, LLC, a Texas limited liability company.

“Development Agreement” means that certain "Development Agreement" relating to the PID executed by and between the Developer and the City effective October 21, 2021, as the same may be amended from time to time.

“Future Phase(s)” means Phases that are fully developed after Phase #1, as such areas are generally depicted and described in Appendix A.

“Future Phase Assessed Property” means all Parcels within the Future Phases other than Non-Benefited Property.

“Future Phase Bonds” mean bonds issued to fund Future Phase Improvements (or a portion thereof) in a Future Phase that are secured by Assessments levied on Future Phase Assessed Property. In connection with Future Phase Bonds, Assessments related to such Future Phase Bonds will be levied only on property located within the applicable Future Phase to finance Authorized Improvements which will only benefit such Future Phase.

“Future Phase Improvements” mean those Authorized Improvements which will confer a special benefit solely related to the Future Phases.

“Homeowner Association” means a homeowner’s association or property owners’ association established for the benefit of property owners within the boundaries of the PID.

“Homeowner Association Property” means property within the boundaries of the PID that is owned by or irrevocably offered for dedication to, whether in fee simple or through an exclusive use easement, a Homeowner’s Association.

“Lot” means a tract of land described as a “lot” in a subdivision plat recorded in the official public records of the County.

“Lot Type” means a classification of final building lots with similar characteristics (e.g. commercial, light industrial, multifamily residential, single family residential, etc.), as determined by the Administrator and confirmed by the City Council as shown in Appendix F. In the case of single family residential lots, the Lot Type shall be further defined by classifying the residential lots by the estimated average home value for each home at the time of assessment levy, considering factors such as density, lot size, proximity to amenities, view premiums, location, and any other factors that may impact the average home value on the lot, as determined by the Administrator and confirmed by the City Council.

“Major Improvements” mean the Authorized Improvements which benefit all Assessed Property within the PID and are described in Section III.B.

“Non-Benefited Property” means Parcels that accrue no special benefit from the Authorized Improvements, Public Property and easements that create an exclusive use for a public utility provider to the extent they accrue no special benefit. Property identified as Non-Benefited Property at the time the Assessments (i) are imposed or (ii) are reallocated pursuant to a subdivision of a Parcel, that is not assessed. Assessed Property converted to Non-Benefited Property, if the Assessments may not be reallocated pursuant to the provisions herein, remains subject to the Assessments and requires the Assessments to be prepaid as provided for in Section VI.D.

“Parcel” or **“Parcels”** means a parcel or parcels within the PID identified by either a tax map identification number assigned by the Harris Central Appraisal District for real property tax purposes or by lot and block number in a final subdivision plat recorded in the real property records of the County, or by any other means determined by the City.

“Phase” means one or more Parcels within the PID that will be developed in the same general time period. The Parcels within a Phase will be assessed in connection with the issuance of Bonds and/or execution of a Reimbursement Agreement for Authorized Improvements (or the portion thereof) designated in an update to this Service and Assessment Plan that specially benefit the Parcels within the Phase.

“Phase #1” means the initial Phase to be developed and generally shown in Appendix A, as specifically depicted and described as the sum of all Parcels shown in Appendix G.

“Phase #1 Assessed Property” means all Parcels within Phase #1 other than Non-Benefited Property and shown in the Phase #1 Assessment Roll against which an Assessment relating to the Phase #1 Projects are levied.

“Phase #1 Assessments” mean an assessment levied against a Parcel in Phase #1, for Phase #1 Projects, imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Phase #1 Assessment Roll as Appendix G, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and the PID Act.

“Phase #1 Assessment Revenues” mean the actual revenues received by or on behalf of the City from the collection of Phase #1 Assessments levied against Phase #1 Assessed Property, or the Annual Installments thereof, for the Phase #1 Projects.

“Phase #1 Assessment Roll” means the document included in this Service and Assessment Plan as Appendix G, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of Bonds, if any, or in connection with any Annual Service Plan Update.

“Phase #1 Improvements” mean the Authorized Improvements which only benefit Phase #1 Assessed Property, which are described in Section III.C.

“Phase #1 Maximum Assessment Per Unit” means for Phase #1, an Assessment per unit for Phase #1 Authorized Improvements for each applicable Lot Type as follows:

Lot Type 1 - \$35,535.56

Lot Type 2 - \$31,641.25

“Phase #1 Projects” mean (i) the pro rata portion of the Major Improvements allocable to Phase #1, and (ii) the Phase #1 Improvements.

“Phase #1 Reimbursement Agreement” means that certain Bay Creek Public Improvement District Phase #1 Reimbursement Agreement dated as of [REDACTED], 20[REDACTED] by and between the City and the Developer in which the Developer agrees to fund certain Actual Costs of Authorized Improvements and the City agrees to reimburse the Developer for a portion of such Actual Costs funded by the Developer with interest as permitted by the PID Act.

“PID” has the meaning set forth in Section I.A of this Service and Assessment Plan.

“PID Act” means Texas Local Government Code Chapter 372, Public Improvement District Assessment Act, Subchapter A, Public Improvement Districts, as amended.

“Prepayment Costs” mean interest and expenses to the date of prepayment, plus any additional expenses related to the prepayment, reasonably expected to be incurred by or imposed upon the City as a result of any prepayment of an Assessment.

“Public Property” means property within the boundaries of the PID that is owned by or irrevocably offered for dedication to the federal government, the State of Texas, Harris County, the City, a school district or any other public agency, whether in fee simple or through an exclusive use easement.

“Reimbursement Agreement” means those certain Reimbursement Agreements by, including the Phase #1 Reimbursement Agreement, by and between the City and the Developer in which the City agrees to reimburse the Developer for a portion of those Actual Costs of Authorized Improvements funded by the Developer, as permitted by the PID Act.

“Service and Assessment Plan or “SAP” means this Service and Assessment Plan prepared for the PID pursuant to the PID Act, as the same may be amended from time to time.

“Trustee” means the fiscal agent or trustee as specified in the Trust Indenture, including a substitute fiscal agent or trustee.

“Trust Indenture” means an indenture of trust, ordinance or similar document setting forth the terms and other provisions relating to the Bonds, as modified, amended, and/or supplemented from time to time.

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II. PROPERTY INCLUDED IN THE PID

A. PROPERTY INCLUDED IN THE PID

The PID is presently located within the City and contains approximately 76.086 acres of land. A map of the property within the PID is shown in Appendix A and described in Appendix C to this Service and Assessment Plan.

At completion, the PID is expected to consist of approximately 272 single family residential units, landscaping, and infrastructure necessary to provide roadways, drainage, and utilities to the PID. The estimated number of lots and the classification of each lot are based upon the proposed development plan.

The property within the PID is proposed to be developed as follows:

Table II-A
Proposed Development

Proposed Development	Quantity	Measurement
55 Ft Lots	62	Units
50 Ft Lots	210	Units
Total	272	Units

B. PROPERTY INCLUDED IN PHASE #1

Phase #1 consists of approximately 41.954 acres and is projected to consist of 143 single family residential units, as further described in Section III. A map of the property within Phase #1 is shown in Appendix A.

The property within Phase #1 is proposed to be developed as follows:

Table II-B
Proposed Development – Phase #1

Proposed Development	Quantity	Measurement
55 Ft Lots	35	Units
50 Ft Lots	108	Units
Total	143	Units

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C. PROPERTY INCLUDED IN FUTURE PHASES

As Future Phases are developed, Bonds may be issued and/or additional Reimbursement Agreements may be executed for each new Phase. In connection with the issuance of a series of Bonds and/or execution of a Reimbursement Agreement relating to a Future Phase, this Service and Assessment Plan will be updated to add additional details of each new Phase(s) similar to what is shown for Phase #1 in Section II.B. A map of the projected property within each Future Phase is shown in Appendix A. The Future Phases are shown for illustrative purposes only and are subject to adjustment. The current Parcels in Phase #1 are shown on the Phase #1 Assessment Roll included as Appendix G.

The estimated number of units at the build-out of the PID is based on the land use approvals for the property, the anticipated subdivision of property in the PID, and the Developer's estimate of the highest and best use of the property within the PID.

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III. DESCRIPTION OF THE AUTHORIZED IMPROVEMENTS

A. AUTHORIZED IMPROVEMENT OVERVIEW

372.003. Authorized Improvements

(a) If the governing body of a municipality or county finds that it promotes the interests of the municipality or county, the governing body may undertake an improvement project that confers a special benefit on a definable part of the municipality or county or the municipality's extraterritorial jurisdiction. A project may be undertaken in the municipality or county or the municipality's extraterritorial jurisdiction.

(b) A public improvement may include:

- (i) landscaping;
- (ii) erection of fountains, distinctive lighting, and signs;
- (iii) acquiring, constructing, improving, widening, narrowing, closing, or rerouting of sidewalks or of streets, any other roadways, or their rights-of way;
- (iv) construction or improvement of pedestrian malls;
- (v) acquisition and installation of pieces of art;
- (vi) acquisition, construction, or improvement of libraries;
- (vii) acquisition, construction, or improvement of off-street parking facilities;
- (viii) acquisition, construction, improvement, or rerouting of mass transportation facilities;
- (ix) acquisition, construction, or improvement of water, wastewater, or drainage facilities or improvements;
- (x) the establishment or improvement of parks;
- (xi) projects similar to those listed in Subdivisions (i)-(x);
- (xii) acquisition, by purchase or otherwise, of real property in connection with an authorized improvement;
- (xiii) special supplemental services for improvement and promotion of the district, including services relating to advertising, promotion, health and sanitation, water and wastewater, public safety, security, business recruitment, development, recreation, and cultural enhancement;
- (xiv) payment of expenses incurred in the establishment, administration and operation of the district; and
- (xv) the development, rehabilitation, or expansion of affordable housing

After analyzing the public improvement projects authorized by the PID Act, the City has determined at this time to undertake only Authorized Improvements listed in Section III.B and Section III.C and shown in the opinion of probable costs and on the diagrams of the Authorized Improvements included as Appendix B and Appendix D, respectively, for the benefit of the Assessed Property. Any change to the list of Authorized Improvements will require the approval of the City and an update to this Service and Assessment Plan.

B. DESCRIPTIONS AND BUDGETED COSTS OF MAJOR IMPROVEMENTS

The Major Improvements benefit the entire PID. The Budgeted Costs of the Major Improvements are allocated proportionally throughout the entire PID, excluding Non-Benefited Property, in a manner that anticipates planned development of the PID based on the anticipated buildout value. Each of the Phase #1 and the Future Phases will be proportionally allocated the costs of the Major Improvements, as shown in Table III-A.

The Major Improvements descriptions are presented below as provided by the project engineer. The Budgeted Costs of the Major Improvements are shown in Table III-A. The costs shown in Table III-A are estimates and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within the PID.

A description of the Major Improvements follows:

Water Improvements

The water improvement portion of the Major Improvements consists of construction and installation of waterline mains, valves, and appurtenances, necessary for the water distribution system that will service the Assessed Property. The water improvements will be designed and constructed according to City standards and specifications and will be owned and operated by the City.

Sanitary Sewer Improvements:

The sanitary sewer improvement portion within Phase #1 consist of construction and installation of pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to the Assessed Property. The sanitary sewer improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Storm Drainage Improvements

The storm drainage improvement portion of the Major Improvements consist of reinforced concrete pipes, reinforced concrete boxes, multi-reinforced box culverts, junction boxes, inlets, headwalls, appurtenances, and regional detention necessary to provide adequate drainage to the Assessed Property. The storm drainage collection system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Landscaping, Parks, and Trail Improvements:

The detention, landscaping, and trail improvement portion within Phase #1 consists of trailhead, lighting, water fountains and amenities. The detention, landscaping, and trail improvements will be designed and constructed according to City standards and will be owned and operated by the City.

Other soft and miscellaneous costs

The soft and miscellaneous costs portion of the Major Improvements consists of engineering and surveying, project management fees, contingency, PID set up costs, and other soft and miscellaneous costs.

Table III-A
Budgeted Costs – Major Improvements

Authorized Improvements	Total Major Improvement Costs¹	Phase #1 Allocated Amount²	Future Phases Allocated Amount²
Water improvements	\$33,098	\$17,436	\$15,662
Sanitary sewer improvements	\$1,089,140	\$573,752	\$515,388
Storm drainage improvements	\$513,050	\$270,271	\$242,779
Landscaping, parks, and trails improvements	\$2,000,000	\$1,053,587	\$946,413
Other soft and miscellaneous costs	\$57,467	\$30,273	\$27,194
Total Authorized Improvements	\$3,692,754	\$1,945,319	\$1,747,435

1 - The Budgeted Costs are certified and provided by CobbFendley. The figures shown in Table III-A represent the Budgeted Costs of the Major Improvements, are rounded, and may be reallocated between line items. At this time, the City is levying Assessments for the costs of the Major Improvements allocated to Phase #1, only, and is not levying Assessments for the costs of the Major Improvements allocated to Future Phases, though such costs may be levied for as part of Future Phases levies.

2 - Allocation of Major Improvements are based on the methodologies described in V.C and shown in Table V.A.

C. DESCRIPTIONS AND COSTS OF PHASE #1 AUTHORIZED IMPROVEMENTS

The Phase #1 Improvements descriptions are presented below as provided by the project engineer. The Budgeted Costs of the Phase #1 Projects are shown in Table III-B. The costs shown in Table III-B are estimates and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within the PID.

A description of the Phase #1 Improvements are as follows, and a description of the Major Improvements that are a portion of the Phase #1 Projects can be found in Section III-B above.

Roadway Improvements:

The roadway improvement portion within Phase #1 includes construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Water Improvements:

The water improvement portion within Phase #1 consists of construction and installation of waterlines, mains, pipes, valves, and appurtenances, necessary for the water distribution system that will service the Phase #1 Assessed Property. The water improvements will be designed and

constructed in accordance with City standards and specifications and will be owned and operated by the City.

Sanitary Sewer Improvements:

The sanitary sewer improvement portion within Phase #1 consist of construction and installation of pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to the Phase #1 Assessed Property. The sanitary sewer improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Storm Drainage Improvements:

The storm drainage improvement portion within Phase #1 consist of reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts. The storm drainage collection system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Other Soft and Miscellaneous Costs:

The other soft and miscellaneous costs include costs related to general conditions, contractor overhead, performance bond and insurance, project management fee, contingency, and other soft costs.

Table III-B
Budgeted Costs - Phase #1 Projects

Authorized Improvements	Phase #1's Share of Major Improvements¹	Phase #1 Improvements²	Total Phase #1 Projects
Roadway improvements	\$0	\$1,836,970	\$1,836,970
Water improvements	\$17,436	\$501,875	\$519,310
Sanitary sewer improvements	\$573,752	\$878,638	\$1,452,390
Storm drainage improvements	\$270,271	\$1,673,966	\$1,944,237
Landscaping, parks, and trails improvements	\$1,053,587	\$0	\$1,053,587
Other soft and miscellaneous costs	\$30,273	\$244,572	\$274,845
Total	\$1,945,319	\$5,136,021	\$7,081,340

1 - See Table III-A. Allocation of Major Improvements are based on the methodologies described in V.C and shown in Table V.A.

2 - The Budgeted Costs are certified and provided by CobbFendley.

The costs shown in Tables III-B are estimates and may be revised in the Annual Service Plan Updates. The detailed costs of the Authorized Improvements are shown in Appendix B to this Service and Assessment Plan. After completion of the Phase #1 Improvements, savings from one

line item may be applied to a cost increase in another line item only upon approval from the City. These savings may be applied only to increases in costs of the Phase #1 Improvements.

D. FUTURE PHASES

As Future Phases are developed and Bonds are issued and/or a Reimbursement Agreement is executed, this SAP will be amended to identify the specific Authorized Improvements that confer a special benefit to the property inside each Future Phase (e.g. a Table III-C will be added to show the costs for the specific Authorized Improvements financed within the specific Future Phase being developed).

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IV. SERVICE PLAN

A. PROJECTED SOURCES AND USES OF FUNDS

The PID Act requires the service plan to cover a period of at least five years. The service plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the PID during the five-year period. It is anticipated that the Phase #1 Improvements will be completed and accepted by the City in the fourth quarter of 2024. It is anticipated that the Major Improvements, including Phase #1's allocable share of the Major Improvements, will be completed and accepted by the City in the fourth quarter of 2024.

The Budgeted Costs of the Phase #1 Projects plus costs related to the Phase #1 Reimbursement Agreement, and payment of expenses incurred in the establishment, administration and operation of the PID are \$7,156,340 as shown in Table IV-A. The service plan shall be reviewed and updated at least annually for the purpose of determining the annual budget for Administrative Expenses, updating the Actual Costs of the Authorized Improvements, and updating the Assessment Roll(s). Any update to this Service and Assessment Plan is herein referred to as an "Annual Service Plan Update."

As Future Phases are developed in connection with the issuance of Bonds and/ or execution of a Reimbursement Agreement, this Service and Assessment Plan will be amended (e.g., Table IV-B will be amended to include Phase #2, etc.).

The City may issue Bonds and/or enter into a Reimbursement Agreement with the Developer to reimburse the Developer for the Actual Costs of the Authorized Improvements constructed, inspected and approved by the City from Assessment Revenues collected (excluding amounts collected for Administrative Expenses or Additional Interest). The sources and uses of funds shown in Table IV-A shall be updated each year in the Annual Service Plan Update to reflect any budget revisions and Actual Costs.

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Table IV-A
Projected Sources and Uses – Phase #1 Projects

Sources of Funds	Total
Assessment Amount	\$4,661,000
Other funding sources ¹	\$2,495,340
Total Sources	\$7,156,340
Uses of Funds	
<i>Major Improvements²:</i>	
Water improvements	\$17,436
Sanitary sewer improvements	\$573,752
Storm drainage improvements	\$270,271
Landscaping, parks, and trails improvements	\$1,053,587
Other soft and miscellaneous costs	\$30,273
<i>Subtotal Major Improvement costs</i>	<i>\$1,945,319</i>
<i>Phase #1 Improvements:</i>	
Roadway improvements	\$1,836,970
Water improvements	\$501,875
Sanitary sewer improvements	\$878,638
Storm drainage improvements	\$1,673,966
Other soft and miscellaneous costs	\$244,572
<i>Subtotal Phase #1 costs</i>	<i>\$5,136,021</i>
<i>Other Assessment Related Costs:</i>	
Assessment levy fee and first year Administrative Expenses ³	\$75,000
<i>Subtotal Other Assessment Related Costs</i>	<i>\$75,000</i>
Total Uses	\$7,156,340

1 – Other funding sources include all sources of capital for use at the discretion by the Developer, except for Bond Proceeds from the PID Bonds.

2 – Includes only Major Improvement costs allocable to Phase #1. See Table III-B for more details.

3 – First year Administrative Expenses are being funded by the Developer.

B. PROJECTED FIVE -YEAR SERVICE PLAN

The annual projected costs and annual projected indebtedness is shown in Table IV-B. The annual projected costs and indebtedness is subject to revision and each shall be updated in the Annual Service Plan Update to reflect any changes in the costs or indebtedness expected for each year.

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Table IV-B
Annual Projected Costs and Annual Projected Indebtedness
Phase #1

Year	Annual Projected Cost	Annual Projected Indebtedness	Other Funding Sources	Projected Annual Installments
1 ¹	\$7,156,340	\$4,661,000	\$2,495,340	\$0
2	\$0	\$0	\$0	\$384,279
3	\$0	\$0	\$0	\$383,926
4	\$0	\$0	\$0	\$384,422
5	\$0	\$0	\$0	\$383,709
6	\$0	\$0	\$0	\$382,844
7	\$0	\$0	\$0	\$382,829
Total	\$7,156,340	\$4,661,000	\$2,495,340	\$2,302,008

1 – First year Administrative Expenses are being funded by the Developer.

The annual projected costs shown in Table IV-B are the annual expenditures relating to the Phase #1 Projects shown in Table III-A, the costs associated with creating the PID, and other assessment related costs. The difference between the total projected cost and the total projected indebtedness, if any, is the amount contributed by the Developer.

C. PID ASSESSMENT NOTICE

The PID Act requires that this Service and Assessment Plan, and each Annual Service Plan Update, include a copy of the “PID Assessment Notice” form (required by Section 5.014 of the Texas Property Code). The PID Assessment Notice is attached hereto as Appendix E and may be updated in an Annual Service Plan Update.

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V. ASSESSMENT PLAN

A. INTRODUCTION

The PID Act requires the City Council to apportion the costs of the Authorized Improvements on the basis of special benefits conferred upon the property because of the Authorized Improvements. The PID Act provides that the costs of the Authorized Improvements may be assessed: (i) equally per front foot or square foot; (ii) according to the value of the property as determined by the governing body, with or without regard to improvements on the property; or (iii) in any other manner that results in imposing equal shares of the cost on property similarly benefited. The PID Act further provides that the governing body may establish by ordinance or order reasonable classifications and formulas for the apportionment of the cost between the municipality and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

The proposed Authorized Improvement program anticipates reimbursement agreements potentially followed by a series of bond financings that are intended to finance the public infrastructure required for the development. This financing will necessarily be undertaken in phases to coincide with the private investment and development of the Authorized Improvements. Following the execution of the Phase #1 Reimbursement Agreement subsequent financings may be issued and/ or executed over the upcoming decade as the subsequent Future Phases are gradually constructed.

The purpose of this gradual levy of Assessment and related execution of a reimbursement agreement and/ or issuance of bonds in phases is to mirror the actual private development of the Authorized Improvements. The levy of Assessment and related execution of a reimbursement agreement and/ or issuance of bonds are most prudently and efficiently utilized when directly coinciding with construction of public infrastructure needed for private development that is to occur once the infrastructure is completed; it is most effective to issue the Bonds and/ or execute the reimbursement agreement when the infrastructure is needed, not before. Furthermore, there is no economic advantage, and several disadvantages, to issuing debt and encumbering property within the PID prior to the need for the Authorized Improvements.

For purposes of this Service and Assessment Plan, the City Council has determined that the costs of the Major Improvements and Phase #1 Improvements shall be allocated as described below:

1. The costs of the Phase #1 Improvements that only benefit Phase #1 shall be allocated on the basis of buildout value calculated using the average home price of each Lot Type once such property is developed, and that such method of allocation will result in the imposition of equal shares of the costs of the Authorized Improvements to Parcels similarly benefited.
2. The Major Improvement costs are proportionally allocated to Future Phases and Phase #1 Assessed Property based on estimated buildout value calculated using the average home price for the Future Phases and Phase #1 Assessed Property.

Table V-A provides the estimated allocation of Budgeted Costs of the Authorized Improvements constituting Major Improvements.

At this time, it is impossible to determine with absolute certainty the amount of special benefit each Parcel within Future Phases will receive from the direct Authorized Improvements that will benefit each individual Phase and that are to be financed with Future Phase Bonds and/or a related reimbursement agreement. Therefore, Parcels will only be assessed for the special benefits conferred upon the Parcel at this time because of the Phase #1 Projects, as applicable.

In connection with the issuance of Future Phase Bonds and/or execution of related reimbursement agreements, this Service and Assessment Plan will be updated to reflect the special benefit each Parcel of Phase #1 Assessed Property within a Future Phase receives from the specific Authorized Improvements funded with those Future Phase Bonds issued and/ or reimbursement agreements executed with respect to that Future Phase. Prior to assessing Parcels located within Future Phases in connection with issuance of Future Phase Bonds and/ or execution of reimbursement agreements, each owner of the Parcels to be assessed must acknowledge that the Authorized Improvements to be financed confer a special benefit on their Parcel and must consent to the imposition of the Assessments to pay for the Actual Costs of such Authorized Improvements.

This section of this Service and Assessment Plan currently (i) describes the special benefit received by each Parcel within the PID as a result of the Major Improvements and within Phase #1 as a result of the Phase #1 Improvements, as applicable, (ii) provides the basis and justification for the determination that this special benefit exceeds the amount of the Assessments to be levied on the Phase #1 Assessed Property, and (iii) establishes the methodologies by which the City Council allocates and reallocates the special benefit of the Major Improvements and Phase #1 Improvements, as applicable, to Parcels in a manner that results in equal shares of the Actual Costs of such improvements being apportioned to Parcels similarly benefited. The determination by the City Council of the assessment methodologies set forth below is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Developer and all future owners and developers of the Phase #1 Assessed Property.

As Future Phases are developed, in connection with the issuance of Future Phase Bonds and/ or execution of related reimbursement agreements, this Service and Assessment Plan will be updated based on the City's determination of the assessment methodology for each Future Phase.

B. SPECIAL BENEFIT

Assessed Property must receive a direct and special benefit from the Authorized Improvements, and this benefit must be equal to or greater than the amount of the Assessments. The Authorized Improvements are provided specifically for the benefit of the Assessed Property. The Phase #1 Projects (more particularly described in line-item format in Appendix B to this Service and Assessment Plan) and the costs of issuance and payment of costs incurred in the establishment of the PID shown in Table IV-A are authorized by the PID Act. These Phase #1 Projects are provided specifically for the benefit of the Phase #1 Assessed Property.

Each owner of the Phase #1 Assessed Property has acknowledged that the Phase #1 Projects confer a special benefit on the Phase #1 Assessed Property and has consented to the imposition of the Phase #1 Assessments to pay for the Actual Costs associated therewith. Each of the owners is acting in its interest in consenting to this apportionment and levying of the Phase #1 Assessments because the special benefit conferred upon the Phase #1 Assessed Property by the Authorized Improvements exceeds the amount of the Assessments.

The Phase #1 Projects provide a special benefit to the Phase #1 Assessed Property as a result of the close proximity of these improvements to the Phase #1 Assessed Property and the specific purpose of these improvements of providing infrastructure for the Phase #1 Assessed Property. In other words, Phase #1 Assessed Property could not be used in the manner proposed without the construction of the Phase #1 Projects. Phase #1 Projects are being provided specifically to meet the needs of the Phase #1 Assessed Property as required for the proposed use of the property.

The Phase #1 Assessments are being levied to provide the Phase #1 Projects that are required for the highest and best use of the Phase #1 Assessed Property (i.e., the use of the property that is most valuable, including any costs associated with that use). Highest and best use can be defined as “the reasonably probable and legal use of property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.” (*Dictionary of Real Estate Appraisal, Third Edition.*) Phase #1 Projects are expected to be required for the proposed use of the Phase #1 Assessed Property to be physically possible, appropriately supported, financially feasible, and maximally productive.

The Developer has evaluated the potential use of the property and has determined that the highest and best use of the property is the use intended and the legal use for the property as described in Section II of this Service and Assessment Plan. The use of the Phase #1 Assessed Property as described herein will require the construction of the Phase #1 Projects.

Each owner of the Phase #1 Assessed Property will ratify, confirm, accept, agree to and approve: (i) the determinations and finding by the City Council as to the special benefits described in this Service and Assessment Plan and the Assessment Ordinance; (ii) the Service and Assessment Plan and the Assessment Ordinance, and (iii) the levying of Phase #1 Assessments on the Phase #1 Assessed Property. Use of the Phase #1 Assessed Property as described in this Service and Assessment Plan and as authorized by the PID Act requires that Phase #1 Projects be acquired, constructed, installed, and/or improved. Funding the Actual Costs of the Authorized Improvements through the PID has been determined by the City Council to be the most beneficial means of doing so. As a result, the Phase #1 Projects result in a special benefit to the Phase #1 Assessed Property, and this special benefit exceeds the amount of the Assessment. This conclusion is based on and supported by the evidence, information, and testimony provided to the City Council.

In summary, the Phase #1 Projects result in a special benefit to the Phase #1 Assessed Property for the following reasons:

1. The Phase #1 Projects are being provided specifically for the use of the Phase #1 Assessed Property, are necessary for the proposed best use of the property and provide a special benefit to the Phase #1 Assessed Property as a result.

2. The Developer has consented to the imposition of the Phase #1 Assessments for the purpose of providing the Authorized Improvements and the Developer is acting in its interest by consenting to this imposition.
3. The Phase #1 Projects are required for the highest and best use of the property;
4. The highest and best use of the Phase #1 Assessed Property is the use of the Phase #1 Assessed Property that is most valuable (including any costs associated with the use of the Phase #1 Assessed Property);
5. Financing of the costs of the Phase #1 Projects through the PID is determined to be the most beneficial means of providing for the Phase #1 Projects; and,
6. As a result, the special benefits to the Phase #1 Assessed Property from the Phase #1 Projects will be equal to or greater than the Phase #1 Assessments

C. ALLOCATION OF COSTS TO ASSESSED PROPERTY

The Major Improvements will provide a special benefit to all property in the PID. Accordingly, the Budgeted Major Improvement costs must be allocated throughout all Assessed Property in the PID. Table V-A summarizes the allocation of Budgeted Costs for each type of Major Improvement. The Budgeted Costs shown in Table V-A are estimates and may be revised in Annual Service Plan Updates, but the related Assessment may not be increased.

Phase #1 is projected to contain 143 residential units. As shown in Appendix F, the total estimated buildout value for Phase #1 is calculated as \$47,875,000. The Phases are projected to contain 129 residential units resulting in a estimated buildout value of \$43,005,000 (i.e. $(\$365,000 \times 27) + (\$325,000 \times 102) = \$43,005,000$). The total buildout in the PID is, therefore, calculated to be \$90,880,000 (i.e., $\$47,875,000 + \$43,005,000 = \$90,880,000$). As a result, 52.68 percent of the Budgeted Costs of the Major Improvements (i.e. $\$47,875,000 \div \$90,880,000 = 52.68\%$) are allocated to the Phase #1 Assessed Property and 47.32 percent of the Budgeted Costs of the Major Improvements (i.e. $\$43,005,000 \div \$90,880,000 = 47.32\%$) are allocated to the Future Phases. The Phase #1 Reimbursement Agreement will fund Phase #1's proportionate share of the Budgeted Costs of the Major Improvements. One hundred percent (100%) of the Phase #1 Improvements are allocated to the Phase #1 Assessed Property.

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Table V-A
Allocation of Major Improvement Costs

Authorized Improvement	Budgeted Costs
Water improvements	\$33,098
Sanitary sewer improvements	\$1,089,140
Storm drainage improvements	\$513,050
Landscaping, parks, and trails improvements	\$2,000,000
Other soft and miscellaneous costs	\$57,467
Total Major Improvements	\$3,692,754
Phase #1	
Projected buildout value	\$47,875,000
% of total buildout value ¹	52.68%
Proportionate share of costs	\$1,945,319
Future Phases	
Projected buildout value	\$43,005,000
% of total buildout value ¹	47.32%
Proportionate share of costs	\$1,747,435

¹ - Percentages shown are rounded to two decimal places, and calculations are based on unrounded values.

D. ASSESSMENT METHODOLOGY

The costs of the Authorized Improvements may be assessed by the City Council against the Phase #1 Assessed Property so long as the special benefit conferred upon the Phase #1 Assessed Property by the Authorized Improvements equals or exceeds the Assessments. The costs of the Authorized Improvements may be assessed using any methodology that results in the imposition of equal shares of the Actual Costs on Phase #1 Assessed Property similarly benefited.

1. Assessment Methodology for Phase #1 Projects

For purpose of this Service and Assessment Plan, the City Council has determined that the Actual Costs of the Phase #1 Projects to be financed by the Developer under the Phase #1 Reimbursement Agreement, shall be allocated to the Phase #1 Assessed Property by spreading the entire Assessment across the Parcels based on the ratio of the estimated buildout value of each Lot to the estimated total buildout value for all Parcels within Phase #1.

Based on the Budgeted costs of the Phase #1 Projects, as set forth in Table III-B, the City Council has determined that the benefit to Phase #1 Assessed Property from the Phase #1 Projects is at least equal to the Phase #1 Assessments levied on the Phase #1 Assessed Property.

Upon subsequent divisions of any Parcel, the Phase #1 Assessment applicable to it will then be apportioned pro rata based on the ratio of the estimated buildout value of each Lot to the total

estimated buildout value for all Parcels. For residential Lots, when final residential building sites are platted, Phase #1 Assessments will be apportioned proportionately among each Parcel based on the ratio of the estimated buildout value at the time residential Lots are platted to the total estimated buildout value for Lots in the platted Parcel, as determined by the Administrator and confirmed by the City Council.

The Phase#1 Assessment and Annual Installments for each Parcel or Lot located within Phase #1 is shown on the Phase #1 Assessment Roll, attached as Appendix G, and no Assessment shall be changed except as authorized by this Service and Assessment Plan or the PID Act.

2. Assessment Methodology for Future Phases

When any given Future Phase is developed, and Bonds are issued and/or a Reimbursement Agreement is executed for each Future Phase, this Service and Assessment Plan will be amended to determine the assessment methodology that results in the imposition of equal shares of the Actual Costs on Future Phase Assessed Property similarly benefited within that Future Phase.

E. ASSESSMENTS

The Assessments for the Phase #1 Projects will be levied on each Parcel or Lot according to the Phase #1 Assessment Roll, as shown in Appendix G. The Annual Installments for the Phase #1 Projects Reimbursement Agreement will be collected on the dates and in the amounts shown on the Phase #1 Assessment Roll, subject to revisions made during an Annual Service Plan Update. Non-Benefited Property will not be subject to any Assessments.

See Appendix F for Phase #1 Assessment per unit, leverage, and estimated tax rate equivalent calculation details.

F. ADMINISTRATIVE EXPENSES

The cost of administering the PID and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of Assessment levied against the Parcel. The Administrative Expenses shall be collected as part of and in the same manner as Annual Installments in the amounts shown on each Assessment Roll, which may be revised based on actual costs incurred in Annual Service Plan Updates.

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VI. TERMS OF THE ASSESSMENTS

A. AMOUNT OF PHASE #1 ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN PHASE # 1

The Phase #1 Assessment and Annual Installments for each Phase #1 Assessed Property is shown on the Phase #1 Assessment Roll, attached as Appendix G, and no Phase #1 Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

The Annual Installments shall be collected from Phase #1 Assessed Property in an amount sufficient to pay (i) principal and interest on the Phase #1 Reimbursement Agreement, and (ii) to pay Administrative Expenses related to Phase #1 of the PID.

B. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN FUTURE PHASES

As Future Phases are developed, this Service and Assessment Plan will be amended to determine the Assessment and Annual Installments for each Future Phase Assessed Property located within such Future Phase (e.g., an Appendix will be added as the Phase #2 Assessment Roll, etc.). The Assessments shall not exceed the benefit received by the Assessed Property.

C. REALLOCATION OF ASSESSMENTS

1. Subdivision

Upon the subdivision of any Parcel, the Assessment for the Parcel prior to the subdivision shall be reallocated among the new subdivided Parcels according to the following formula:

$$A = B \times (C \div D)$$

Where the terms have the following meanings:

- A = the Assessment for each new subdivided Parcel
- B = the Assessment for the Parcel prior to subdivision
- C = the estimated buildout value to be built on each new subdivided Parcel
- D = the sum of the estimated buildout value to be built on all of the new subdivided Parcels

The calculation of the estimated buildout value to be built on a Parcel shall be performed by the Administrator and confirmed by the City Council based on the information available regarding the use of the Parcel. The estimate as confirmed shall be conclusive. The buildout value to be built on a Parcel may be estimated by net land area and reasonable density ratios.

The sum of the Assessments for all newly subdivided Parcels shall equal the Assessment for the Parcel prior to subdivision. The calculation shall be made separately for each newly subdivided

Parcel. The reallocation of an Assessment for a Parcel that is a homestead under Texas law may not exceed the Assessment prior to the reallocation and to the extent the reallocation would exceed such amount, it shall be prepaid by such amount by the party requesting the subdivision of the Parcels. Any reallocation pursuant to this section shall be reflected in an Annual Service Plan Update approved by the City Council.

2. Consolidation

Upon the consolidation of two or more Parcels, the Assessment for the consolidated Parcel shall be the sum of the Assessments for the Parcels prior to consolidation. The reallocation of an Assessment for a Parcel that is a homestead under Texas law may not exceed the Assessment prior to the reallocation and to the extent the reallocation would exceed such amount, it shall be prepaid by such amount by the party requesting the consolidation of the Parcels. Any reallocation pursuant to this section shall be reflected in an Annual Service Plan Update approved by the City Council.

D. MANDATORY PREPAYMENT OF ASSESSMENTS

1. If a Parcel subject to Assessments is transferred to a party that is exempt from the payment of the Assessment under applicable law, or if an owner causes a Parcel subject to Assessments to become Non-Benefited Property, the owner of such Parcel shall pay to the City the full amount of the principal portion of the Assessment on such Parcel, plus all Prepayment Costs, prior to any such transfer or act.
2. If at any time the Assessment per unit on a Parcel exceeds the applicable Phase #1 Maximum Assessment Per Unit shown in this Service and Assessment Plan as a result of any changes in land use, subdivision, consolidation or reallocation of the Assessment authorized by this Service and Assessment Plan and initiated by the owner of the Parcel, then such owner shall pay to the City prior to the recordation of the document subdividing the Parcel the amount calculated by the Administrator by which the Assessment per Unit for the Parcel exceeds the applicable Phase #1 Maximum Assessment Per Unit calculated in this Service and Assessment Plan.
3. The payments required above shall be treated the same as any Assessment that is due and owing under the PID Act, the Assessment Ordinance, and this Service and Assessment Plan, including the same lien priority, penalties, procedures, and foreclosure specified by the PID Act.

E. REDUCTION OF ASSESSMENTS

1. If after all Authorized Improvements to be funded with a series of Bonds and/or by the Developer under a Reimbursement Agreement have been completed and Actual Costs for such Authorized Improvements are less than the Actual Costs of the Authorized Improvements used to calculate the Assessments securing such series of Bonds and/or Reimbursement Agreement, resulting in excess proceeds being available to redeem Bonds and/or reduce the obligation owed under a Reimbursement Agreement, and such excess proceeds shall be applied to redeem Bonds as provided in the Indenture or reduce the obligation owed under a Reimbursement Agreement then the Assessment securing such Bonds and/or Reimbursement

Agreement for each Parcel of Phase #1 Assessed Property shall be reduced by the City Council pro rata such that the sum of the resulting reduced Assessments for all Assessed Properties equals the reduced Actual Costs. The Assessments shall not be reduced to an amount less than the related outstanding series of Bonds and/or Reimbursement Agreement.

2. If all the Authorized Improvements are not undertaken resulting in excess proceeds being available to redeem Bonds and/ or a need to reduce the obligations under a Reimbursement Agreement, and such excess proceeds shall be applied to redeem Bonds and/ or reduce obligations under a Reimbursement Agreement, as the case may be, as provided in any indenture of trust or the terms of a Reimbursement Agreement, then the Assessments and Annual Installments for each Parcel shall be appropriately reduced by the City Council to reflect only the amounts required to repay the Bonds and/or redeem the obligation under a Reimbursement Agreement, including interest on the Bonds and/or Reimbursement Agreement and Administrative Expenses. The City Council may reduce the Assessments and the Annual Installments for each Parcel in a manner determined by the City Council to be the most fair and practical means of reducing the Assessments for each Parcel, such that the sum of the resulting reduced Assessments equals the amount required to repay the Bonds and/or Reimbursement Agreement, including interest on the Bonds and/or Reimbursement Agreement and Administrative Expenses. The principal portion of the Assessment for each Parcel shall be reduced for each Parcel such that the sum of the resulting reduced principal portion of the Bonds and/or Reimbursement Agreement is equal to the outstanding principal amount of the Bonds and/or Reimbursement Agreement.

F. PAYMENT OF ASSESSMENTS

1. Payment in Full

- (a) The Assessment for any Parcel may be paid in full at any time. Such payment shall include all Prepayment Costs. If prepayment in full will result in redemption of Bonds, the payment amount shall be reduced by the amount, if any, of interest through the date of redemption of Bonds and reserve funds applied to the redemption under the Trust Indenture, net of any other costs applicable to the redemption of Bonds.
- (b) If an Annual Installment has been billed prior to payment in full of an Assessment, the Annual Installment shall be due and payable and shall be credited against the payment-in-full amount.
- (c) Upon payment in full of the Assessment and all Prepayment Costs, the City shall deposit the payment in accordance with the Trust Indenture; whereupon, the Assessment shall be reduced to zero, and the owner's obligation to pay the Assessment and Annual Installments thereof shall automatically terminate.
- (d) At the option of the owner, the Assessment on any Parcel plus Prepayment Costs may be paid in part.
- (e) Upon the payment of such amounts for a Parcel, the Assessment for the Parcel shall be reduced, the Assessment Roll shall be updated to reflect such partial payment, and the

obligation to pay the Annual Installment for such Parcel shall be reduced to the extent the partial payment is made.

2. Payment in Annual Installments

The PID Act provides that an Assessment for a Parcel may be paid in full at any time. If not paid in full, the PID Act authorizes the Assessment to be paid in installments and additionally allows the City to collect interest, Annual Collection Costs and other authorized charges in installments. Upon the issuance of Bonds, an Assessment shall include Additional Interest. An Assessment for a Parcel that is not paid in full will be collected in Annual Installments each year in the amounts shown on the Assessment Roll, as updated as provided for herein, which include interest and Annual Collection Costs. Payment of the Annual Installments shall commence with tax bills mailed after the levy of the Phase #1 Assessments.

Each Phase #1 Assessment shall be paid with interest of no more than the lesser of the actual interest rate paid on the Phase #1 Reimbursement Agreement. Interest on the Phase #1 Assessment relating to the Phase #1 Reimbursement Agreement shall be paid based on an estimated interest rate of 5.67% per annum for years 1 through 5 and 5.67% per annum following the fifth Annual Installment. The interest on the Phase #1 Reimbursement Agreement shall be paid at a rate not to exceed five hundred basis points above the highest average index rate for tax-exempt bond reported in a daily or weekly bond index approved by the City and reported in the month prior to the establishment of the Assessments and continuing for a period of five years from such date. Such rate shall then adjust and shall not exceed two hundred basis points above the bond index rate described above and shall continue until the Assessments are paid in full. The index approved by the City is the Bond Buyer Index for which the highest average rate during 30 days prior to the levy of Assessments was 3.67%. The City has determined that the Phase #1 Reimbursement Agreement shall bear interest at the estimated interest rate of 5.67% per annum for years 1 through 5 and 5.67% per annum following the fifth Annual Installment, which rates are equal to or less than the initial maximum allowable rate of interest of 8.67% for years 1 through 5 and equal to the maximum allowable rate of interest following the fifth Annual Installment, which would be 5.67%. Furthermore, the Annual Installments may not exceed the amounts shown on the Assessment Roll. The Assessment Roll is shown as Appendix G. Upon the issuance of Bonds, if any, to fund the Phase #1 Reimbursement Agreement, the Phase #1 Assessments shall bear interest at the rate of the Bonds issued to fund the Phase #1 Reimbursement Agreement plus Additional Interest.

The Annual Installments shall be reduced to equal the actual costs of repaying the Phase #1 Reimbursement Agreement and actual Administrative Expenses (as provided for in the definition of such term), taking into consideration any other available funds for these costs, such as interest income on account balances.

The City reserves and shall have the right and option to refund the Bonds, if any are issued, in accordance with Section 372.027 of the PID Act. In the event of such refunding, the Administrator shall recalculate the Annual Installments, and if necessary, may adjust, or decrease, the amount of the Annual Installments so that total Annual Installments of Assessments will be produced in annual amounts that are required to pay the refunding bonds when due and payable as required by

and established in the ordinance and/or the indenture authorizing and securing the refunding bonds, and such refunding bonds shall constitute Bonds for purposes of this Service and Assessment Plan.

G. COLLECTION OF ANNUAL INSTALLMENTS

No less frequently than annually, the Administrator shall prepare, and the City Council shall approve, an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include an updated Assessment Roll and a calculation of the Annual Installment for each Parcel. Administrative Expenses shall be allocated among Parcels in proportion to the amount of the Annual Installments for the Parcels. Each Annual Installment shall be reduced by any credits applied under the applicable Trust Indenture, including capitalized interest, interest earnings on any account balances, and any other funds available to the Trustee for such purpose. Annual Installments shall be collected by the City in the same manner and at the same time as ad valorem taxes and shall be subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as are provided for ad valorem taxes of the City. The City Council may provide for other means of collecting the Annual Installments to the extent permitted under the PID Act. The Assessments shall have lien priority as specified in the PID Act.

Any sale of property for nonpayment of the Annual Installments shall be subject to the lien established for the remaining unpaid Annual Installments against such property and such property may again be sold at a judicial foreclosure sale if the purchaser thereof fails to make timely payment of the non-delinquent Annual Installments against such property as they become due and payable.

The collection of the first Annual Installment for a Lot or Parcel shall be due upon the earlier of (i) with tax bills sent the first October after issuance of a series of Bonds, or (ii) January 31, 2026. Such first Annual Installment for a Lot or Parcel for which collection has begun, shall be due by January 31st of the following calendar year.

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VII. THE ASSESSMENT ROLL

A. PHASE #1 ASSESSMENT ROLL

The City Council has evaluated each Parcel within Phase #1 (based on numerous factors such as the applicable zoning for developable area, the use of proposed Homeowner Association Property, the Public Property, the types of public improvements, and other development factors deemed relevant by the City Council) to determine the amount of Assessed Property within Phase #1.

The Phase #1 Assessed Property has been assessed for the special benefits conferred upon the property resulting from the Phase #1 Projects. Table VII-A summarizes the \$7,156,340 in special benefit received by the Phase #1 Assessed Property from the Phase #1 Projects. The par amount of the Phase #1 Reimbursement Agreement is \$4,661,000 which is equal to the benefit received by the Phase #1 Assessed Property. Accordingly, the total Assessment to be applied to all the Phase #1 Assessed Property is \$4,661,000 plus annual Administrative Expenses. The Assessment for each Phase #1 Assessed Property is calculated based on the allocation methodologies described in Section V. The Phase #1 Assessment Roll is attached hereto as Appendix G.

Table VII-A
Phase #1
Special Benefit Summary

Special Benefit	Total Cost
Total Authorized Improvements ¹	\$7,081,340
<u>Other Assessment Related Costs:</u>	
Assessment levy fee and first year Administrative Expenses	\$75,000
<i>Subtotal</i>	<i>\$75,000</i>
Total Special Benefit	\$7,156,340
<u>Special Benefit:</u>	
Total Special Benefit	\$7,156,340
Projected Special Assessment	\$4,661,000
Excess Benefit	\$2,495,340

¹See Table III-B for details.

B. FUTURE PHASES ASSESSMENT ROLL

As Future Phases are developed, this SAP will be amended to determine the Assessment for each Parcel or Lot located within such Future Phase (e.g. an appendix will be added as the Assessment Roll for Future Phases).

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C. ANNUAL ASSESSMENT ROLL UPDATES

The Administrator shall prepare, and shall submit to the City Council for approval, annual updates to the Phase #1 Assessment Roll in conjunction with the Annual Service Plan Update to reflect the following matters, together with any other changes helpful to the Administrator or the City and permitted by the PID Act: (i) the identification of each Parcel (ii) the Phase #1 Assessment for each Parcel of Phase #1 Assessed Property, including any adjustments authorized by this Service and Assessment Plan and in the PID Act; (iii) the Annual Installment for the Phase #1 Assessed Property for the year (if the Assessment is payable in installments); and (iv) payments of the Phase #1 Assessment, if any, as provided by Section VI.F. of this Service and Assessment Plan.

If Bonds are issued, the Phase #1 Assessment Roll shall be updated, which update may be done in the next Annual Service Plan Update, to reflect any changes resulting from the issuance of the Bonds. This update shall reflect the actual interest on the Bonds on which the Annual Installments shall be paid, any reduction in the Phase #1 Assessments, and any revisions in the Actual Costs to be funded by the Bonds and Developer funds.

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VIII. MISCELLANEOUS PROVISIONS

A. ADMINISTRATIVE REVIEW

The City may elect to designate a third party to serve as Administrator. The City shall notify Developer in writing at least thirty (30) days in advance before appointing a third party Administrator.

To the extent consistent with the PID Act, an owner of an Assessed Parcel claiming that a calculation error has been made in the Assessment Roll(s), including the calculation of the Annual Installment, shall send a written notice describing the error to the City not later than thirty (30) days after the date any amount which is alleged to be incorrect is due prior to seeking any other remedy. The Administrator shall promptly review the notice, and if necessary, meet with the Assessed Parcel owner, consider written and oral evidence regarding the alleged error and decide whether, in fact, such a calculation error occurred.

If the Administrator determines that a calculation error has been made and the Assessment Roll should be modified or changed in favor of the Assessed Parcel owner, such change or modification shall be presented to the City Council for approval to the extent permitted by the PID Act. A cash refund may not be made for any amount previously paid by the Assessed Parcel owner (except for the final year during which the Annual Installment shall be collected or if it is determined there are sufficient funds to meet the expenses of the PID for the current year), but an adjustment may be made in the amount of the Annual Installment to be paid in the following year. The decision of the Administrator regarding a calculation error relating to the Assessment Roll may be appealed to the City Council. Any amendments made to the Assessment Roll(s) pursuant to calculation errors shall be made pursuant to the PID Act.

The decision of the Administrator, or if such decision is appealed to the City Council, the decision of the City Council shall be conclusive. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to any other appeal or legal action by such owner.

B. TERMINATION OF ASSESSMENTS

Each Assessment shall be extinguished on the date the Assessment is paid in full, including unpaid Annual Installments and Delinquent Collection Costs, if any. After the extinguishment of an Assessment and the collection of any delinquent Annual Installments and Delinquent Collection Costs, the City shall provide the owner of the affected Parcel a recordable “Notice of the PID Assessment Termination”.

C. AMENDMENTS

Amendments to the Service and Assessment Plan can be made as permitted or required by the PID Act and under Texas law.

The City Council reserves the right to the extent permitted by the PID Act to amend this Service and Assessment Plan without notice under the PID Act and without notice to property owners of Parcels:(i) to correct mistakes and clerical errors; (ii) to clarify ambiguities; and (iii) to provide procedures for the collection and enforcement of Assessments, Prepayment Costs, collection costs, and other charges imposed by the Service and Assessment Plan; and, (iv) to make any changes as determined by the City that do not require notice pursuant to the PID Act.

D. ADMINISTRATION AND INTERPRETATION OF PROVISIONS

The City Council shall administer the PID, this Service and Assessment Plan, and all Annual Service Plan Updates consistent with the PID Act and shall make all interpretations and determinations related to the application of this Service and Assessment Plan unless stated otherwise herein or in the Trust Indenture, such determination shall be conclusive.

E. SEVERABILITY

If any provision, section, subsection, sentence, clause or phrase of this Service and Assessment Plan or the application of same to an assessed Parcel or any person or set of circumstances is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of this Service and Assessment Plan or the application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this Service and Assessment Plan that no part hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any other part hereof, and all provisions of this Service and Assessment Plan are declared to be severable for that purpose.

If any provision of this Service and Assessment Plan is determined by a court to be unenforceable, the unenforceable provision shall be deleted from this Service and Assessment Plan and the unenforceable provision shall, to the extent possible, be rewritten to be enforceable and to give effect to the intent of the City.

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APPENDIX A
PID MAP

APPENDIX B
BUDGETED COSTS OF AUTHORIZED IMPROVEMENTS

APPENDIX C
LEGAL DESCRIPTION

APPENDIX D
DIAGRAMS OF THE AUTHORIZED IMPROVEMENTS

APPENDIX E
PID ASSESSMENT NOTICE

AFTER RECORDING RETURN TO:

_____]¹

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF BAYTOWN, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

LOT TYPE _____ PRINCIPAL ASSESSMENT: \$ _____

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Baytown, Texas (the "City"), for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within the ***Bay Creek Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City. The exact amount of each annual installment will be approved each year by the City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Harris County.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF
PURCHASER

SIGNATURE OF
PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF
PURCHASER

SIGNATURE OF
PURCHASER

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Harris County.

The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF HARRIS

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Harris County.

APPENDIX F
ASSESSMENT PER UNIT, PROJECTED LEVERAGE AND PROJECTED TAX RATE
EQUIVALENTS

Appendix F

A) Lot Types

For purposes of calculating and allocating Assessments, the Phase #1 Assessed Property has been classified in one of two Lot Types.

“**Lot Type 1**” means lots identified as such on the Assessment Roll, being lots typically with a Lot width of approximately 55 feet as provided by the development standards shown in the Development Agreement.

“**Lot Type 2**” means lots identified as such on the Assessment Roll, being lots typically with a Lot width of approximately 50 feet as provided by the development standards shown in the Development Agreement.

B) Proposed Development

The following table shows the proposed residential units to be developed within the PID.

Table F-1
Proposed Development within the PID

Description	Proposed Development	
55 Ft Lots	62	Units
50 Ft Lots	210	Units
Total	272	Units

Table F-2 shows the proposed residential units to be developed within Phase #1.

Table F-2
Proposed Development – Phase #1

Description	Proposed Development	
55 Ft Lots	35	Units
50 Ft Lots	108	Units
Total	143	Units

Table F-3 sets forth the Assessment per unit for each Lot Type within Phase #1.

Table F-3
Assessment per Unit – Phase #1

Lot Type	Planned No. of Units	Projected Home Value per Unit	Estimated Total Buildout Value	Percentage of Total Buildout Value	Total Assessment	Average Annual Installment	Assessment Per Unit
55 Ft Lots	35	\$365,000	\$12,775,000	26.68%	\$1,243,745	\$102,159	\$35,535.56
50 Ft Lots	108	\$325,000	\$35,100,000	73.32%	\$3,417,255	\$280,686	\$31,641.25
	143		\$47,875,000	100.00%	\$4,661,000	\$382,845	

The projected leverage for each Parcel or Lot within Phase #1, calculated based on the estimated finished lot values and projected average home values for each Lot Type is shown in Table F-4.

Table F-4
Projected Leverage – Phase #1

Lot Type	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Average Home Value per Unit	Assessment per Unit	Leverage (Lot Value)	Leverage (Home Value)
55 Ft Lots	35	\$73,000	\$365,000	\$35,535.56	2.05	10.27
50 Ft Lots	108	\$65,000	\$325,000	\$31,641.25	2.05	10.27

The projected tax rate equivalent per unit for Parcel or Lot within Phase #1, calculated based on the estimated finished lot values and projected average home values for each Lot Type is shown in Table F-5.

Table F-5
Estimated Tax Rate Equivalent per unit – Phase #1

Lot Type	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Projected Average Annual Installment per unit	Tax Rate Equivalent (per \$100 Lot Value)	Tax Rate Equivalent (per \$100 Home Value)
55 Ft Lots	35	\$73,000	\$365,000	\$2,919	\$3.9984	\$0.7997
50 Ft Lots	108	\$65,000	\$325,000	\$2,599	\$3.9984	\$0.7997

The Assessment and Annual Installments for each Parcel or Lot located within Phase #1 are shown on the Phase #1 Assessment Roll, attached as Appendix G, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

APPENDIX G
PROPOSED PHASE #1 ASSESSMENT ROLL

Appendix G-1**Proposed Phase #1 Assessment Roll****Parcels****Part of 040-221-000-0204, Part of 040-221-000-0541****Projected Buildout Value****\$47,875,000****Assessment****\$4,661,000**

Year	Principal¹	Interest¹	Administrative Expenses^{2,3}	Total Annual Installment
1	\$75,000	\$264,279	\$45,000	\$384,279
2	\$78,000	\$260,026	\$45,900	\$383,926
3	\$82,000	\$255,604	\$46,818	\$384,422
4	\$85,000	\$250,954	\$47,754	\$383,709
5	\$88,000	\$246,135	\$48,709	\$382,844
6	\$92,000	\$241,145	\$49,684	\$382,829
7	\$96,000	\$235,929	\$50,677	\$382,606
8	\$101,000	\$230,486	\$51,691	\$383,176
9	\$105,000	\$224,759	\$52,725	\$382,483
10	\$110,000	\$218,805	\$53,779	\$382,584
11	\$115,000	\$212,568	\$54,855	\$382,423
12	\$120,000	\$206,048	\$55,952	\$382,000
13	\$126,000	\$199,244	\$57,071	\$382,315
14	\$132,000	\$192,100	\$58,212	\$382,312
15	\$138,000	\$184,615	\$59,377	\$381,992
16	\$144,000	\$176,791	\$60,564	\$381,355
17	\$151,000	\$168,626	\$61,775	\$381,401
18	\$159,000	\$160,064	\$63,011	\$382,075
19	\$167,000	\$151,049	\$64,271	\$382,320
20	\$175,000	\$141,580	\$65,557	\$382,136
21	\$184,000	\$131,657	\$66,868	\$382,525
22	\$193,000	\$121,225	\$68,205	\$382,430
23	\$203,000	\$110,282	\$69,569	\$382,851
24	\$213,000	\$98,771	\$70,960	\$382,732
25	\$224,000	\$86,694	\$72,380	\$383,074
26	\$235,000	\$73,994	\$73,827	\$382,821
27	\$248,000	\$60,669	\$75,304	\$383,973
28	\$261,000	\$46,607	\$76,810	\$384,417
29	\$274,000	\$31,809	\$78,346	\$384,155
30	\$287,000	\$16,273	\$79,913	\$383,186
Total	\$4,661,000	\$4,998,785	\$1,825,564	\$11,485,349

¹The principal and interest amounts represent the debt service requirements of the Phase #1 Reimbursement Agreement. The interest is calculated using an estimated interest rate of 5.67% per annum for years 1 to 5 and 5.67% per annum thereafter.

²Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year.

³First Year Administrative Expenses are being funded by the Developer.

Appendix G-3

Proposed Phase #1 Assessment Roll by Lot Type

Parcel	Lot Type 1 (55 Ft)
Projected Buildout Value	\$12,775,000
Percent of Total Assessment	26.68%
Assessment	\$35,536

Year	Principal¹	Interest¹	Administrative Expenses^{2,3}	Total Annual Installment
1	\$572	\$2,015	\$343	\$2,930
2	\$595	\$1,982	\$350	\$2,927
3	\$625	\$1,949	\$357	\$2,931
4	\$648	\$1,913	\$364	\$2,925
5	\$671	\$1,877	\$371	\$2,919
6	\$701	\$1,838	\$379	\$2,919
7	\$732	\$1,799	\$386	\$2,917
8	\$770	\$1,757	\$394	\$2,921
9	\$801	\$1,714	\$402	\$2,916
10	\$839	\$1,668	\$410	\$2,917
11	\$877	\$1,621	\$418	\$2,916
12	\$915	\$1,571	\$427	\$2,912
13	\$961	\$1,519	\$435	\$2,915
14	\$1,006	\$1,465	\$444	\$2,915
15	\$1,052	\$1,408	\$453	\$2,912
16	\$1,098	\$1,348	\$462	\$2,907
17	\$1,151	\$1,286	\$471	\$2,908
18	\$1,212	\$1,220	\$480	\$2,913
19	\$1,273	\$1,152	\$490	\$2,915
20	\$1,334	\$1,079	\$500	\$2,913
21	\$1,403	\$1,004	\$510	\$2,916
22	\$1,471	\$924	\$520	\$2,916
23	\$1,548	\$841	\$530	\$2,919
24	\$1,624	\$753	\$541	\$2,918
25	\$1,708	\$661	\$552	\$2,921
26	\$1,792	\$564	\$563	\$2,919
27	\$1,891	\$463	\$574	\$2,927
28	\$1,990	\$355	\$586	\$2,931
29	\$2,089	\$243	\$597	\$2,929
30	\$2,188	\$124	\$609	\$2,921
Total	\$35,536	\$38,111	\$13,918	\$87,565

¹The principal and interest amounts represent the debt service requirements of the Phase #1 Reimbursement Agreement. The interest is calculated using an estimated interest rate of 5.67% per annum for years 1 to 5 and 5.67% per annum thereafter.

²Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year.

³First year Administrative Expenses are being funded by the Developer.

Appendix G-3
Proposed Phase #1 Assessment Roll by Lot Type

Parcel	Lot Type 2 (50 Ft)
Projected Buildout Value	\$35,100,000
Percent of Total Assessment	73.32%
Assessment	\$31,641

Year	Principal¹	Interest¹	Administrative Expenses^{2,3}	Total Annual Installment
1	\$509	\$1,794	\$305	\$2,609
2	\$530	\$1,765	\$312	\$2,606
3	\$557	\$1,735	\$318	\$2,610
4	\$577	\$1,704	\$324	\$2,605
5	\$597	\$1,671	\$331	\$2,599
6	\$625	\$1,637	\$337	\$2,599
7	\$652	\$1,602	\$344	\$2,597
8	\$686	\$1,565	\$351	\$2,601
9	\$713	\$1,526	\$358	\$2,596
10	\$747	\$1,485	\$365	\$2,597
11	\$781	\$1,443	\$372	\$2,596
12	\$815	\$1,399	\$380	\$2,593
13	\$855	\$1,353	\$387	\$2,595
14	\$896	\$1,304	\$395	\$2,595
15	\$937	\$1,253	\$403	\$2,593
16	\$978	\$1,200	\$411	\$2,589
17	\$1,025	\$1,145	\$419	\$2,589
18	\$1,079	\$1,087	\$428	\$2,594
19	\$1,134	\$1,025	\$436	\$2,595
20	\$1,188	\$961	\$445	\$2,594
21	\$1,249	\$894	\$454	\$2,597
22	\$1,310	\$823	\$463	\$2,596
23	\$1,378	\$749	\$472	\$2,599
24	\$1,446	\$671	\$482	\$2,598
25	\$1,521	\$589	\$491	\$2,601
26	\$1,595	\$502	\$501	\$2,599
27	\$1,684	\$412	\$511	\$2,607
28	\$1,772	\$316	\$521	\$2,610
29	\$1,860	\$216	\$532	\$2,608
30	\$1,948	\$110	\$542	\$2,601
Total	\$31,641	\$33,934	\$12,393	\$77,968

¹The principal and interest amounts represent the debt service requirements of the Phase #1 Reimbursement Agreement. The interest is calculated using an estimated interest rate of 5.67% per annum for years 1 to 5 and 5.67% per annum thereafter.

²Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year.

³First year Administrative Expenses are being funded by the Developer.



CITY COUNCIL MEETING

5. a.

Meeting Date: 05/23/2024

Subject: Receive the City of Baytown's Quarterly Financial and Investment Reports for the Quarter Ending March 31, 2024

Prepared for: Teresa McKenzie, Finance

Prepared by: Elizabeth Donato, Finance

Department: Finance

Information

ITEM

Receive the City of Baytown's Quarterly Financial and Investment Reports for the Quarter Ending March 31, 2024.

PREFACE

The City of Baytown's Quarterly Investment Report, for the Quarter Ending March 31, 2024, is submitted for review in accordance with the Public Funds Investments Act, Section 2256.023 (a) and (b).

Fiscal Impact

Fiscal Year:

Acct Code:

Source of Funds (Operating/Capital/Bonds):

Funds Budgeted Y/N:

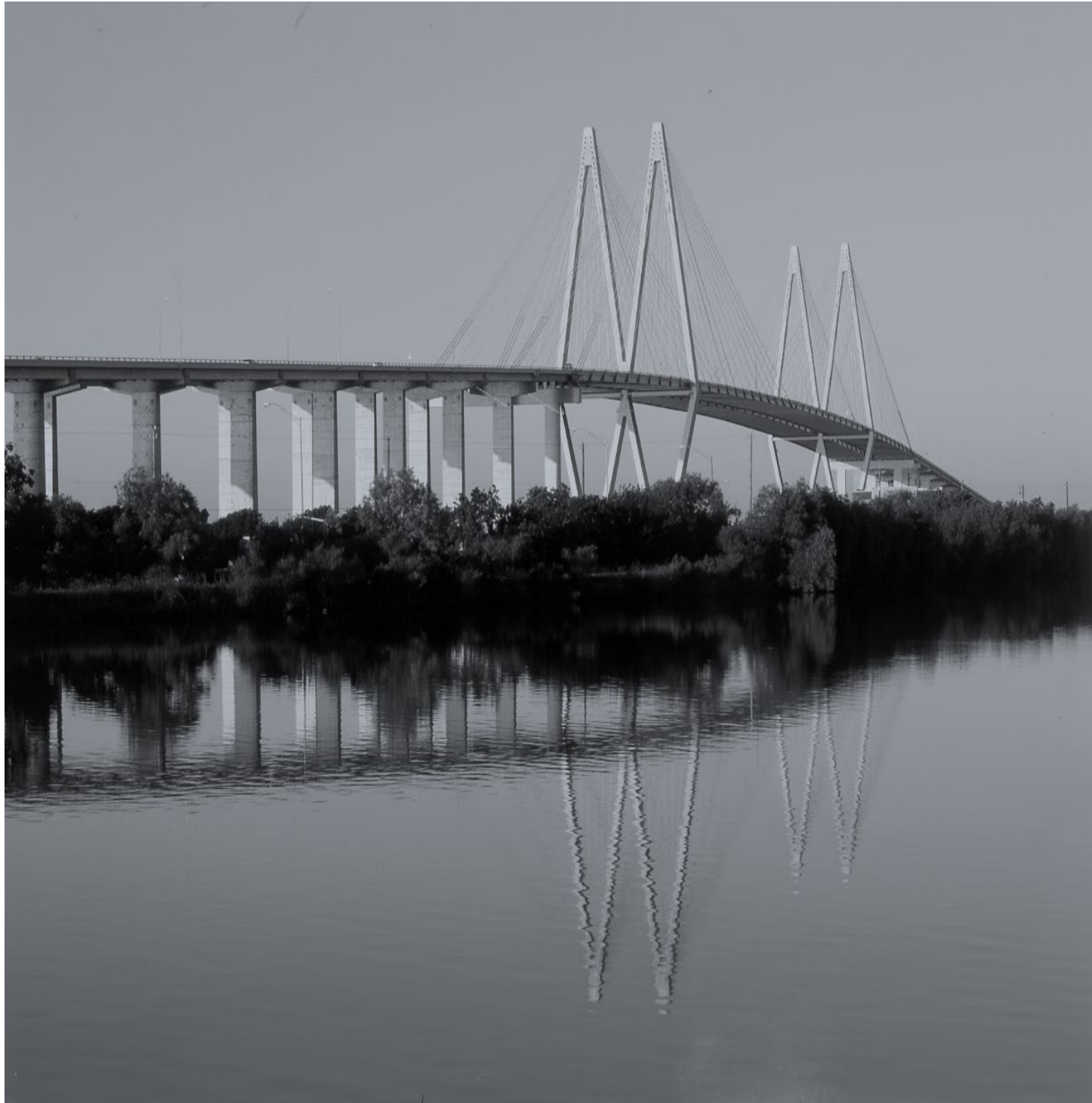
Amount Needed:

Fiscal Impact (Additional Information):

No fiscal impact

Attachments

COB Financial Report



CITY OF BAYTOWN

Q2 2024

QUARTERLY FINANCIAL REPORT

Ending March 31, 2024

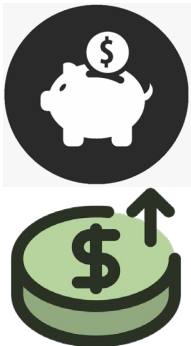
Second Quarter Financial Report

City of Baytown - Period Ending March 31, 2024

Q2 2024

QUARTER IN REVIEW

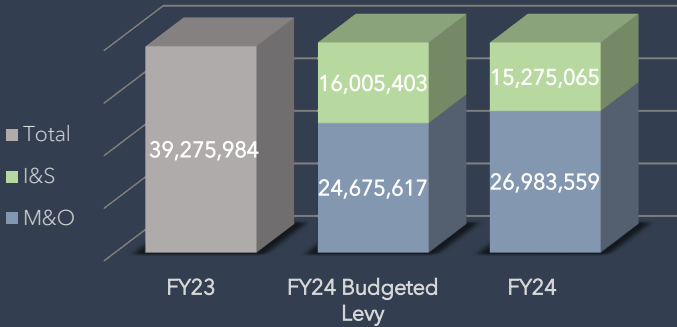
Fund	Beginning Fund Balance / Working Capital	Revenue	Expenses	Ending Fund Balance / Working Capital
General ^{FB}	\$ 25,999,515	111,114,444	64,346,624	\$ 72,767,335
Hotel/Motel Occupancy Tax ^{FB}	\$ 2,913,729	414,947	439,347	\$ 2,889,329
Water & Sewer ^{WC}	\$ 10,361,235	28,501,070	26,032,198	\$ 12,830,107
Sanitation ^{WC}	\$ (486,190)	3,513,361	3,567,316	\$ (540,144)
Storm Water ^{WC}	\$ (2,013,709)	2,097,714	2,318,619	\$ (2,234,614)
Aquatics ^{WC}	\$ (785,892)	228,136	705,052	\$ (1,262,808)
Streets ^{FB}	\$ 7,246,081	1,945,674	1,619,147	\$ 7,572,608



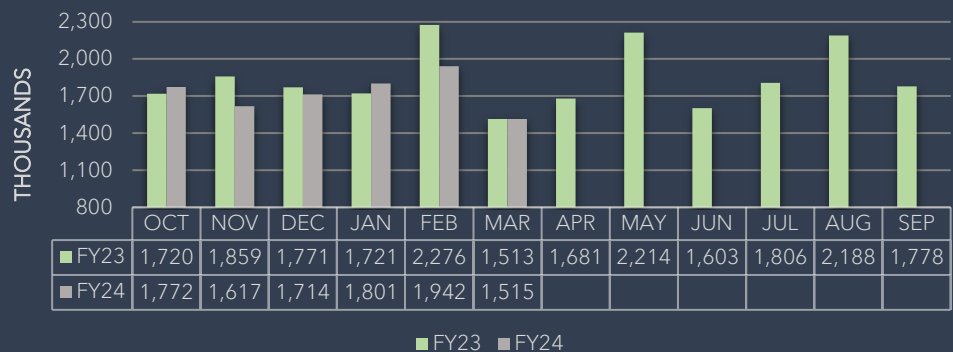
General Fund Budget Received
\$134,091,604 / \$111,114,444
83%

General Fund Budget Spent
\$136,077,929 / \$64,346,624
47%

FYTD Property Tax Collections



Sales Tax Receipts(Cash Basis)



Unspent Bond Proceeds
\$53,490,239

Investments (Book Value)

Security Type	Balance	Earnings
Agency	\$ 4,985,331	\$ 63,610
Agency Call	27,995,874	259,387
Commercial Paper	14,749,578	180,398
Texpool/TexSTAR	229,069,565	2,636,906
US Govt	4,848,807	51,899
Total	\$ 281,649,155	\$ 3,192,201

Second Quarter Financial Report

City of Baytown - Period Ending March 31, 2024

Q2 2024

Fund	FY24 Budget	FY24 Revenue	Balance	% Received	Indicator
101 - General Fund	\$ 134,091,604	\$ 111,114,444	\$ 22,977,160	82.86%	▲
201 - Municipal Ct Special Revenue	224,025	127,144	96,881	56.75%	▲
206 - CCPD II Fund	2,542,753	861,744	1,681,009	33.89%	■
207 - FIRE/EMS Special District	2,561,454	875,246	1,686,208	34.17%	■
209 - Parks & Recreation	50,000	9,687	40,313	19.37%	▼
210 - HAZMAT/Homeland Security	558,224	2,777	555,446	0.50%	▼
211 - Street Maintenance	4,576,093	1,945,674	2,630,419	42.52%	■
215 - Municipal Development District	8,824,304	3,286,512	5,537,792	37.24%	■
216 - Tax Increment Reinvestment	3,060,000	2,435,022	624,978	79.58%	▲
225 - Forfeitures - Police Fund	42,400	49,170	(6,770)	115.97%	▲
226 - Family & Youth Program	614,662	282,208	332,454	45.91%	■
227 - Library Special Revenue	-	293	(293)		
228 - Police Academy/Range	25,000	45,423	(20,423)	181.69%	▲
231 - Odd & Trust Fund	400,000	24,233	375,767	6.06%	▼
232 - Hotel/Motel Occupancy Tax	1,742,577	414,947	1,327,630	23.81%	▼
235 - PEG Fund	959,951	877,103	82,848	91.37%	▲
241 - HIDTA	1,267,653	114,539	1,153,114	9.04%	▼
266 - Library Special Revenue Fund	39,000	17,411	21,589	44.64%	■
270 - CDBG Fund	786,381	1,342,657	(556,276)	170.74%	▲
280 - Summer Job Program	-	41	(41)		
296 - Baytown Nature Center	220,300	88,136	132,164	40.01%	■
298 - Wetlands Research Center	414,521	258,366	156,155	62.33%	▲
299 - Wetland Center Escrow	102,794	46,208	56,586	44.95%	■
324 - Public Safety Facility	-	285,882	(285,882)		
350 - Capital Replacement	3,790,000	2,187,534	1,602,466	57.72%	▲
351 - General Capital - CIPF	-	678,623	(678,623)		
401 - General Fund Debt Service	25,827,564	20,670,795	5,156,769	80.03%	▲
500 - Sanitation Fund	7,616,804	3,513,361	4,103,442	46.13%	■
502 - Aquatics	3,893,309	228,136	3,665,173	5.86%	▼
505 - Storm Water Utility	5,058,792	2,097,710	2,961,082	41.47%	■
510 - Baytown Area Water Authority	16,597,108	10,130,234	6,466,874	61.04%	▲
511 - BAWA Debt Service	-	2,075,762	(2,075,762)		
518 - BAWA CIPF Fund	1,373,290	692,910	680,380	50.46%	▲

Performance Indicators

Favorable	▲	> = 50%
Monitor	■	> = 25% and < 50%
Unfavorable	▼	< 25%

Second Quarter Financial Report

City of Baytown - Period Ending March 31, 2024

Q2 2024

Fund	FY24 Budget	FY24 Revenue	Balance	% Received	Indicator
520 - Water & Sewer Fund	54,362,473	28,501,406	25,861,067	52.43%	▲
522 - Water & Sewer Interest & Sinking	16,401,685	7,269,907	9,131,778	44.32%	■
527 - Water & Sewer - CIPF	-	2,874,787	(2,874,787)		
529 - Water & Sewer Impact Fees	3,199,000	891,745	2,307,255	27.88%	■
540 - Bayland Island Fund	58,000	27,747	30,253	47.84%	■
Total	\$ 301,281,720	\$ 206,345,525	\$ 94,936,196		

Second Quarter Financial Report

City of Baytown - Period Ending March 31, 2024

Q2 2024

Fund	FY24 Budget	FY24 Expenses	Balance	% Spent	Indicator
101 - General Fund	\$ 136,077,928	\$ 64,346,624	\$ 71,731,304	47.29%	▲
201 - Municipal Ct Special Revenue	355,027	217,329	137,698	61.21%	▼
206 - CCPD II Fund	4,747,501	11,830	4,735,671	0.25%	■
207 - FIRE/EMS Special District	3,059,051	587,749	2,471,302	19.21%	■
209 - Parks & Recreation	45,000	-	45,000	0.00%	■
210 - HAZMAT/Homeland Security	1,543,146	694,074	849,072	44.98%	▲
211 - Street Maintenance	6,683,232	1,619,147	5,064,085	24.23%	■
215 - Municipal Development District	8,781,307	2,492,473	6,288,834	28.38%	▲
216 - Tax Increment Reinvestment	3,087,651	1,324,328	1,763,323	42.89%	▲
225 - Forfeitures - Police Fund	2,994	3,320	(326)	110.89%	▼
226 - Family & Youth Program	637,751	387,484	250,267	60.76%	▼
228 - Police Academy/Range	3,000	3,187	(187)	106.24%	▼
231 - Odd & Trust Fund	1,388,442	1,091,636	296,806	78.62%	▼
232 - Hotel/Motel Occupancy Tax	1,575,111	439,347	1,135,764	27.89%	▲
235 - PEG Fund	109,028	3,712	105,316	3.40%	■
241 - HIDTA	2,796,136	1,122,866	1,673,270	40.16%	▲
266 - Library Special Revenue Fund	27,820	26,105	1,715	93.83%	▼
270 - CDBG Fund	5,213,048	678,466	4,534,581	13.01%	■
280 - Summer Job Program	-	-	-		
296 - Baytown Nature Center	239,451	106,071	133,380	44.30%	▲
298 - Wetlands Research Center	404,174	174,573	229,601	43.19%	▲
299 - Wetland Center Escrow	198,973	33,498	165,474	16.84%	■
324 - Public Safety Facility	11,722,942	6,652,499	5,070,443	56.75%	▼
350 - Capital Replacement	11,077,458	789,927	10,287,531	7.13%	■
351 - General Capital - CIPF	53,251,233	4,944,973	48,306,260	9.29%	■
401 - General Fund Debt Service	27,068,000	22,620,573	4,447,427	83.57%	▼
500 - Sanitation Fund	8,308,309	3,567,316	4,740,994	42.94%	▲
502 - Aquatics	4,534,548	705,052	3,829,495	15.55%	■
505 - Storm Water Utility	4,623,566	2,318,619	2,304,947	50.15%	▼
510 - Baytown Area Water Authority	16,062,356	6,474,503	9,587,853	40.31%	▲
511 - BAWA Debt Service	-	764,497	(764,497)		
518 - BAWA CIPF Fund	4,520,542	148,289	4,372,253	3.28%	■
520 - Water & Sewer Fund	54,652,228	26,032,198	28,620,030	47.63%	▲

Performance Indicators

Favorable	▲	> 25% and = 50%
Monitor	■	< 25%
Unfavorable	▼	> 50%

Second Quarter Financial Report

Q2 2024

City of Baytown - Period Ending March 31, 2024

Fund	FY24 Budget	FY24 Expenses	Balance	% Spent	Indicator
522 - Water & Sewer Interest & Sinking	16,091,336	4,627,269	11,464,067	28.76%	
527 - Water & Sewer - CIPF	34,571,555	3,195,036	31,376,519	9.24%	
529 - Water & Sewer Impact Fees	12,672,052	668,966	12,003,086	5.28%	
540 - Bayland Island Fund	15,000	-	15,000	0.00%	
563 - South Main Storm Sewer	1,870,964	8,400	1,862,564	0.45%	
Total	\$ 438,017,859	\$ 158,881,935	\$ 279,135,924		

Second Quarter Financial Report

City of Baytown - Period Ending March 31, 2024

Q2 2024

GENERAL FUND

Period Ending March 31, 2024

	Budget	CY Actual	Balance	%	PY Actual	CY to PY Change \$
Revenues						
General Property Tax	\$ 25,450,617	\$ 27,514,206	\$ (2,063,589)	108%	\$ 24,474,604	\$ 3,039,602
Sales and Use Tax	21,621,897	6,479,201	15,142,696	30%	6,935,790	(456,589)
Franchise Fees	4,516,971	1,582,654	2,934,318	35%	1,915,313	(332,659)
Industrial District Agreements (IDAs)	65,500,000	66,117,481	(617,481)	101%	66,182,454	(64,972)
Payment in Lieu of Tax	400,000	246,638	153,362	62%	84,193	162,445
Licenses & Permits	2,409,563	1,001,412	1,408,151	42%	1,215,830	(214,418)
Intergovernmental	1,133,973	862,930	271,043	76%	1,216,216	(353,286)
Charges for Services	2,454,594	1,823,881	630,713	74%	1,417,511	406,371
Fines & Forfeitures	1,393,000	783,595	609,405	56%	605,698	177,896
Special Assessment	200,000	-	200,000	0%	-	-
Miscellaneous	1,780,515	1,595,966	184,549	90%	1,621,939	(25,973)
Transfers In	7,230,474	3,106,482	4,123,992	43%	1,673,516	1,432,966
Total Revenues	134,091,604	111,114,444	22,977,160	83%	107,343,061	3,771,383
Expenditures						
General Government	36,866,483	16,181,848	20,684,635	44%	14,204,269	1,977,579
Public Safety	68,558,628	34,511,919	34,046,709	50%	31,498,113	3,013,805
Public Works	7,706,250	3,303,478	4,402,771	43%	2,955,305	348,173
Health & Welfare	5,837,224	2,202,970	3,634,254	38%	2,170,588	32,382
Culture & Leisure	13,386,632	5,788,445	7,598,187	43%	5,482,883	305,562
Total Operating Expenditures	132,355,217	61,988,660	70,366,557	47%	56,311,159	5,677,502
Capital Outlay	893,500	477,275	416,225	53%	576,526	(99,251)
Transfers Out	2,829,211	1,880,689	948,522	66%	13,157,278	(11,276,589)
Total Expenditures	136,077,928	64,346,624	71,731,304	47%	70,044,963	(5,698,338)
Net Change	(1,986,324)	46,767,820			37,298,099	
Beg. Fund Balance	29,676,454	25,999,515				
End. Fund Balance	\$ 27,690,130	\$ 72,767,335				

City has a 60-90 day fund balance policy

*FB Policy: 21,757,022 10,189,917

FB Over Policy: 5,933,108 62,577,418

Unaudited financials

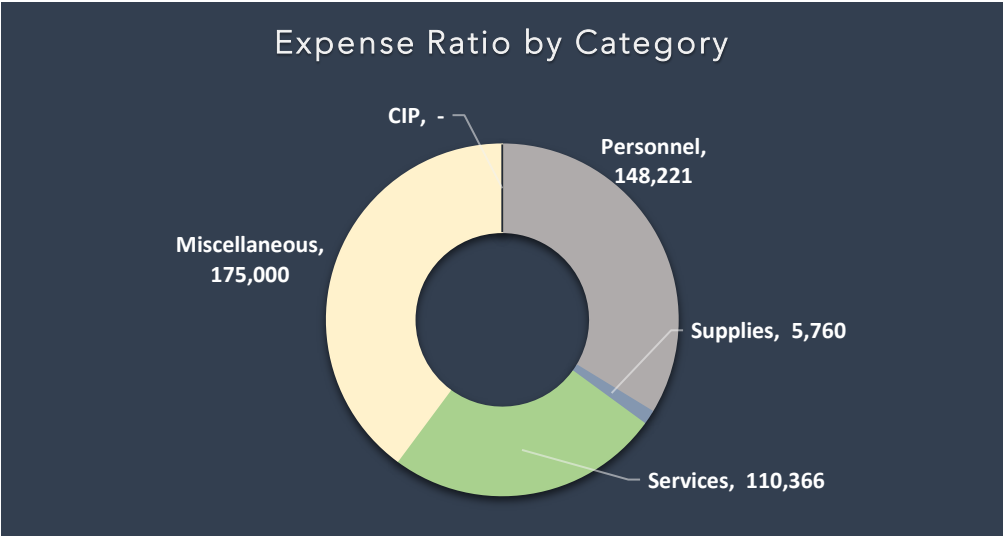
Second Quarter Financial Report

City of Baytown - Period Ending March 31, 2024

Q2 2024

HOTEL/MOTEL OCCUPANCY TAX Period Ending March 31, 2024

	Budget	CY Actual	Balance	%	PY Actual	CY to PY Change \$
Revenues						
Hotel/Motel Tax	\$ 1,699,577	\$ 375,897	\$ 1,323,680	22%	\$ 685,794	\$ (309,897)
Misc. Revenue	43,000	39,050	3,950	91%	41,519	(2,469)
Total Revenues	1,742,577	414,947	1,327,630	24%	727,313	(312,366)
Expenditures						
Arts	74,100	1,250	72,850	2%	12,820	2,366,134
Promotional	1,246,011	437,943	808,068	35%	352,457	1,059,554
Historical	35,000	153	34,847	0%	100	108,068
Convention Center	220,000	-	220,000	0%	37,500	117,895
Total Expenditures	1,575,111	439,347	1,135,764	28%	402,876	36,471
Net Change	167,466	(24,400)			324,437	
Beg. Fund Balance	1,516,755	2,913,729				
End. Fund Balance	\$ 1,684,221	\$ 2,889,329				



Unaudited financials

Second Quarter Financial Report

Q2 2024

City of Baytown - Period Ending March 31, 2024

WATER & SEWER FUND

Period Ending March 31, 2024

	Budget	CY Actual	Balance	%	PY Actual	CY to PY Change \$
Revenues						
BAWA - Contract Services	\$ 2,162,583	\$ 962,591	\$ 1,199,992	45%	\$ 990,300	\$ (27,709)
Sale of Water	27,117,363	14,931,320	12,186,044	55%	12,533,171	2,398,149
Sewer Service	21,794,354	10,749,356	11,044,998	49%	9,806,860	942,496
Penalties	1,106,887	422,532	684,355	38%	524,556	(102,024)
Pollution Control	651,481	348,352	303,129	53%	327,061	21,291
PSLIP Program	300,000	72,400	227,600	24%	80,133	(7,733)
Operating Fees	1,012,805	609,927	402,878	60%	597,091	12,836
Investment Interest	150,000	326,324	(176,324)	218%	193,860	132,464
Miscellaneous	7,000	48,269	(41,269)	690%	(22,926)	71,195
Transfers In	60,000	30,000	30,000	50%	30,000	-
Total Revenues	54,362,473	28,501,070	25,861,403	52%	25,060,105	3,440,965
Expenditures						
Utility Billing	3,148,707	1,142,554	2,006,153	36%	1,033,095	109,459
W&S Gen. Overhead	2,334,634	530,251	1,804,383	23%	591,282	(61,030)
Utility Transmission	2,451,713	1,315,298	1,136,414	54%	1,273,820	41,478
Treated Water	15,526,174	9,055,423	6,470,750	58%	7,254,447	1,800,976
Water Treatment	2,162,583	962,591	1,199,992	45%	957,976	4,615
WW Treatment	10,849,064	2,996,969	7,852,095	28%	3,020,158	(23,188)
Pollution Control	812,085	271,838	540,247	33%	277,104	(5,266)
Total Operating Expenditures	37,284,960	16,274,925	21,010,034	44%	14,407,880	1,867,045
Capital Outlay	1,435,000	1,116,138	318,862	78%	768,716	347,422
Transfers Out	15,932,268	8,641,134	7,291,134	54%	7,387,760	1,253,374
Total Expenditures	54,652,228	26,032,198	28,620,030	48%	22,564,357	3,467,841
Net Change	(289,755)	2,468,873			2,495,749	
Beg. Working Capital	10,425,114	10,361,235				
Working Capital	\$ 10,135,359	\$ 12,830,107				

Unaudited financials

Second Quarter Financial Report

City of Baytown - Period Ending March 31, 2024

Q2 2024

SANITATION

Period Ending March 31, 2024

	Budget	CY Actual	Balance	%	PY Actual	CY to PY Change \$
Revenues						
Solid Waste & Recycling	\$ 7,027,655	\$ 3,477,955	\$ 3,549,701	49%	\$ 3,170,347	\$ 307,607
Recycling	64,677	27,832	36,844	43%	26,956	877
Residential Recycling	524,472	44	524,427	0%	339,457	(339,412)
Miscellaneous	-	7,530	(7,530)	0%	9,866	(2,336)
Transfers In	-	-	-	0%	-	-
Total Revenues	7,616,804	3,513,361	4,103,442	46%	3,546,626	(33,264)
Expenditures						
Personnel Services	1,022,535	602,870	419,665	59%	532,836	70,034
Supplies	82,250	35,048	47,202	43%	45,127	(10,079)
Maintenance	97,000	38,174	58,826	39%	73,124	(34,950)
Services	7,106,524	2,891,323	4,215,201	41%	2,840,251	51,072
Total Operating Expenditures	8,308,309	3,567,416	4,740,894	43%	3,491,338	76,077
Capital Outlay	-	(100)	100	0%	53,396	(53,496)
Transfers Out	-	-	-	0%	-	-
Total Expenditures	8,308,309	3,567,316	4,740,894	43%	3,544,734	22,581
Net Change	(691,506)	(53,954)			1,891	
Beg. Working Capital	55,010	(486,190)				
Working Capital	\$ (636,496)	\$ (540,144)				

Unaudited financials

Second Quarter Financial Report

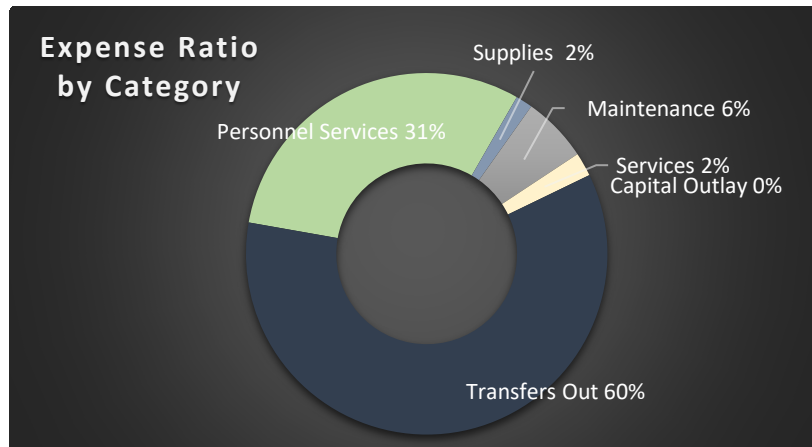
City of Baytown - Period Ending March 31, 2024

Q2 2024

STORM WATER

Period Ending March 31, 2024

	Budget	CY Actual	Balance	%	PY Actual	CY to PY Change \$
Revenues						
User Fees	\$ 5,058,792	\$ 2,097,714	\$ 2,961,078	41%	\$ 2,098,098	\$ (384)
Total Revenues	5,058,792	2,097,714	2,961,078	41%	2,098,098	(384)
Expenditures						
Personnel Services	1,635,902	707,830	928,071	43%	741,900	(34,070)
Supplies	113,600	35,217	78,383	31%	53,372	(18,155)
Maintenance	322,500	136,358	186,142	42%	73,408	62,950
Services	286,564	49,214	237,350	17%	31,660	17,554
Total Operating Expenditures	2,358,566	928,619	1,429,947	39%	900,341	28,278
Capital Outlay	60,000	-	60,000	0%	434,327	(434,327)
Transfers Out	2,205,000	1,390,000	815,000	63%	(202,000)	1,592,000
Contingency	-	-	-	0%	-	-
Total Expenditures	4,623,566	2,318,619	2,304,947	50%	1,132,668	1,185,951
Net Change	435,226	(220,905)			965,430	
Beg. Working Capital	3,607,794	(2,013,709)				
Working Capital	\$ 4,043,020	\$ (2,234,614)				



Unaudited financials

Second Quarter Financial Report

City of Baytown - Period Ending March 31, 2024

Q2 2024

AQUATICS

Period Ending March 31, 2024

	Budget	CY Actual	Balance	%	PY Actual	CY to PY Change \$
Revenues						
Facility Rental	\$ 258,339	\$ 6,300	\$ 252,039	2%	\$ 4,700	\$ 1,600
Aquatics	3,173,460	99,833	3,073,627	3%	69,799	30,034
Concessions	368,278	6,771	361,507	2%	5,479	1,292
Rentals	76,248	34,599	41,649	45%	12,388	22,211
Miscellaneous	16,984	80,633	(63,649)	475%	4,648	75,984
Transfers In	-	-	-	0%	-	-
Total Revenues	3,893,309	228,136	3,665,173	6%	97,014	131,122
Expenditures						
Personnel Services	2,466,333	325,621	2,140,712	13%	371,290	(45,669)
Supplies	620,337	67,562	552,775	11%	142,676	(75,114)
Maintenance	843,006	61,281	781,725	7%	162,709	(101,428)
Services	223,921	60,197	163,724	27%	54,735	5,462
Total Operating Expenditures	4,153,597	514,661	3,638,935	12%	731,410	(216,749)
Capital Outlay*	-	-	-	0%	317	(317)
Transfers Out	380,951	190,391	190,560	50%	190,475	(84)
Contingency	-	-	-	0%	-	-
Total Expenditures	4,534,548	705,052	3,829,495	16%	922,203	(217,150)
Net Change	(641,239)	(476,917)			(825,188)	
Beg. Working Capital	(295,427)	(785,892)				
Working Capital	\$ (936,666)	\$ (1,262,808)				

Unaudited financials

Second Quarter Financial Report

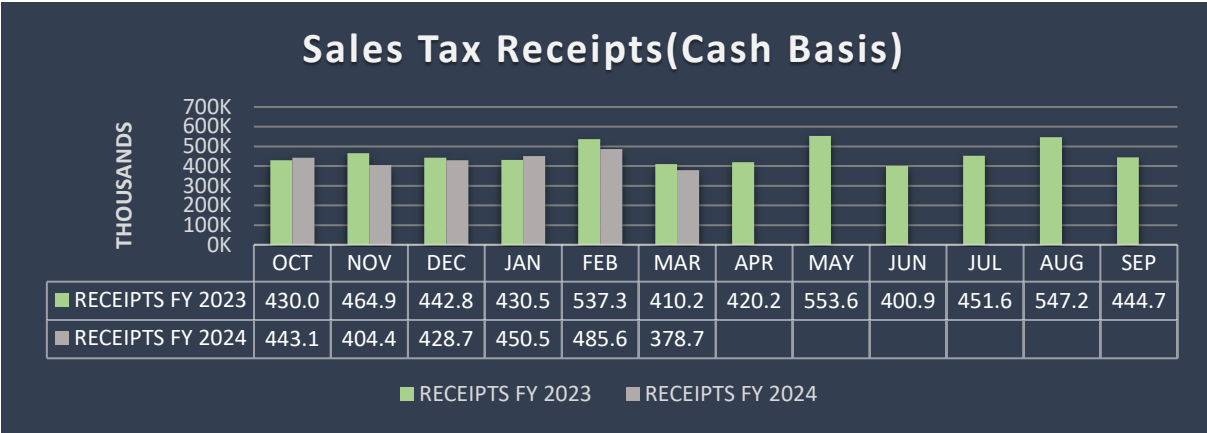
City of Baytown - Period Ending March 31, 2024

Q2 2024

STREETS

Period Ending March 31, 2024

	Budget	CY Actual	Balance	%	PY Actual	CY to PY Change \$
Revenues						
Sales Tax	\$ 4,358,184	\$ 1,743,475	\$ 2,614,709	40%	\$ 1,820,823	\$ (77,348)
Interest Income	217,909	202,199	15,710	93%	135,278	66,922
Miscellaneous	-	-	-	0%	-	-
Total Revenues	4,576,093	1,945,674	2,630,419	43%	1,956,100	(10,426)
Expenditures						
Personnel Services	1,846,982	629,754	1,217,228	34%	690,083	(60,329)
Supplies	43,250	31,421	11,829	73%	31,125	295
Maintenance	3,482,000	482,657	2,999,343	14%	758,055	(275,399)
Services	664,000	144,440	519,560	22%	30,118	114,323
Total Operating Expenditures	6,036,232	1,288,272	4,747,960	21%	1,509,382	(221,110)
Capital Outlay	387,000	330,875	56,125	85%	-	330,875
Contingency	260,000	-	260,000	0%	-	-
Total Expenditures	6,683,232	1,619,147	5,064,085	24%	1,509,382	109,765
Net Change	(2,107,139)	326,527			446,718	
Beg. Fund Balance	5,424,336	7,246,081				
Fund Balance	\$ 3,317,197	\$ 7,572,608				



Unaudited financials

INVESTMENT REPORT

City of Baytown

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January 1 to March 31, 2024



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Market Recap

The extreme bond market volatility continued in March as investors tried to determine exactly when the Fed would begin cutting the overnight target rate. Economic growth and labor market conditions proved much more resilient than expected while inflation measures failed to cool enough to quell market concerns. The result was higher yields during the month and the expectation that rate policy would remain higher for longer.

The first market-moving release in March actually nudged yields *lower*. The February ISM Services index slipped from 53.4 to 52.6, suggesting the service sector might be taking a breather. The following day, the February employment report appeared mixed as nonfarm payrolls increased by a solid +275k while the previous two months were revised lower by -167k. The separate household survey told a wildly contrasting story as the number of employed workers fell -184k, after dropping by a combined -151k in the previous two months. The headline unemployment rate increased from 3.7% to 3.9%, the highest since January 2022, as +150k workers entered (or reentered) the civilian labor force in February.

Consumer inflation was once again warmer-than-expected. Headline consumer price index (CPI) climbed +0.4% in February, which boosted the year-over-year pace up from +3.1% to +3.2%. Shelter costs and gasoline combined to account for over 60% of the monthly gain. The annual CPI core rate (which excludes food and energy) slipped from +3.9% to +3.8% but missed the more hopeful +3.7% median forecast.

Producer prices followed the same uncomfortably warm path with headline PPI jumping +0.6%, double both the January increase and the February median forecast. On a year-over-year basis, overall PPI rose at a mostly benign +1.6% pace, up from +1.0% in January, while core PPI held steady at +2.0%. Although producer prices were more in line with the Fed's target, the shift upward was a concern.

Retail sales were generally expected to rebound after bad weather contributed to a January sales slump, but that bounce-back wasn't nearly as strong as analysts expected with February retail sales climbing by +0.6%, a bit weaker than the +0.8% forecast. On top of that, the previously reported decline in January sales was revised lower from -0.8% to -1.1%,

while the December sales increase was revised downward from +0.4% to +0.1%. "Control group" sales were unchanged in February after falling a revised -0.3% in January. Because the control group is used to calculate GDP, it suggested slower Q1 GDP growth.

With a huge batch of fresh economic data to consider, Fed officials met in mid-March and voted unanimously to leave the overnight funds rate unchanged for the fifth consecutive meeting. The Fed's updated "dot plot" continued to show a total of 75 basis points in rate cuts this year, leaving the median funds forecast for the end of 2024 at 4.6%. The 2025 projection showed one fewer cut, moving the yearend funds forecast up from 3.6% to 3.9% and the 2026 forecast from 2.9% to 3.1%, although Powell noted that the dot plot is fluid and not a plan.

The committee's GDP forecast for 2024 increased from +1.4% at the December meeting to +2.1%, while the 2025 forecast was revised upward from +1.8% to +2.0% and the 2026 forecast from +1.9% to +2.0%. In the Fed's mind, the likelihood of recession continues to fade. The committee acknowledged recent higher-than-expected price pressures by revising 2024 yearend core PCE higher from +2.4% to +2.6%, although the 2025 and 2026 core inflation forecasts were unchanged at +2.2% and +2.0% respectively.

Both Q1 GDP forecasts and the early data suggest growth has slowed quarter to quarter. Just how quickly this softening of demand translates into lower prices will dictate the timing and magnitude of rate cuts later this year.

Investment Officers' Certification

This report is prepared for the City of Baytown (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

Teresa McKenzie
Director of Finance

Lianette Leon
Controller/Asst. Dir. of Finance

Portfolio Overview

Portfolio Summary

	Prior 31 Dec-23	Current 31 Mar-24
Par Value	228,121,138.92	282,069,565.37
Original Cost	227,179,513.53	281,286,453.01
Book Value	227,807,113.46	281,649,155.04
Market Value	227,329,675.32	281,147,387.37
Accrued Interest	404,352.78	378,196.98
Book Value Plus Accrued	228,211,466.24	282,027,352.02
Market Value Plus Accrued	227,734,028.10	281,525,584.35
Net Unrealized Gain/(Loss)	(477,438.14)	(501,767.67)

Income Summary

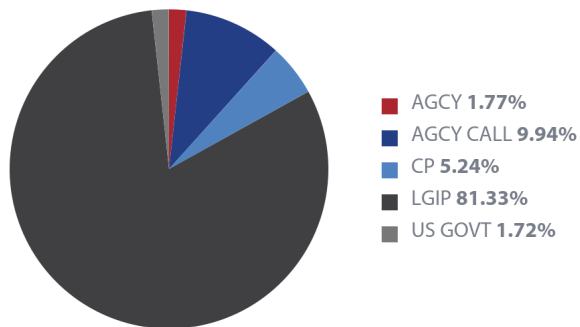
Current Period	1 Jan-24 to 31 Mar-24
Interest Income	2,957,532.03
Net Amortization/Accretion	234,668.78
Realized Gain/(Loss)	(0.01)
Net Income	3,192,200.81

Fiscal Year-to-Date	1 Oct-23 to 31 Mar-24
Net Income	6,169,454.85

Portfolio Characteristics

	Prior 31 Dec-23	Current 31 Mar-24
Yield to Maturity	5.176%	5.163%
Yield to Worst	5.176%	5.163%
Days to Final Maturity	74	54
Days to Effective Maturity	74	54
Duration	0.76	0.76

Asset Allocation

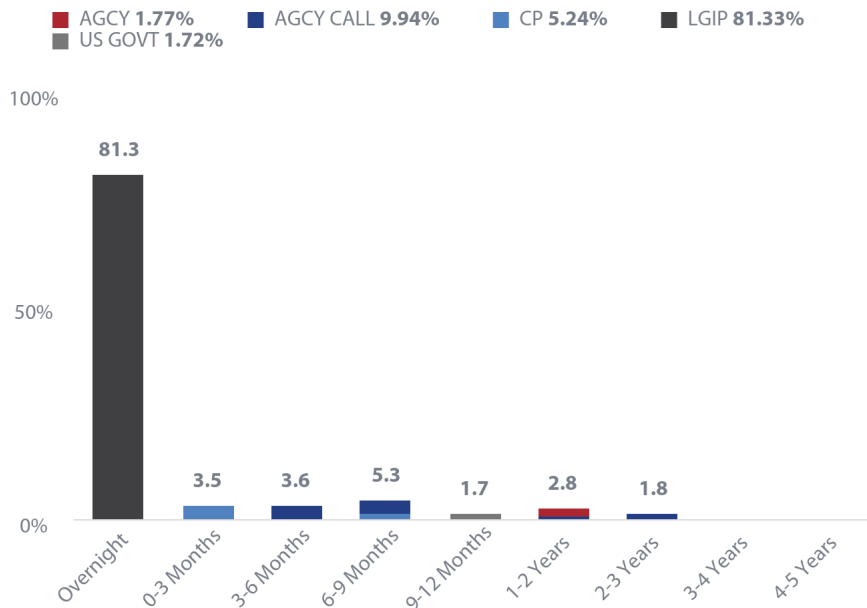


Transaction Summary

Transaction Type	Quantity	Principal	Interest	Total Amount	Realized Gain/Loss
Buy	10,000,000.00	(9,658,946.36)	(2,853.26)	(9,661,799.62)	0.00
Maturity	(15,000,000.00)	15,000,000.00	0.00	15,000,000.00	(0.01)
Coupon	0.00	0.00	555,885.40	555,885.40	0.00

Portfolio Overview

Maturity Distribution by Security Type



Top Ten Holdings

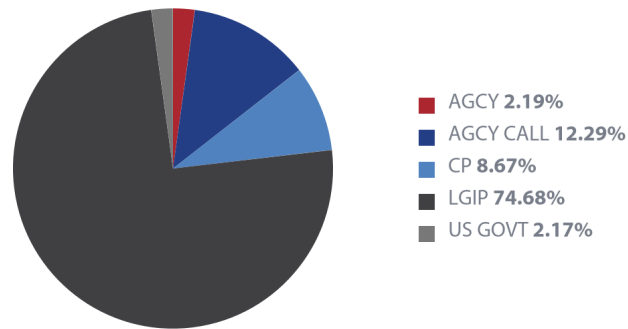
Issuer	Allocation
TEXPOOL	67.25%
TEXSTAR	14.08%
Federal Home Loan Mortgage Corporation	8.16%
Toyota Motor Credit Corporation	3.48%
Federal Farm Credit Banks Funding Corporation	1.78%
Federal Home Loan Banks	1.77%
Royal Bank of Canada	1.75%
United States Department of The Treasury	1.72%

Maturity Distribution by Security Type

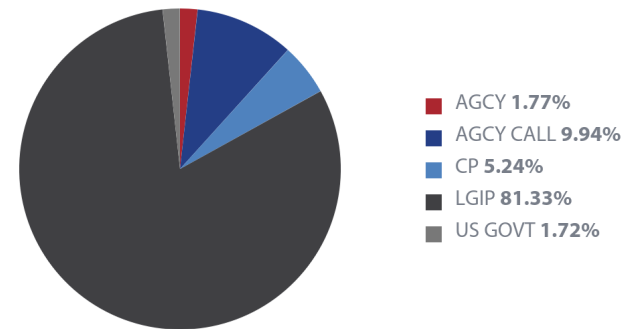
Security Type	Overnight	0-3 Months	3-6 Months	6-9 Months	9-12 Months	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Portfolio Total
AGCY	--	--	--	--	--	4,985,331.31	--	--	--	4,985,331.31
AGCY CALL	--	--	10,000,000.00	10,000,000.00	--	2,995,873.78	5,000,000.00	--	--	27,995,873.78
CP	--	9,933,755.56	--	4,815,822.23	--	--	--	--	--	14,749,577.78
LGIP	229,069,565.37	--	--	--	--	--	--	--	--	229,069,565.37
US GOVT	--	--	--	--	4,848,806.80	--	--	--	--	4,848,806.80
Total	229,069,565.37	9,933,755.56	10,000,000.00	14,815,822.23	4,848,806.80	7,981,205.09	5,000,000.00	--	--	281,649,155.04

Asset Allocation

Asset Allocation by Security Type as of
31-Dec-2023



Asset Allocation by Security Type as of
31-Mar-2024



Book Value Basis Security Distribution

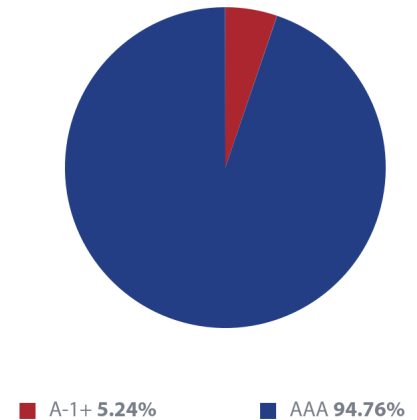
Security Type	Prior Balance 31-Dec-23	Prior Allocation 31-Dec-23	Change in Allocation	Current Balance 31-Mar-24	Current Allocation 31-Mar-24	Yield to Maturity
AGCY	4,982,658.75	2.19%	(0.42%)	4,985,331.31	1.77%	5.088%
AGCY CALL	27,994,986.35	12.29%	(2.35%)	27,995,873.78	9.94%	3.706%
CP	19,756,912.76	8.67%	(3.44%)	14,749,577.78	5.24%	5.668%
LGIP	170,121,138.92	74.68%	6.65%	229,069,565.37	81.33%	5.313%
US GOVT	4,951,416.67	2.17%	(0.45%)	4,848,806.80	1.72%	5.037%
Portfolio Total	227,807,113.46	100.00%		281,649,155.04	100.00%	5.163%

Credit Rating Summary

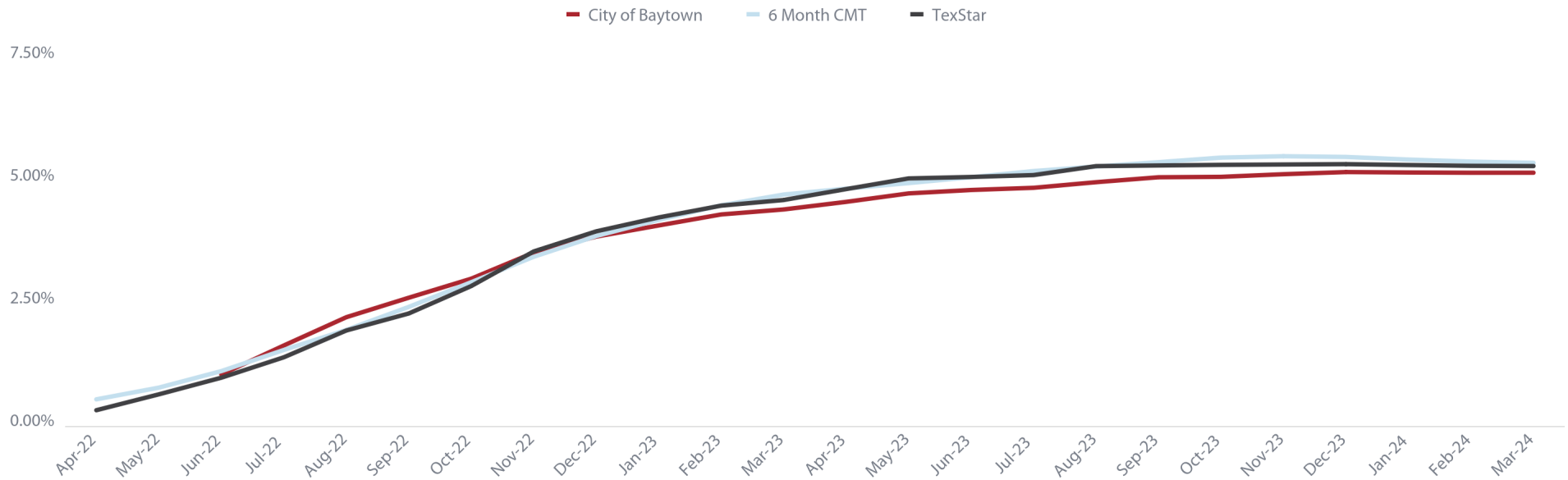
Rating Distribution

	Book Value	Portfolio Allocation
Local Government Investment Pools & Money Market Funds		
AAA	229,069,565.37	81.33%
Total Local Government Investment Pools & Money Market Funds	229,069,565.37	81.33%
Short Term Rating Distribution		
A-1+	14,749,577.78	5.24%
Total Short Term Rating Distribution	14,749,577.78	5.24%
Long Term Rating Distribution		
AAA	37,830,011.89	13.43%
Total Long Term Rating Distribution	37,830,011.89	13.43%
Portfolio Total	281,649,155.04	100.00%

Allocation by Rating



Benchmark Comparison



Yield Overview

	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
City of Baytown	—	—	1.05	1.64	2.22	2.62	3.00	3.53	3.86	4.09	4.31	4.41	4.57	4.74	4.81	4.86	4.97	5.07	5.08	5.13	5.18	5.17	5.16	5.16
6 Month CMT	0.54	0.78	1.12	1.55	1.96	2.43	2.93	3.45	3.87	4.20	4.50	4.72	4.84	4.95	5.07	5.20	5.29	5.38	5.47	5.50	5.48	5.43	5.39	5.36
TexStar	0.32	0.65	0.98	1.40	1.95	2.29	2.85	3.56	3.97	4.25	4.49	4.61	4.83	5.05	5.08	5.11	5.30	5.31	5.32	5.33	5.34	5.32	5.30	5.30

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
1-General Fund	62,530,709.68	62,003,549.68	38,861,684.94	101,364,574.62	100,865,234.62	920,455.66	78	4.877%	4.877%
2-Special Taxing District	15,910,813.33	15,910,813.33	2,288,355.40	18,199,168.73	18,199,168.73	258,448.64	1	5.316%	5.316%
3-Baytown Area Water Authority	4,467,441.22	4,467,441.22	608,853.31	5,076,294.53	5,076,294.53	62,648.59	1	5.316%	5.316%
4-Public Safety Facility	12,120,830.99	12,117,608.23	(4,885,272.25)	7,232,335.98	7,232,335.98	111,504.99	1	5.316%	5.316%
5-Capital Improvement Program	17,551,972.58	17,551,972.58	234,226.77	17,786,199.35	17,786,199.35	234,226.77	1	5.316%	5.316%
6-Bond Funds (Liquid)	39,256,084.93	39,256,084.93	412,715.86	39,668,800.79	39,668,800.79	521,715.86	1	5.299%	5.299%
7-Bond Funds (Invested) Series 2022 CO	17,768,161.36	17,765,961.00	3,631.00	17,778,436.14	17,769,592.00	202,283.95	189	5.499%	5.499%
8-Water & Sewer	58,201,099.37	58,256,244.35	16,293,517.02	74,543,344.90	74,549,761.37	880,916.35	53	5.301%	5.301%
Total	227,807,113.46	227,329,675.32	53,817,712.05	281,649,155.04	281,147,387.37	3,192,200.81	54	5.163%	5.163%

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
1-General Fund																		
TXPL-BT023		LGIP	TexPool-Concentration		03/31/24			42,949,207.32	100.000	42,949,207.32	42,949,207.32	100.000	42,949,207.32	1		5.316	5.316	AAA
TXPL-BT043		LGIP	TexPool-Library Expendable Trust		03/31/24			10,826.66	100.000	10,826.66	10,826.66	100.000	10,826.66	1		5.316	5.316	AAA
TXPL-BT055		LGIP	TexPool-Capital Replacement		03/31/24			10,879,563.42	100.000	10,879,563.42	10,879,563.42	100.000	10,879,563.42	1		5.316	5.316	AAA
TXPL-BT056		LGIP	TexPool-Medical Benefits		03/31/24			13,833,589.14	100.000	13,833,589.14	13,833,589.14	100.000	13,833,589.14	1		5.316	5.316	AAA
TXPL-BT057		LGIP	TexPool-WC Self-Insurance		03/31/24			4,656,328.24	100.000	4,656,328.24	4,656,328.24	100.000	4,656,328.24	1		5.316	5.316	AAA
TXPL-BT063		LGIP	TexPool-Gen Obl Int & Sinking Fund		03/31/24			2,017,529.92	100.000	2,017,529.92	2,017,529.92	100.000	2,017,529.92	1		5.316	5.316	AAA
TXPL-BT064		LGIP	TexPool-Hotel/Motel Occupancy Tax		03/31/24			2,017,529.92	100.000	2,017,529.92	2,017,529.92	100.000	2,017,529.92	1		5.316	5.316	AAA
3134GXD68	07/26/22	AGCY CALL	FHLMC	4.000	07/26/24	04/26/24	Monthly	10,000,000.00	100.000	10,000,000.00	10,000,000.00	99.572	9,957,250.00	117	26	4.000	4.000	AAA
3134GX2P8	09/30/22	AGCY CALL	FHLMC	4.125	09/30/24	06/30/24	Quarterly	10,000,000.00	100.000	10,000,000.00	10,000,000.00	99.379	9,937,910.00	183	91	4.125	4.125	AAA
3133ENEM8	11/23/21	AGCY CALL	FFCB	1.430	11/23/26	04/21/24	Continuous	5,000,000.00	100.000	5,000,000.00	5,000,000.00	92.110	4,605,500.00	967	21	1.430	1.430	AAA
Total 1-General Fund								101,364,574.62		101,364,574.62	101,364,574.62		100,865,234.62	78	51	4.877	4.877	
2-Special Taxing District																		
TXPL-BT002		LGIP	TexPool-Street Maintenance Sales Tax		03/31/24			7,852,537.75	100.000	7,852,537.75	7,852,537.75	100.000	7,852,537.75	1		5.316	5.316	AAA
TXPL-BT015		LGIP	TexPool-Municipal Development Dist		03/31/24			1,246,274.38	100.000	1,246,274.38	1,246,274.38	100.000	1,246,274.38	1		5.316	5.316	AAA
TXPL-BT047		LGIP	TexPool-Crime Control and Prevention Dist		03/31/24			3,148,260.89	100.000	3,148,260.89	3,148,260.89	100.000	3,148,260.89	1		5.316	5.316	AAA
TXPL-BT048		LGIP	TexPool-Fire Control, Prevention & EMS Dist		03/31/24			2,925,800.77	100.000	2,925,800.77	2,925,800.77	100.000	2,925,800.77	1		5.316	5.316	AAA
TXPL-BT061		LGIP	TexPool-Tax Increment Reinvest FD		03/31/24			3,026,294.94	100.000	3,026,294.94	3,026,294.94	100.000	3,026,294.94	1		5.316	5.316	AAA
Total 2-Special Taxing District								18,199,168.73		18,199,168.73	18,199,168.73		18,199,168.73	1		5.316	5.316	

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
3-Baytown Area Water Authority																		
TXPL-BT001		LGIP	TexPool-BAWA Operating		03/31/24			3,058,764.55	100.000	3,058,764.55	3,058,764.55	100.000	3,058,764.55	1		5.316	5.316	AAA
TXPL-BT059		LGIP	TexPool-BAWA Debt Service Fund		03/31/24			1,008,764.99	100.000	1,008,764.99	1,008,764.99	100.000	1,008,764.99	1		5.316	5.316	AAA
TXPL-BT060		LGIP	TexPool-BAWA CPIF Fund		03/31/24			1,008,764.99	100.000	1,008,764.99	1,008,764.99	100.000	1,008,764.99	1		5.316	5.316	AAA
Total 3-Baytown Area Water Authority								5,076,294.53		5,076,294.53	5,076,294.53		5,076,294.53	1		5.316	5.316	
4-Public Safety Facility																		
TXPL-BT051		LGIP	TexPool-Public Safety Facility		03/31/24			7,232,335.98	100.000	7,232,335.98	7,232,335.98	100.000	7,232,335.98	1		5.316	5.316	AAA
Total 4-Public Safety Facility								7,232,335.98		7,232,335.98	7,232,335.98		7,232,335.98	1		5.316	5.316	
5-Capital Improvement Program																		
TXPL-BT046		LGIP	TexPool-Capital Improvement Prog		03/31/24			17,786,199.35	100.000	17,786,199.35	17,786,199.35	100.000	17,786,199.35	1		5.316	5.316	AAA
Total 5-Capital Improvement Program								17,786,199.35		17,786,199.35	17,786,199.35		17,786,199.35	1		5.316	5.316	
6-Bond Funds (Liquid)																		
TXST-BT170		LGIP	TexSTAR-2017 CO Bonds		03/31/24			12,897.95	100.000	12,897.95	12,897.95	100.000	12,897.95	1		5.299	5.299	AAA
TXST-BT180		LGIP	TexSTAR-2018 CO Bonds		03/31/24			0.26	100.000	0.26	0.26	100.000	0.26	1		5.299	5.299	AAA
TXST-BT190		LGIP	TexSTAR-2019 CO Bonds		03/31/24			9,138,185.71	100.000	9,138,185.71	9,138,185.71	100.000	9,138,185.71	1		5.299	5.299	AAA
TXST-BT191		LGIP	TexSTAR-2019A CO Bonds		03/31/24			45,223.84	100.000	45,223.84	45,223.84	100.000	45,223.84	1		5.299	5.299	AAA
TXST-BT19X		LGIP	TexSTAR-2019 Water Supply Rev Bonds		03/31/24			0.25	100.000	0.25	0.25	100.000	0.25	1		5.299	5.299	AAA
TXST-BT200		LGIP	TexSTAR-2020 CO Bonds		03/31/24			21,820,441.20	100.000	21,820,441.20	21,820,441.20	100.000	21,820,441.20	1		5.299	5.299	AAA
TXST-BT220		LGIP	TexSTAR-2022 CO Bonds		03/31/24			8,652,051.58	100.000	8,652,051.58	8,652,051.58	100.000	8,652,051.58	1		5.299	5.299	AAA

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
Total 6-Bond Funds (Liquid)								39,668,800.79		39,668,800.79	39,668,800.79		39,668,800.79	1		5.299	5.299	
7-Bond Funds (Invested) Series 2022 CO																		
89233GDC7	07/19/23	CP	Toyota Motor Credit Corp	0.000	04/12/24			5,000,000.00	95.816	4,790,811.11	4,991,413.89	99.790	4,989,480.00	12		5.824	5.824	A-1+
78009AFE9	09/25/23	CP	Royal Bank of Canada	0.000	06/14/24			5,000,000.00	95.902	4,795,079.17	4,942,341.67	98.871	4,943,560.00	75		5.850	5.850	A-1+
91282CED9	03/27/24	US GOVT	U.S. Treasury Note	1.750	03/15/25			5,000,000.00	96.934	4,846,679.69	4,848,806.80	96.938	4,846,875.00	349		5.037	5.037	AAA
3134GYSP8	05/19/23	AGCY CALL	FHLMC	5.000	05/16/25	05/16/24	Monthly	3,000,000.00	99.762	2,992,851.00	2,995,873.78	99.656	2,989,677.00	411	46	5.128	5.128	AAA
Total 7-Bond Funds (Invested) Series 2022 CO								18,000,000.00		17,425,420.97	17,778,436.14		17,769,592.00	189	46	5.499	5.499	
8-Water & Sewer																		
TEXPOOL		LGIP	TexPool		03/31/24			14,600,275.94	100.000	14,600,275.94	14,600,275.94	100.000	14,600,275.94	1		5.316	5.316	AAA
TEXPOOL		LGIP	TexPool		03/31/24			12,361,334.17	100.000	12,361,334.17	12,361,334.17	100.000	12,361,334.17	1		5.316	5.316	AAA
TEXPOOL		LGIP	TexPool		03/31/24			19,833,988.67	100.000	19,833,988.67	19,833,988.67	100.000	19,833,988.67	1		5.316	5.316	AAA
TEXPOOL		LGIP	TexPool		03/31/24			17,946,592.59	100.000	17,946,592.59	17,946,592.59	100.000	17,946,592.59	1		5.316	5.316	AAA
89233GMG8	03/27/24	CP	Toyota Motor Credit Corp	0.000	12/16/24			5,000,000.00	96.245	4,812,266.67	4,815,822.23	96.234	4,811,675.00	260		5.320	5.320	A-1+
3130AWS92	09/08/23	AGCY	FHLB	4.875	09/12/25			5,000,000.00	99.584	4,979,200.00	4,985,331.31	99.918	4,995,895.00	530		5.088	5.088	AAA
Total 8-Water & Sewer								74,742,191.37		74,533,658.04	74,543,344.90		74,549,761.37	53		5.301	5.301	
Grand Total								282,069,565.37		281,286,453.01	281,649,155.04		281,147,387.37	54	50	5.163	5.163	

Earned Income

CUSIP	Security Type	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
1-General Fund										
TXPL-BT023	LGIP	TexPool-Concentration	0.00	275,899.18	275,899.18	0.00	0.00	0.00	0.00	275,899.18
TXPL-BT043	LGIP	TexPool-Library Expendable Trust	0.00	142.64	142.64	0.00	0.00	0.00	0.00	142.64
TXPL-BT055	LGIP	TexPool-Capital Replacement	0.00	143,273.09	143,273.09	0.00	0.00	0.00	0.00	143,273.09
TXPL-BT056	LGIP	TexPool-Medical Benefits	0.00	183,761.66	183,761.66	0.00	0.00	0.00	0.00	183,761.66
TXPL-BT057	LGIP	TexPool-WC Self-Insurance	0.00	61,319.25	61,319.25	0.00	0.00	0.00	0.00	61,319.25
TXPL-BT063	LGIP	TexPool-Gen Obl Int & Sinking Fund	0.00	17,529.92	17,529.92	0.00	0.00	0.00	0.00	17,529.92
TXPL-BT064	LGIP	TexPool-Hotel/Motel Occupancy Tax	0.00	17,529.92	17,529.92	0.00	0.00	0.00	0.00	17,529.92
3134GXD68	AGCY CALL	FHLMC	172,222.22	100,000.00	200,000.00	0.00	72,222.22	0.00	0.00	100,000.00
3134GX2P8	AGCY CALL	FHLMC	104,270.83	103,125.00	0.00	0.00	207,395.83	0.00	0.00	103,125.00
3133ENEM8	AGCY CALL	FFCB	7,547.22	17,875.00	0.00	0.00	25,422.22	0.00	0.00	17,875.00
Total 1-General Fund			284,040.28	920,455.66	899,455.66	0.00	305,040.28	0.00	0.00	920,455.66
2-Special Taxing District										
TXPL-BT002	LGIP	TexPool-Street Maintenance Sales Tax	0.00	107,689.67	107,689.67	0.00	0.00	0.00	0.00	107,689.67
TXPL-BT015	LGIP	TexPool-Municipal Development Dist	0.00	44,515.82	44,515.82	0.00	0.00	0.00	0.00	44,515.82
TXPL-BT047	LGIP	TexPool-Crime Control and Prevention Dist	0.00	38,859.81	38,859.81	0.00	0.00	0.00	0.00	38,859.81
TXPL-BT048	LGIP	TexPool-Fire Control, Prevention & EMS Dist	0.00	41,088.40	41,088.40	0.00	0.00	0.00	0.00	41,088.40
TXPL-BT061	LGIP	TexPool-Tax Increment Reinvest FD	0.00	26,294.94	26,294.94	0.00	0.00	0.00	0.00	26,294.94
Total 2-Special Taxing District			0.00	258,448.64	258,448.64	0.00	0.00	0.00	0.00	258,448.64
3-Baytown Area Water Authority										
TXPL-BT001	LGIP	TexPool-BAWA Operating	0.00	45,118.61	45,118.61	0.00	0.00	0.00	0.00	45,118.61
TXPL-BT059	LGIP	TexPool-BAWA Debt Service Fund	0.00	8,764.99	8,764.99	0.00	0.00	0.00	0.00	8,764.99
TXPL-BT060	LGIP	TexPool-BAWA CPIF Fund	0.00	8,764.99	8,764.99	0.00	0.00	0.00	0.00	8,764.99
Total 3-Baytown Area Water Authority			0.00	62,648.59	62,648.59	0.00	0.00	0.00	0.00	62,648.59

Earned Income

CUSIP	Security Type	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
4-Public Safety Facility										
78009AAQ7	CP	Royal Bank of Canada	0.00	0.00	0.00	0.00	0.00	16,262.24	(0.00)	16,262.24
TXPL-BT051	LGIP	TexPool-Public Safety Facility	0.00	95,242.75	95,242.75	0.00	0.00	0.00	0.00	95,242.75
Total 4-Public Safety Facility			0.00	95,242.75	95,242.75	0.00	0.00	16,262.24	(0.00)	111,504.99
5-Capital Improvement Program										
TXPL-BT046	LGIP	TexPool-Capital Improvement Prog	0.00	234,226.77	234,226.77	0.00	0.00	0.00	0.00	234,226.77
Total 5-Capital Improvement Program			0.00	234,226.77	234,226.77	0.00	0.00	0.00	0.00	234,226.77
6-Bond Funds (Liquid)										
TXST-BT170	LGIP	TexSTAR-2017 CO Bonds	0.00	1,598.78	1,598.78	0.00	0.00	0.00	0.00	1,598.78
TXST-BT180	LGIP	TexSTAR-2018 CO Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TXST-BT190	LGIP	TexSTAR-2019 CO Bonds	0.00	119,854.20	119,854.20	0.00	0.00	0.00	0.00	119,854.20
TXST-BT191	LGIP	TexSTAR-2019A CO Bonds	0.00	593.11	593.11	0.00	0.00	0.00	0.00	593.11
TXST-BT19X	LGIP	TexSTAR-2019 Water Supply Rev Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TXST-BT200	LGIP	TexSTAR-2020 CO Bonds	0.00	286,191.56	286,191.56	0.00	0.00	0.00	0.00	286,191.56
TXST-BT220	LGIP	TexSTAR-2022 CO Bonds	0.00	113,478.21	113,478.21	0.00	0.00	0.00	0.00	113,478.21
Total 6-Bond Funds (Liquid)			0.00	521,715.86	521,715.86	0.00	0.00	0.00	0.00	521,715.86
7-Bond Funds (Invested) Series 2022 CO										
89233GAS5	CP	Toyota Motor Credit Corp	0.00	0.00	0.00	0.00	0.00	18,645.83	0.00	18,645.83
89233GDC7	CP	Toyota Motor Credit Corp	0.00	0.00	0.00	0.00	0.00	71,030.56	0.00	71,030.56
78009AFE9	CP	Royal Bank of Canada	0.00	0.00	0.00	0.00	0.00	70,904.17	0.00	70,904.17
91282CED9	US GOVT	U.S. Treasury Note	0.00	1,188.86	0.00	(2,853.26)	4,042.12	2,127.11	0.00	3,315.97
3134GYSP8	AGCY CALL	FHLMC	18,750.00	37,500.00	0.00	0.00	56,250.00	887.43	0.00	38,387.43

Earned Income

CUSIP	Security Type	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
Total 7-Bond Funds (Invested) Series 2022 CO			18,750.00	38,688.86	0.00	(2,853.26)	60,292.12	163,595.09	0.00	202,283.95
8-Water & Sewer										
912797GQ4	US GOVT	U.S. Treasury Bill	0.00	0.00	0.00	0.00	0.00	48,583.33	(0.00)	48,583.33
TEXPOOL	LGIP	TexPool	0.00	126,592.59	126,592.59	0.00	0.00	0.00	0.00	126,592.59
TEXPOOL	LGIP	TexPool	0.00	162,786.59	162,786.59	0.00	0.00	0.00	0.00	162,786.59
TEXPOOL	LGIP	TexPool	0.00	192,906.06	192,906.06	0.00	0.00	0.00	0.00	192,906.06
TEXPOOL	LGIP	TexPool	0.00	282,882.18	282,882.18	0.00	0.00	0.00	0.00	282,882.18
89233GMG8	CP	Toyota Motor Credit Corp	0.00	0.00	0.00	0.00	0.00	3,555.56	0.00	3,555.56
3130AWS92	AGCY	FHLB	101,562.50	60,937.48	149,635.40	0.00	12,864.58	2,672.56	0.00	63,610.04
Total 8-Water & Sewer			101,562.50	826,104.90	914,802.82	0.00	12,864.58	54,811.45	(0.00)	880,916.35
Grand Total			404,352.78	2,957,532.03	2,986,541.09	(2,853.26)	378,196.98	234,668.78	(0.01)	3,192,200.81

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
1-General Fund															
Coupon															
3134GXD68	01/26/24	01/26/24	AGCY CALL	FHLMC	4.000	07/26/24	03/26/24	0.00		0.00	200,000.00	200,000.00	0.00	--	--
3134GX2P8	03/30/24	03/30/24	AGCY CALL	FHLMC	4.125	09/30/24	06/30/24	0.00		0.00	206,250.00	206,250.00	0.00	--	--
Total Coupon								0.00		0.00	406,250.00	406,250.00	0.00		
4-Public Safety Facility															
Maturity															
78009AAQ7	01/24/24	01/24/24	CP	Royal Bank of Canada	0.000	01/24/24		(5,000,000.00)	100.000	5,000,000.00	0.00	5,000,000.00	(0.00)	--	--
Total Maturity								(5,000,000.00)		5,000,000.00	0.00	5,000,000.00	(0.00)		
7-Bond Funds (Invested) Series 2022 CO															
Buy															
91282CED9	03/26/24	03/27/24	US GOVT	U.S. Treasury Note	1.750	03/15/25		5,000,000.00	96.934	4,846,679.69	2,853.26	4,849,532.95	0.00	5.037	5.037
Total Buy								5,000,000.00		4,846,679.69	2,853.26	4,849,532.95	0.00		
Maturity															
89233GAS5	01/26/24	01/26/24	CP	Toyota Motor Credit Corp	0.000	01/26/24		(5,000,000.00)	100.000	5,000,000.00	0.00	5,000,000.00	0.00	--	--
Total Maturity								(5,000,000.00)		5,000,000.00	0.00	5,000,000.00	0.00		
8-Water & Sewer															
Buy															
89233GMG8	03/26/24	03/27/24	CP	Toyota Motor Credit Corp	0.000	12/16/24		5,000,000.00	96.245	4,812,266.67	0.00	4,812,266.67	0.00	5.320	5.320
Total Buy								5,000,000.00		4,812,266.67	0.00	4,812,266.67	0.00		
Coupon															
3130AWS92	03/12/24	03/12/24	AGCY	FHLB	4.875	09/12/25		0.00		0.00	149,635.40	149,635.40	0.00	--	--
Total Coupon								0.00		0.00	149,635.40	149,635.40	0.00		
Maturity															
912797GQ4	03/07/24	03/07/24	US GOVT	U.S. Treasury Bill	0.000	03/07/24		(5,000,000.00)	100.000	5,000,000.00	0.00	5,000,000.00	(0.00)	--	--

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
Total Maturity								(5,000,000.00)		5,000,000.00	0.00	5,000,000.00	(0.00)		

Investment Transactions Totals

Transaction Type	Quantity	Principal Amount	Interest	Total Amount	Realized G/L	YTM	YTW
Total Buy	10,000,000.00	(9,658,946.36)	(2,853.26)	(9,661,799.62)	0.00	5.178	5.178
Total Maturity	(15,000,000.00)	15,000,000.00	0.00	15,000,000.00	(0.01)	3.600	3.600
Total Coupon	0.00	0.00	555,885.40	555,885.40	0.00		

Amortization and Accretion

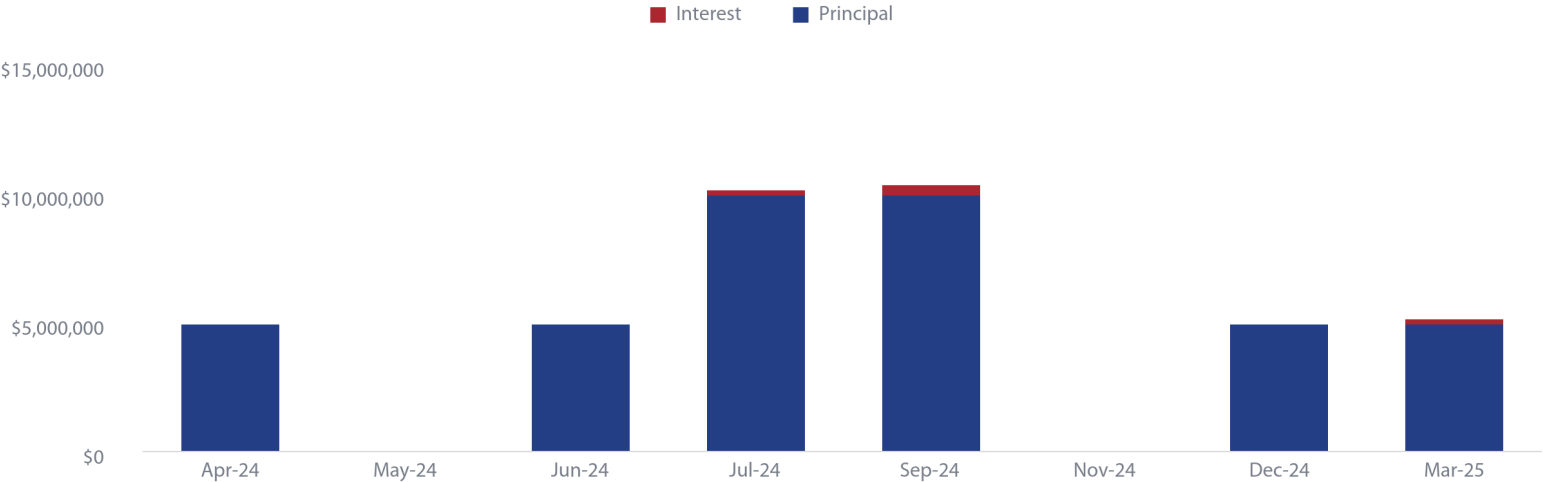
CUSIP	Settle Date	Security Type	Security Description	Purchase Qty	Orig Price	Original Cost	Amort/Accr for Period	Total Amort/Accr Since Purch	Remaining Disc/Premium	Ending Book Value
1-General Fund										
3134GXD68	07/26/22	AGCY CALL	FHLMC	10,000,000.00	100.000	10,000,000.00	0.00	0.00	0.00	10,000,000.00
3134GX2P8	09/30/22	AGCY CALL	FHLMC	10,000,000.00	100.000	10,000,000.00	0.00	0.00	0.00	10,000,000.00
3133ENEM8	11/23/21	AGCY CALL	FFCB	5,000,000.00	100.000	5,000,000.00	0.00	0.00	0.00	5,000,000.00
Total 1-General Fund				25,000,000.00		25,000,000.00	0.00	0.00	0.00	25,000,000.00
4-Public Safety Facility										
78009AAQ7	05/03/23	CP	Royal Bank of Canada	0.00	0.000	0.00	16,262.24	0.00	0.00	0.00
Total 4-Public Safety Facility				0.00		0.00	16,262.24	0.00	0.00	0.00
7-Bond Funds (Invested) Series 2022 CO										
89233GAS5	06/01/23	CP	Toyota Motor Credit Corp	0.00	0.000	0.00	18,645.83	0.00	0.00	0.00
89233GDC7	07/19/23	CP	Toyota Motor Credit Corp	5,000,000.00	95.816	4,790,811.11	71,030.56	200,602.78	(8,586.11)	4,991,413.89
78009AFE9	09/25/23	CP	Royal Bank of Canada	5,000,000.00	95.902	4,795,079.17	70,904.17	147,262.50	(57,658.33)	4,942,341.67
91282CED9	03/27/24	US GOVT	U.S. Treasury Note	5,000,000.00	96.934	4,846,679.69	2,127.11	2,127.11	(151,193.20)	4,848,806.80
3134GYSP8	05/19/23	AGCY CALL	FHLMC	3,000,000.00	99.762	2,992,851.00	887.43	3,022.78	(4,126.22)	2,995,873.78
Total 7-Bond Funds (Invested) Series 2022 CO				18,000,000.00		17,425,420.97	163,595.09	353,015.17	(221,563.86)	17,778,436.14
8-Water & Sewer										
912797GQ4	09/08/23	US GOVT	U.S. Treasury Bill	0.00	0.000	0.00	48,583.33	0.00	0.00	0.00
89233GMG8	03/27/24	CP	Toyota Motor Credit Corp	5,000,000.00	96.245	4,812,266.67	3,555.56	3,555.56	(184,177.77)	4,815,822.23
3130AWS92	09/08/23	AGCY	FHLB	5,000,000.00	99.584	4,979,200.00	2,672.56	6,131.31	(14,668.69)	4,985,331.31
Total 8-Water & Sewer				10,000,000.00		9,791,466.67	54,811.45	9,686.86	(198,846.46)	9,801,153.54
Grand Total				53,000,000.00		52,216,887.64	234,668.78	362,702.03	(420,410.33)	52,579,589.67

Projected Cash Flows

CUSIP	Security Description	Post Date	Interest	Principal	Total Amount
1-General Fund					
3133ENEM8	FFCB	05/23/24	35,750.00		35,750.00
3134GXD68	FHLMC	07/26/24	200,000.00		200,000.00
3134GXD68	FHLMC	07/26/24		10,000,000.00	10,000,000.00
3134GX2P8	FHLMC	09/30/24	206,250.00		206,250.00
3134GX2P8	FHLMC	09/30/24		10,000,000.00	10,000,000.00
3133ENEM8	FFCB	11/25/24	35,750.00		35,750.00
7-Bond Funds (Invested) Series 2022 CO					
89233GDC7	Toyota Motor Credit Corp 0.0 04/12/2024	04/12/24		5,000,000.00	5,000,000.00
3134GYSP8	FHLMC	05/16/24	75,000.00		75,000.00
78009AFE9	Royal Bank of Canada	06/14/24		5,000,000.00	5,000,000.00
91282CED9	U.S. Treasury Note	09/16/24	43,750.00		43,750.00
3134GYSP8	FHLMC	11/18/24	75,000.00		75,000.00
91282CED9	U.S. Treasury Note	03/17/25	43,750.00		43,750.00
91282CED9	U.S. Treasury Note	03/17/25		5,000,000.00	5,000,000.00
8-Water & Sewer					
3130AWS92	FHLB	09/12/24	121,875.00		121,875.00
89233GMG8	Toyota Motor Credit Corp	12/16/24		5,000,000.00	5,000,000.00
3130AWS92	FHLB	03/12/25	121,875.00		121,875.00
Grand Total			959,000.00	40,000,000.00	40,959,000.00

Projected Cash Flows Totals

Month and Year	Interest	Principal	Total Amount
April 2024		5,000,000.00	5,000,000.00
May 2024	110,750.00		110,750.00
June 2024		5,000,000.00	5,000,000.00
July 2024	200,000.00	10,000,000.00	10,200,000.00
September 2024	371,875.00	10,000,000.00	10,371,875.00
November 2024	110,750.00		110,750.00
December 2024		5,000,000.00	5,000,000.00
March 2025	165,625.00	5,000,000.00	5,165,625.00
Total	959,000.00	40,000,000.00	40,959,000.00



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CITY COUNCIL MEETING

6. a.

Meeting Date: 05/23/2024

Subject: Authorizing funding for the continued engagement of Husch Blackwell LLP, to advise on economic development matters

Prepared for: Scott Lemond, Legal

Prepared by: Miriam Schoen, Legal

Department: Legal

Information

ITEM

Consider an ordinance authorizing funding for the engagement of Husch Blackwell LLP to advise on economic development and general legal matters.

PREFACE

The proposed ordinance authorizes funding in the amount of \$50,000 for the continued engagement of Husch Blackwell LLP, to advise on economic development and general legal matters.

Fiscal Impact

Fiscal Year: 2024

Acct Code: 10610-74021

Source of Funds (Operating/Capital/Bonds):

Funds Budgeted Y/N: y

Amount Needed: 50,000.00

Fiscal Impact (Additional Information):

Attachments

Ordinance Authorizing Funding Husch Blackwell

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS, AUTHORIZING FUNDING FOR THE ENGAGEMENT OF HUSCH BLACKWELL LLP, TO ADVISE ON ECONOMIC DEVELOPMENT AND GENERAL LEGAL MATTERS, IN AN AMOUNT NOT TO EXCEED FIFTY THOUSAND AND NO/100 DOLLARS (\$50,000.00); MAKING OTHER PROVISIONS RELATED THERETO; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS:

Section 1: That the City Council of the City of Baytown, Texas, hereby authorizes funding for the engagement of Husch Blackwell LLP, to advise on economic development and general legal matters, in an amount not to exceed FIFTY THOUSAND AND NO/100 DOLLARS (\$50,000.00).

Section 2: That the City Manager is hereby granted general authority to approve any change order involving a decrease or an increase in costs of FIFTY THOUSAND AND NO/100 DOLLARS (\$50,000.00) or less, provided that the amount stated in Section 1 hereof may not be increased by more than twenty-five percent (25%) or decreased by more than twenty-five percent (25%) without the consent of the owners to such decrease unless otherwise provided for in the contract authorized in Section 1 hereinabove.

Section 3: This ordinance shall take effect immediately from and after its passage by the City Council of the City of Baytown.

INTRODUCED, READ, and PASSED by the affirmative vote of the City Council of the City of Baytown, this the 23rd day of May, 2024.

BRANDON CAPETILLO, Mayor

ATTEST:

ANGELA JACKSON, City Clerk

APPROVED AS TO FORM:

SCOTT LEMON, City Attorney



CITY COUNCIL MEETING

6. b.

Meeting Date: 05/23/2024

Subject: Cisco FLEX support agreement for telephony equipment

Prepared for: Kevin Boatswain, Information Technology Services

Prepared by: Kevin Boatswain, Information Technology Services

Department: Information Technology Services

Information

ITEM

Consider an ordinance to authorize years two and three of the Cisco FLEX support agreement for telephony equipment offered by Presidio Network Solutions Group, LLC, under Texas Department of Information Resources contract DIR-TSO-4167.

PREFACE

On May 25, 2023, City Council passed Ordinance No. 15,457 authorizing a three-year agreement with Presidio Network Solutions Group, LLC in the total amount of \$68,234.40 for telephony equipment via a Cisco FLEX Support Agreement through the Texas Department of Information Resources cooperative purchasing contract. Ordinance No. 15,457 authorized payment for year one of the agreement in an amount of \$22,744.80. This proposed ordinance authorizes payment to Presidio in the amount of \$22,744.80 per year for years two and three of the agreement. The total remaining cost of this agreement over years two and three will be \$45,489.60.

Fiscal Impact

Fiscal Year:

FY24

Acct Code:

10710-73042

Source of Funds (Operating/Capital/Bonds): Operating

Funds Budgeted Y/N:

Y

Amount Needed:

22,744.80

Fiscal Impact (Additional Information):

Attachments

Ordinance Authorizing Payment Cisco Flex Support

Original Quote

Quote Year 2

DIR-TSO-4167 Contract

Indebtedness Certification

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS, AUTHORIZING THE PAYMENT OF FORTY-FIVE THOUSAND FOUR HUNDRED EIGHTY NINE AND 60/100 DOLLARS (\$45,489.60) TO PRESIDIO NETWORK SOLUTIONS GROUP, LLC, FOR YEARS TWO AND THREE OF A THREE-YEAR CISCO FLEX SUPPORT AGREEMENT FOR TELEPHONY EQUIPMENT THROUGH THE TEXAS DEPARTMENT OF INFORMATION RESOURCES; MAKING OTHER PROVISIONS RELATED THERETO; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

WHEREAS, the City of Baytown has entered into an interlocal cooperative contract with the Texas Department of Information Resources ("DIR") for a three-year Cisco FLEX support agreement for telephony equipment; and

WHEREAS, the DIR's purchasing process includes posting the request on the Electronic State Business Daily (ESBD), gathering and reviewing the vendors' responses to the posting, negotiating with selected vendors, and managing vendor contracts; and

WHEREAS, such process, in combination with the interlocal cooperative contract, allows the City to purchase automated information systems products and/or services in an efficient, cost effective, and competitive procurement method; and

WHEREAS, the City of Baytown, in making a purchase under a DIR contract through its interlocal cooperation contract, satisfies state law requiring municipalities to seek competitive bids for the purchase of the item; and

WHEREAS, on the 25th day of May, 2023 the City Council of the City of Baytown authorized payment in the amount of TWENTY-TWO THOUSAND SEVEN HUNDRED FORTY-FOUR AND 80/100 DOLLARS (\$22,744.80) to Presidio Network Solutions Group, LLC, for the first year of the three-year Cisco FLEX Support Agreement for telephony equipment through the Texas Department of Information Resources via Ordinance No. 15,457;

NOW THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS:

Section 1: That the City Council of the City of Baytown hereby authorizes a total payment of FORTY-FIVE THOUSAND FOUR HUNDRED EIGHTY NINE AND 60/100 DOLLARS (\$45,489.60) to Presidio Network Solutions Group, LLC, for years two and three of a three-year Cisco FLEX support agreement for telephony equipment. TWENTY-TWO THOUSAND SEVEN HUNDRED FORTY-FOUR AND 80/100 DOLLARS (\$22,744.80) shall be authorized as payment for year two of said agreement. TWENTY-TWO THOUSAND SEVEN HUNDRED FORTY-FOUR AND 80/100 DOLLARS (\$22,744.80) shall be authorized as payment for year three of said agreement.

Section 2: That the City Manager is hereby granted general authority to approve any change order involving a decrease or an increase in costs of FIFTY THOUSAND AND NO/100 DOLLARS (\$50,000.00) or less, provided that the original contract price may not be increased by more than twenty-five percent (25%) or decreased by more than twenty-five percent (25%) without the consent of the contractor to such decrease.

Section 3: This ordinance shall take effect immediately from and after its passage by the City Council of the City of Baytown.

INTRODUCED, READ, and PASSED by the affirmative vote of the City Council of the City of Baytown this the 23rd day of May, 2024.

BRANDON CAPETILLO, Mayor

ATTEST:

ANGELA JACKSON, City Clerk

APPROVED AS TO FORM:

SCOTT LEMON, City Attorney

TO: City Of Baytown
Mark Worthan
2401 Market Street
Baytown, TX 77520

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(p) 281-420-5815
(f) (281) 422-8359

FROM: Presidio Networked Solutions Group, LLC
Jonathan Hoffman
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Suite 200
Houston, TX 77042

jhoffman@presidio.com

Customer#: CITY0670

Contract Vehicle: Texas DIR-TSO-4167 Cisco

Account Manager: Jonathan Hoffman

Inside Sales Rep: Jacob Raterink

Title: 50 additional named users to Flex Colab EA

Comments: Credits depend on actual start date

Invoice 1 (5/24/2023 - 5/23/2024) \$22,744.80
Invoice 3 (5/24/2024 - 5/23/2025) \$22,744.80
Invoice 3 (5/24/2025 - 5/23/2026) \$22,744.80

Non Appropriation Note

In the event of non-appropriation during a multi-year subscription, upon customer's written request within at least ninety (90) days prior to expiration of a certain annual subscription term, Presidio will offer the customer the right to terminate the remainder of the multi-year subscription without any penalties, provided the customer is within Scope

#	Part #	Description	Unit Price	Qty	Ext Price
A-FLEX-3		Remaining Term: 36 months Auto-Renewal Term: Do Not Renew	Billing Model: Annual Requested Start Date: 05/24/2023	Subscription ID: Sub732215	
1	A-FLEX-3	Collaboration Flex Plan 3.0	\$0.00	1	\$0.00
Recurring Charges					
2	A-FLEX-P-CA	Common Area Smart License (1)	\$0.00	210 Users for 36 months	\$0.00
3	A-FLEX-C-DEV-ENT	Cloud Device Registration Entitlement	\$0.00	504 Users for 36 months	\$0.00
4	A-FLEX-PROPACK-ENT	Pro Pack for Cisco Control Hub Entitlement	\$0.00	504 Users for 36 months	\$0.00
5	A-FLEX-P-ACC	Access Smart License (1)	\$0.00	84 Users for 36 months	\$0.00
6	A-FLEX-P-EA	On-Premises Smart License - EA (1)	\$0.00	504 Users for 36 months	\$0.00
7	A-FLEX-EAPL	EntW On-Premises Calling	\$4.35	420 Each for 36 months	\$65,772.00
8	A-FLEX-SRST-E	SRST Endpoints (1)	\$0.00	840 Users for 36 months	\$0.00
9	A-FLEX-SW-14-K9	On-Premises SW Bundle v14 (1)	\$0.00	1 Users for 36 months	\$0.00
10	A-FLEX-MSG-ENT	Messaging Entitlement	\$0.00	504 Users for 36 months	\$0.00
11	A-FLEX-EXP-RMS	Expressway Rich Media Session (1)	\$0.00	84 Users for 36 months	\$0.00
12	A-FLEX-EXP-PAK	Expressway Product Authorization Key (1)	\$0.00	1 Users for 36 months	\$0.00

13	A-FLEX-P-UCXN	Unity Connection Smart License (1)	\$0.00	504 Users for 36 months	\$0.00
14	SVS-FLEX-SUPT-BAS	Basic Support for Flex Plan	\$0.00	1 Each for 36 months	\$0.00
15	A-FLEX-SME-S	Session Manager (1)	\$0.00	1 Users for 36 months	\$0.00
16	A-FLEX-CCUCS-EA	Cloud Connected UC EA Standard ENT	\$0.00	504 Users for 36 months	\$0.00
17	A-FLEX-FILESTG-ENT	File Storage Entitlement	\$0.00	10080 Users for 36 months	\$0.00
18	A-FLEX-P-ER	Emergency Responder Smart License (1)	\$0.00	1260 Users for 36 months	\$0.00
19	A-FLEX-P-DEV	Telepresence Room Smart License (1)	\$0.00	8 Users for 36 months	\$0.00
20	A-FLEX-P-DEV-REG	NU TelePresence Room	\$17.10	4 Users for 36 months	\$2,462.40
Recurring Annual Charges:					\$22,744.80
Total Recurring Charges:					\$68,234.40
Total:					\$68,234.40

Sub Total:	\$68,234.40
Grand Total:	\$68,234.40

This quote is governed by Terms and Conditions of Texas DIR-TSO-4167 Contract.
 State of Texas Vendor ID 17605152499
 Standard-Terms-for-Purchase-of-Services or Goods
 Quote valid for 30 days from date shown above.
 Prices may NOT include all applicable taxes and shipping charges
 All prices subject to change without notice. Supply subject to availability.

Purchase Order should be issued to:
 Presidio Networked Solutions Group, LLC
 7701 Las Colinas Ridge #600,
 Irving, TX 75063

Pursuant to this contract your PO must reflect the following contract:
 TexasDIR-TSO-4167
 Tax ID# 76-0515249; Size Business: Large; CAGE Code: 639L4; DUNS#11-436-9671; CEC 15-506005G
 Credit: Net 30 days (all credit terms subject to prior Presidio credit department approval)
 Delivery: FOB Destination

For Presidio 
 Erik Hayko (May 2, 2023 21:15 CDT)

Authorized Signer: Erik Hayko, Senior Contracts Manager

Date: 5/2/2023

TO:

City Of Baytown
Mark Worthan
2401 Market Street
Baytown, TX 77520

mark.worthan@baytown.org
(p) 281-420-5815
(f) (281) 422-8359

FROM:

Presidio Networked Solutions Group, LLC
Jen Eckhardt
10415 Morado Circle
The Campus Building 1
Suite 320
Austin, TX 78759

jeckhardt@presidio.com
(p) +1.210.245.3804

BILL TO:

City of Baytown
Accounts Payable
Accounts Payable
PO BOX 424
Baytown, TX 77522

its.network@baytown.org
(p) 281-420-5816

SHIP TO:

City of Baytown
Mark Worthan
7800 N. Main St
Information Technologies Services
Baytown, TX 77521

mark.worthan@baytown.org
(p) 281-420-5815

Customer#: CITY0670

Account Manager: Jen Eckhardt

Inside Sales Rep: Linda Beaver

Title: 50 additional named users to Flex Colab EA - 06/29/2024 - 06/28/2025

Contract Vehicle: Texas DIR-TSO-4167 Cisco

#	Part #	Description	List Price	Unit Price	Qty	Discount	Ext List Price	Ext Price
A-FLEX-3		Remaining Term: 12 months Auto-Renewal Term: Do Not Renew		Billing Model: Annual Requested Start Date: 06/29/2024		Subscription ID: Sub732215		
1	A-FLEX-3	Collaboration Flex Plan 3.0	\$0.00	\$0.00	1	0.00%	\$0.00	\$0.00
Recurring Charges								
2	A-FLEX-P-CA	Common Area Smart License (1)	\$0.00	\$0.00	210 Users for 12 months	0.00%	\$0.00	\$0.00
3	A-FLEX-C-DEV-ENT	Cloud Device Registration Entitlement	\$0.00	\$0.00	504 Users for 12 months	0.00%	\$0.00	\$0.00
4	A-FLEX-PROPACK-ENT	Pro Pack for Cisco Control Hub Entitlement	\$0.00	\$0.00	504 Users for 12 months	0.00%	\$0.00	\$0.00
5	A-FLEX-P-ACC	Access Smart License (1)	\$0.00	\$0.00	84 Users for 12 months	0.00%	\$0.00	\$0.00
6	A-FLEX-P-EA	On-Premises Smart License - EA (1)	\$0.00	\$0.00	504 Users for 12 months	0.00%	\$0.00	\$0.00
7	A-FLEX-EAPL	EntW On-Premises Calling	\$7.50	\$4.35	420 Each for 12 months	42.00%	\$37,800.00	\$21,924.00
8	A-FLEX-SRST-E	SRST Endpoints (1)	\$0.00	\$0.00	840 Users for 12 months	0.00%	\$0.00	\$0.00
9	A-FLEX-SW-14-K9	On-Premises SW Bundle v14 (1)	\$0.00	\$0.00	1 Users for 12 months	0.00%	\$0.00	\$0.00
10	A-FLEX-MSG-ENT	Messaging Entitlement	\$0.00	\$0.00	504 Users for 12 months	0.00%	\$0.00	\$0.00
11	A-FLEX-EXP-RMS	Expressway Rich Media Session (1)	\$0.00	\$0.00	84 Users for 12 months	0.00%	\$0.00	\$0.00
12	A-FLEX-EXP-PAK	Expressway Product Authorization Key (1)	\$0.00	\$0.00	1 Users for 12 months	0.00%	\$0.00	\$0.00

13	A-FLEX-P-UCXN	Unity Connection Smart License (1)	\$0.00	\$0.00	504 Users for 12 months	0.00%	\$0.00	\$0.00
14	SVS-FLEX-SUPT-BAS	Basic Support for Flex Plan	\$0.00	\$0.00	1 Each for 12 months	0.00%	\$0.00	\$0.00
15	A-FLEX-SME-S	Session Manager (1)	\$0.00	\$0.00	1 Users for 12 months	0.00%	\$0.00	\$0.00
16	A-FLEX-CCUCS-EA	Cloud Connected UC EA Standard ENT	\$0.00	\$0.00	504 Users for 12 months	0.00%	\$0.00	\$0.00
17	A-FLEX-FILESTG-ENT	File Storage Entitlement	\$0.00	\$0.00	10080 Users for 12 months	0.00%	\$0.00	\$0.00
18	A-FLEX-P-ER	Emergency Responder Smart License (1)	\$0.00	\$0.00	1260 Users for 12 months	0.00%	\$0.00	\$0.00
19	A-FLEX-P-DEV	Telepresence Room Smart License (1)	\$0.00	\$0.00	8 Users for 12 months	0.00%	\$0.00	\$0.00
20	A-FLEX-P-DEV-REG	NU TelePresence Room	\$29.50	\$17.10	4 Users for 12 months	42.04%	\$1,416.00	\$820.80
Recurring Annual Charges:							\$22,744.80	
Total Recurring Charges:							\$22,744.80	
Total:							\$22,744.80	

	Total List Price:	\$39,216.00
	Sub Total:	\$22,744.80
	Grand Total:	\$22,744.80

This quote is governed by Terms and Conditions of Texas DIR-TSO-4167 Contract.

State of Texas Vendor ID 17605152499

Standard-Terms-for-Purchase-of-Services or Goods

Quote valid for 30 days from date shown above.

Prices may NOT include all applicable taxes and shipping charges

All prices subject to change without notice. Supply subject to availability.

Purchase Order should be issued to:

Presidio Networked Solutions Group, LLC

7701 Las Colinas Ridge #600,

Irving, TX 75063

Pursuant to this contract your PO must reflect the following contract:

Texas DIR-TSO-4167

Tax ID# 76-0515249; Size Business: Large; CAGE Code: 639L4; DUNS#11-436-9671; CEC 15-506005G

Credit: Net 30 days (all credit terms subject to prior Presidio credit department approval)

Delivery: FOB Destination

STATE OF TEXAS
DEPARTMENT OF INFORMATION RESOURCES
CONTRACT FOR PRODUCTS AND RELATED SERVICES
Cisco Systems, Inc.

1. Introduction

A. Parties

This Contract for products and related services is entered into between the State of Texas, acting by and through the Department of Information Resources (hereinafter "DIR") with its principal place of business at 300 West 15th Street, Suite 1300, Austin, Texas 78701, and Cisco Systems, Inc. (hereinafter "Vendor"), with its principal place of business at 170 West Tasman Drive, San Jose, California 95134.

B. Compliance with Procurement Laws

This Contract is the result of compliance with applicable procurement laws of the State of Texas. DIR issued a solicitation on the Comptroller of Public Accounts' Electronic State Business Daily, Request for Offer (RFO) DIR-TSO-TMP-425, on December 20, 2017, for Cisco Branded Products and Services. Upon execution of this Contract, a notice of award for RFO DIR-TSO-TMP-425 shall be posted by DIR on the Electronic State Business Daily.

C. Order of Precedence

For purchase transactions under this Contract, the order of precedence shall be as follows: this Contract; Appendix A, Standard Terms and Conditions For Products and Related Services Contracts; Appendix B, Vendor's Historically Underutilized Businesses Subcontracting Plan; Appendix C, Pricing Index; Appendix D, End User License Agreement; Appendix E, Services Agreement; Exhibit 1, Vendor's Response to RFO DIR-TSO-TMP-425, including all addenda; and Exhibit 2, DIR-TSO-TMP-425, including all addenda; are incorporated by reference and constitute the entire agreement between DIR and Vendor governing purchase transactions. In the event of a conflict between the documents listed in this paragraph related to purchases, the controlling document shall be this Contract, then Appendix A, then Appendix B, then Appendix C, then Appendix D, then Appendix E, then Exhibit 1, and finally Exhibit 2. In the event and to the extent any provisions contained in multiple documents address the same or substantially the same subject matter but do not actually conflict, the more recent provisions shall be deemed to have superseded earlier provisions.

2. Term of Contract

The initial term of this Contract shall be two (2) years commencing on the last date of approval by DIR and Vendor, with three (3) optional one-year renewals. Prior to expiration of each term, the contract will renew automatically under the same terms and conditions unless either party provides notice to the other party 60 days in advance of the renewal date stating that the party wishes to discuss modification of terms or not renew. Additionally, the parties by mutual agreement may extend the term for up to ninety (90) additional calendar days.

3. Product and Service Offerings**A. Products**

Products available under this Contract are limited to Cisco branded products and services and third-party products that complement the Cisco branded products and services as specified in the Appendix C, Pricing Index. Vendor may incorporate changes to their product offering; however, any changes must be within the scope of products awarded based on the posting described in Section 1.B above. Vendor may not add a manufacturer's product line which was not included in the Vendor's response to the solicitation described in Section 1.B above.

B. Services

Services available under this Contract are limited to Cisco branded services as specified in Appendix C, Pricing Index and Appendix E, Services Agreement. Vendor may incorporate changes to their service offering; however, any changes must be within the scope of services awarded based on the posting described in Section 1.B above.

C. Emerging Technologies and Future Acquisitions

DIR recognizes that technology is ever-evolving and advancing. DIR reserves the right to consider the addition of emerging technologies such as next generation, enhancements and upgrades for products or services that are within the scope of the Cisco Branded Products and Services RFO DIR-TSO-TMP-425. Vendor may propose such products and services throughout the term of the Contract with pricing and terms to be negotiated upon DIR's acceptance. Any determination or acceptance of additions will be at DIR's sole discretion. In addition, DIR and Vendor may mutually agree to add future acquisitions by Cisco to the Contract, with product and service terms, conditions and pricing to be mutually agreed upon in writing by contract amendment.

4. Pricing

Pricing to the DIR Customer shall be as set forth in Appendix A, Section 8, Pricing, Purchase Orders, Invoices and Payment, and as set forth in Appendix C, Pricing Index, and shall include the DIR Administrative Fee.

5. DIR Administrative Fee

A) The administrative fee to be paid by the Vendor to DIR based on the dollar value of all sales to Customers pursuant to this Contract is three-quarters of one percent (.75%). Payment will be calculated for all sales, net of returns and credits. For example, the administrative fee for sales totaling \$100,000 shall be \$750.00.

B) All prices quoted to Customers shall include the administrative fee. DIR reserves the right to change this fee upwards or downwards during the term of this Contract, upon thirty (30) calendar days written notice to Vendor without further requirement for a formal contract amendment. Any change in the administrative fee shall be incorporated in the price to the Customer.

6. Notification

All notices under this Contract shall be sent to a party at the respective address indicated below.

Vendor Contract No. _____

If sent to the State:

Kelly A Parker, CTPM, CTCM
Director, Cooperative Contracts
Department of Information Resources
300 W. 15th St., Suite 1300
Austin, Texas 78701
Phone: (512) 475-1647
Facsimile: (512) 475-4759
Email: kelly.parker@dir.texas.gov

If sent to the Vendor:

Lynne Coughlan
Cisco Systems, Inc.
170 West Tasman Drive
San Jose, California 95134
Phone: (617) 951 - 6755
Facsimile: (703) 842 - 8684
Email: lcoughla@cisco.com

7. Software License, Service and Leasing Agreements**A. Software License Agreement**

1) Customers acquiring software licenses to Cisco branded products under the Contract shall hold, use and operate such software subject to compliance with the End User License Agreement set forth in Appendix D of this Contract. No changes to the End User License Agreement terms and conditions may be made unless previously agreed to between Vendor and DIR. Customers may not add, delete or alter any of the language in Appendix D; provided however, that a Customer and Vendor may agree to additional terms and conditions that do not diminish a term or condition in the Software License Agreement, or in any manner lessen the rights or protections of Customer or the responsibilities or liabilities of Vendor. Order Fulfiller shall make the Software License Agreement terms and conditions available to all Customers at all times.

2) Compliance with the End User License Agreement is the responsibility of the Customer. DIR shall not be responsible for any Customer's compliance with the End User License Agreement. If DIR purchases software licenses for its own use under this Contract, it shall be responsible for its compliance with the End User License Agreement terms and conditions.

B. Shrink/Click-wrap License Agreement

Regardless of any other provision or other license terms which may be issued by Vendor after the effective date of this Contract, and irrespective of whether any such provisions have been proposed prior to or after the issuance of a Purchase Order for products licensed under this Contract, or the fact that such other agreement may be affixed to or accompany software upon delivery (shrink-wrap), the terms and conditions set forth in this Contract shall supersede and govern the license terms between Customers and Vendor for Cisco branded products. **It is the Customer's responsibility to read the Shrink/Click-wrap License Agreement and determine if the Customer accepts the license terms as amended by this**

Vendor Contract No. _____

Contract. If the Customer does not agree with the license terms, Customer shall be responsible for negotiating with the reseller to obtain additional changes in the Shrink/Click-wrap License Agreement language from the software publisher. For third-party products included in the Appendix C Pricing Index, Vendor will provide the applicable third-party software license agreements to Customer.

C. Service Agreement

Services provided under this Contract shall be in accordance with the Service Agreement as set forth in Appendix E of this Contract. No changes to the Service Agreement terms and conditions may be made unless previously agreed to by Vendor and DIR.

D. Conflicting or Additional Terms

In the event that conflicting or additional terms in Vendor Software End User License Agreements, Shrink/Click Wrap License Agreements, Service Agreements or linked or supplemental documents amend or diminish the rights of DIR Customers or the State, such conflicting or additional terms shall not take precedence over the terms of this Contract.

In the event of a conflict, any linked documents may not take precedence over the printed or referenced documents comprising this contract; provided further that any update to such linked documents shall only apply to purchases or leases of the associated Vendor product or service offering after the effective date of the update; and, provided further, that, if Vendor has responded to a solicitation or request for pricing, no update of such linked documents on or after the initial date of Vendor's initial response shall apply to that purchase unless Vendor directly informs Customer of the update before the purchase is consummated.

In the event that different or additional terms or conditions would otherwise result from accessing a linked document, agreement to said linked document shall not be effective until reviewed and approved in writing by Customer's authorized signatory.

Vendor shall not without prior written agreement from Customer's authorized signatory, require any document that: 1) diminishes the rights, benefits, or protections of the Customer, or that alters the definitions, measurements, or method for determining any authorized rights, benefits, or protections of the Customer; or 2) imposes additional costs, burdens, or obligations upon Customer, or that alters the definitions, measurements, or method for determining any authorized costs, burdens, or obligations upon Customer.

If Vendor attempts to do any of the foregoing, the prohibited documents will be void and inapplicable to the contract between DIR and Vendor or Vendor and Customer, and Vendor will nonetheless be obligated to perform the contract without regard to the prohibited documents, unless Customer elects instead to terminate the contract, which in such case may be identified as a termination for cause against Vendor.

The foregoing requirements apply to all contracts, including, but not limited to, contracts between Customer and Vendor's resellers who pass through product documents and obligations from the Manufacturer or Publisher.

8. Authorized Exceptions to Appendix A, Standard Terms and Conditions for Product and Related Services Contracts.

A. Appendix A, Section 3, Definitions, A. Customer, is hereby restated in its entirety as follows:

A. Customer - the any Texas state agency, unit of local government, institution of higher education as defined in Section 2054.003, Texas Government Code, the Electric Reliability Council of Texas, the Lower Colorado River Authority, a private school, as defined by Section 5.001, Education Code, a private or independent institution of higher education, as defined by Section 61.003, Education Code, a volunteer fire department, as defined by Section 152.001, Tax Code, and those state agencies purchasing from a DIR contract through an Interagency Agreement, as authorized by Chapter 771, Texas Government Code, any local government as authorized through the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the state agencies and political subdivisions of other states as authorized by Section 2054.0565, Texas Government Code and, except for telecommunications services under Chapter 2170, Texas Government Code, assistance organizations as defined in Section 2175.001, Texas Government Code to mean:

- 1) A non-profit organization that provides educational, health or human services or assistance to homeless individuals;
- 2) A nonprofit food bank that solicits, warehouses, and redistributes edible but unmarketable food to an agency that feeds needy families and individuals;
- 3) Texas Partners of the Americas, a registered agency with the Advisory Committee on Voluntary Foreign Aid, with the approval of the Partners of the Alliance Office of the Agency for International Development;
- 4) A group, including a faith-based group, that enters into a financial or non-financial agreement with a health or human services agency to provide services to that agency's clients;
- 5) A local workforce development board created under Section 2308.253;
- 6) A nonprofit organization approved by the Supreme Court of Texas that provides free legal services for low-income households in civil matters;
- 7) The Texas Boll Weevil Eradication Foundation, Inc., or an entity designated by the commissioner of agriculture as the foundation's successor entity under Section 74.1011, Texas Agriculture Code;
- 8) A nonprofit computer bank that solicits, stores, refurbishes and redistributes used computer equipment to public school students and their families; and
- 9) A nonprofit organization that provides affordable housing. Customer's fiscal form or format, which is used when making a purchase (e.g., formal written Purchase Order, Procurement Card, Electronic Purchase Order.

Notwithstanding the above, nothing in the definition of Customer shall require Vendor to offer products and services to state agencies and political subdivisions of other states as authorized under Chapter 2170, Texas Government Code.

B. Appendix A, Section 3, Definitions, G. Purchase Order, is hereby restated in its entirety as follows:

Vendor Contract No. _____

G. Purchase Order - the Customer's fiscal form or format, which is used when making a purchase (e.g., formal written Purchase Order, Procurement Card, Electronic Purchase Order, or other authorized instrument). The terms of this agreement supersedes any terms printed on Customer's Purchase Order and any Purchase Order terms are null and void.

- C. Appendix A, Section 4, General Provisions, D. Assignment**, is hereby restated in its entirety as follows:

D. Assignment

DIR or Vendor may assign the Contract without prior written approval to: i) a successor in interest (for DIR, another Texas state agency as designated by the Texas Legislature), or ii) a subsidiary, parent company or affiliate, or iii) as necessary to satisfy a regulatory requirement imposed upon a party by a governing body with the appropriate authority. Assignment of the Contract under the above terms shall require written notification by the assigning party. Any other assignment by a party shall require the written consent of the other party. Each party agrees to cooperate to amend the Contract as necessary to maintain an accurate record of the contracting parties.

- D. Appendix A, Section 4, General Provisions, E. Survival**, is hereby restated in its entirety as follows:

E. Survival

All applicable software license agreements, warranties or service agreements that were entered into between Vendor and a Customer under the terms and conditions of the Contract shall survive the expiration or termination of the Contract. All Purchase Orders issued and accepted by Vendor or Order Fulfiller shall survive expiration or termination of the Contract for the term of the Purchase Order, unless the Customer terminates the Purchase Order prior to acceptance by Vendor or its Order Fulfiller. However, regardless of the term of the Purchase Order, no Purchase Order shall survive the expiration or termination of the Contract for more than five years, unless Customer makes an express finding and justification for the longer term. The finding and justification must either be included in the Purchase Order, or referenced in it and maintained in Customer's procurement record. Rights and obligations under this Contract which by their nature should survive, including, but not limited to the DIR Administrative Fee; and any and all payment obligations invoiced prior to the termination or expiration hereof; obligations of confidentiality; and, indemnification, will remain in effect after termination or expiration hereof.

- E. Appendix A, Section 5, Intellectual Property Matters**, is hereby restated in its entirety as follows:

This contract does not contemplate, authorize or support acquisition of custom software products or services or the creation of intellectual property. If Vendor and Customer seek to contract for such product or service, they must use a separate contract or seek amendment with DIR of this contract. If DIR and Vendor decide to authorize customized software or hardware products or the creation of intellectual property, then the terms and conditions of ownership of intellectual property will be negotiated between the parties at such time.

Vendor Contract No. _____

- F. Appendix A, Section 7, Contract Fulfillment and Promotion, A. Service, Sales and Support of the Contract**, is hereby restated in its entirety as follows:

A. Service, Sales and Support of the Contract

Vendor shall provide service, sales and support resources to serve all Customers throughout the State. It is the responsibility of the Vendor to sell, market, and promote services available under the Contract. Vendor shall use its commercially reasonable efforts to ensure that potential Customers are made aware of the existence of the Contract. All sales to Customers for services available under the Contract shall be processed through the Contract.

- G. Appendix A, Section 7, Contract Fulfillment and Promotion, C. Product Warranty and Return Policies**, is hereby restated in its entirety as follows:

C. Product Warranty and Return Policies

Order Fulfiller will adhere to the Vendor's then-currently published policies concerning product warranties and returns. Product warranty and return policies for Customers will not be more restrictive or more costly than warranty and return policies for other similarly situated Customers for like products. Warranty and returns for third-party products will be subject to the separate policies and terms set forth by the applicable third-party, provided said policies and terms were provided to Customers prior to acceptance by Customer of the third-party products. Vendor/Order Fulfiller will assign any such warranty and return rights to Customer, to the extent applicable.

- H. Appendix A, Section 7, Contract Fulfillment and Promotion, E. Internet Access to Contract and Pricing Information**, is hereby restated in its entirety as follows:

E. Internet Access to Contract and Pricing Information

1) Vendor Website

Within thirty (30) calendar days of the effective date of the Contract, Vendor will establish and maintain a website specific to the product and service offerings under the Contract which is clearly distinguishable from other, non-DIR Contract offerings at Vendor's website. The website must include:

- a) the products and services awarded (alternatively, categories);
- b) description of product and service (categories) awarded;
- c) a current price list or mechanism (for example, a services calculator or product builder) to obtain specific contracted pricing;
- d) discount percentage (%) off MSRP or List Price;
- e) designated Order Fulfillers;
- f) contact information (name, telephone number and email address) for Vendor and designated Order Fulfillers;
- g) instructions for obtaining quotes and placing Purchase Orders;
- h) warranty policies;
- i) return policies;
- j) the DIR Contract number with a hyperlink to the Contract's DIR webpage;
- k) a link to the DIR "Cooperative Contracts" webpage; and
- l) the DIR logo in accordance with the requirements of this Section.

Vendor Contract No. _____

If Vendor does not meet the webpage requirements listed above, DIR may cancel the contract without penalty; provided however, that Vendor is provided written notice of the website's non-compliance, and Vendor fails to correct such non-compliance within thirty (30) calendar days.

2) Accurate and Timely Contract Information

Vendor warrants and represents that the website information specified in the above paragraph will be accurately and completely posted, maintained and displayed in an objective and timely manner. Vendor, at its own expense, shall correct any non-conforming or inaccurate information posted at Vendor's website within thirty (30) business days after written notification by DIR.

3) Website Compliance Checks

Periodic compliance checks of the information posted for the Contract on Vendor's website will be conducted by DIR. Upon request by DIR, Vendor shall provide verifiable documentation that pricing listed upon this website is compliant with the pricing as stated in Section 4 of the Contract.

4) Website Changes

Vendor hereby consents to a link from the DIR website to Vendor's website in order to facilitate access to Contract information. The establishment of the link is provided solely for convenience in carrying out the business operations of the State. DIR reserves the right to terminate or remove a link at any time, in its sole discretion, without advance notice, or to deny a future request for a link. DIR will provide Vendor with subsequent notice of link termination or removal. Vendor shall provide DIR with timely written notice of any change in URL or other information needed to access the site and/or maintain the link.

5) Use of Access Data Prohibited

If Vendor stores, collects or maintains data electronically as a condition of accessing Contract information, such data shall only be used internally by Vendor for the purpose of implementing or marketing the Contract, and shall not be disseminated to third parties or used for other marketing purposes. The Contract constitutes a public document under the laws of the State and Vendor shall not restrict DIR or Customer access to Contract terms and conditions including pricing, i.e., through use of restrictive technology or passwords.

6) Responsibility for Content

Vendor is solely responsible for administration, content, intellectual property rights, and all materials at Vendor's website. DIR reserves the right to require a change of listed content if, in the opinion of DIR, it does not adequately represent the Contract.

I. Appendix A, Section 7, Contract Fulfillment and Promotion, G. Vendor and Order Fulfiller Logo, is hereby restated in its entirety as follows:

G. Vendor and Order Fulfiller Logo

In the event DIR should need use of Vendor's or Order Fulfiller's Logos, mutually agreed upon criteria will be coordinated with Vendor.

Vendor Contract No. _____

- J. **Appendix A, Section 8, Pricing, Purchase Order, Invoices, and Payments, C. Customer Price,** is hereby restated in its entirety as follows:

C. Customer Price

- 1) The price to the Customer shall be calculated as follows:

Customer Price = (MSRP or List Price – Customer Discount as set forth in Appendix C, Pricing Index) x (1 + DIR Administrative Fee, as set forth in the Contract).

- 2) Customers purchasing products and services under this Contract may negotiate more advantageous pricing or participate in special promotional offers. In such event, a copy of such better offerings shall be furnished to DIR upon request.

- 3) If pricing for Vendor's products or services available under this Contract are provided by Vendor at a lower price to: (i) an eligible Customer in Texas who is not purchasing those products or services under this Contract or (ii) any other Texas entity or consortia authorized by Texas law to sell said products and services to eligible Customers, then the available Customer Price in this Contract shall be adjusted to that lower price prospectively. This requirement applies to products or services quoted directly by Vendor for a quantity of one (1) under like terms and conditions, and does not apply to volume or special pricing purchases. Upon either Customer's notice to Vendor, or Vendor's notice to Customer that the party(ies) have become aware of this pricing differential and the pricing differential has been confirmed by Vendor or Customer provides reasonable confirmation to Vendor, this Contract shall be amended within ten (10) business days to reflect the lower price.

- K. **Appendix A, Section 8, Pricing, Purchase Orders, Invoices, and Payments, G. Changes to Prices,** is hereby replaced in its entirety as follows:

G. Changes to Prices

Vendor may change the price of any product or service at any time, based upon changes to the MSRP, but discount levels shall remain consistent with the discount levels specified in this Contract.

Vendor may revise its pricing (but not its discount rate, if any, and not the products or services on its contract pricing list) by posting a revised pricing list. Such revised pricing lists are subject to review by DIR. If DIR finds that a product's or service's price has been increased unreasonably, DIR may request Vendor to reduce its pricing for the product or service to the level published before the revision. Vendor must reduce its pricing or remove the product or service from its pricing list within thirty (30) calendar days. Failure to do so will constitute an act of default by Vendor.

- L. **Appendix A, Section 8, Pricing, Purchase Orders, Invoices, and Payments, K. Transfer of Title,** is hereby added to this section as follows:

K. Transfer of Title

Transfer of Title shall occur upon acceptance of goods. Customer shall have five (5) business days after receipt to accept products. Absent written rejection within five (5) business days,

Vendor Contract No. _____

products will be deemed accepted, without waiving the right to return products as set forth under Vendor and product warranty provisions.

M. Appendix A, Section 9, Contract Administration, B. Reporting and Administrative Fees, is hereby restated in its entirety as follows:

1) Reporting Responsibility

a) Vendor shall be responsible for reporting all products and services purchased under the Contract. Vendor shall file the monthly reports, subcontract reports, and pay the administrative fees in accordance with the due dates specified in this section.

b) DIR shall have the right to verify required reports and to take any actions necessary to enforce its rights under this section, including but not limited to, compliance checks of Vendor's applicable Contract books at DIR's expense. Vendor will provide all required documentation at no cost.

2) Detailed Monthly Report

Vendor shall electronically provide DIR with a detailed monthly report in the format required by DIR showing the dollar volume of any and all sales under the Contract for the previous month period. Reports shall be submitted to the DIR ICT Cooperative Contracts E-Mail Box at ict.sales@dir.texas.gov. Reports are due on the fifteenth (15th) calendar day after the close of the previous month period. If the 15th calendar day falls on a weekend or state or federal holiday, the report shall be due on the next business day. It is the responsibility of Vendor to collect and compile all sales under the Contract from participating Order Fulfillers and submit one (1) monthly report. The monthly report shall include, per transaction: the detailed sales for the period, Order Filler's Company name, if applicable, Customer name, invoice date, invoice number, description, part number, manufacturer (brand), quantity, unit price, extended price, Customer Purchase Order number, contact name, Customer's complete billing address, and other information as required by DIR. Each report must contain all information required by DIR and listed above per transaction or the report will be rejected and returned to the Vendor for correction in accordance with this section. Vendor shall report in a manner required by DIR which is subject to change dependent upon DIR's business needs. Failure to do so may result in contract termination.

3) Historically Underutilized Businesses Subcontract Reports

a) Vendor shall electronically provide each Customer with Vendor's applicable Order Filler's relevant Historically Underutilized Business Subcontracting Report, pursuant to the Contract, as required by Chapter 2161, Texas Government Code. Reports shall also be submitted to DIR.

b) Reports shall be due in accordance with the CPA rules.

4) DIR Administrative Fee

a) An administrative fee shall be paid by Vendor to DIR to defray the DIR costs of negotiating, executing, and administering the Contract. The maximum administrative fee is set by the Texas Legislature in the biennial General Appropriations Act. DIR will review Vendor monthly sales reports, close the sales period, and notify the Vendor of the administrative fee no later than the fourteenth (14th) day of the second month following the date of the reported sale. Vendor shall pay the administrative fee by the twenty-fifth

Vendor Contract No. _____

(25th) calendar day of the second month following the date of the reported sale. For example, Vendor reports January sales by February 15th; DIR closes January sales and notifies Vendor of administrative fee by March 14th; Vendor submits administrative fee for January sales by March 25th.

b) DIR may change the amount of the administrative fee upon thirty (30) calendar days written notice to Vendor without the need for a formal contract amendment.

c) Vendor shall reference the DIR Contract number, reporting period, and administrative fee amount on any remittance instruments.

d) Notwithstanding the foregoing, DIR shall timely provide to Vendor a report of all ineligible sales or other reporting discrepancies (including administrative fees), based on DIR's review of available sales information.

5) Accurate and Timely Submission of Reports

a) The reports and administrative fees shall be accurate and timely and submitted in accordance with the due dates specified in this section. Vendor shall correct any inaccurate reports or administrative fee payments within ten (10) business days upon written notification by DIR. Vendor shall deliver any late reports or late administrative fee payments within ten (10) business days upon written notification by DIR. If Vendor is unable to correct inaccurate reports or administrative fee payments or deliver late reports and fee payments within three (3) business days, Vendor must contact DIR and provide a corrective plan of action, including the timeline for completion of correction. The corrective plan of action shall be subject to DIR approval, such approval not unreasonably withheld.

b) Should Vendor fail to correct inaccurate reports or cure the delay in timely delivery of reports and payments within the corrective plan of action timeline, DIR reserves the right to require an independent third party audit of the Vendor's records as specified in C.3 of this Section, at Vendor's expense. DIR will select the auditor (and all payments to auditor will require DIR approval).

c) Failure to timely submit three (3) reports or administrative fee payments within any rolling twelve (12) month period may, at DIR's discretion, result in the addition of late fees of \$100/day for each day the report or payment is due (up to \$1000/month) or suspension or termination of Vendor's Contract.

N. Appendix A, Section 9, Contract Administration, C. Records and Audit, paragraph 3, is hereby restated in its entirety as follows:

3) Vendor and/or Order Fulfillers shall grant access to all paper and electronic records, books, documents, accounting procedures, practices and any other items relevant to the performance of the Contract to the DIR Internal Audit department or DIR Contract Management staff, including the compliance checks designated by the DIR Internal Audit department, DIR Contract Management staff, the State Auditor's Office, and of the United States, and such other persons or entities designated by DIR for the purposes of inspecting, Compliance Checking and/or copying such books and records. Vendor and/or Order Fulfillers shall provide copies and printouts requested by DIR without charge. DIR shall provide Vendor and/or Order Fulfillers thirty (30) business days' notice prior to inspecting, Compliance Checking, and/or copying Vendor's and/or Order Fulfiller's records. Vendor's and/or Order Fulfillers records, whether paper or electronic, shall be

Vendor Contract No. _____

made available during regular office hours. Vendor and/or Order Fulfiller personnel familiar with the Vendor's and/or Order Fulfiller's books and records shall be available to the DIR Internal Audit department, or DIR Contract Management staff and designees as needed. Vendor and/or Order Fulfiller shall provide adequate office space to DIR staff during the performance of Compliance Check. If Vendor is found to be responsible for inaccurate reports, DIR may invoice for the reasonable costs of the audit, which Vendor must pay within thirty (30) calendar days of receipt.

- O. Appendix A, Section 10, Vendor Responsibilities, A. Indemnification, 2) ACTS OR OMISSIONS,** is hereby restated in its entirety as follows:

2) ACTS OR OMISSIONS

Vendor shall indemnify and hold harmless the State of Texas and Customers, AND/OR THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, AND/OR PERMITTED ASSIGNEES, FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED REASONABLE COSTS, ATTORNEY FEES, AND EXPENSES resulting from bodily injury (including death) or damage to tangible property to the extent arising out of, or resulting from any negligent acts or omissions, or willful misconduct of the Vendor or its agents, employees, or subcontractors, in the execution or performance of the Contract and any Purchase Orders issued under the Contract. THE DEFENSE SHALL BE COORDINATED BY THE OFFICE OF THE ATTORNEY GENERAL FOR TEXAS STATE AGENCY CUSTOMERS AND BY CUSTOMER'S LEGAL COUNSEL FOR NON-STATE AGENCY CUSTOMERS. VENDOR MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE ATTORNEY GENERAL. VENDOR AND THE CUSTOMER AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM.

- P. Appendix A, Section 10, Vendor Responsibilities, A. Indemnification, 3) INFRINGEMENTS,** is hereby restated in its entirety as follows:

3) INFRINGEMENTS

a) Vendor shall indemnify and hold harmless the State of Texas and Customers, AND/OR THEIR EMPLOYEES, AGENTS, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEEs from any and all third-party claims alleging infringement of United States patents, copyrights, trade and service marks, and any other intellectual or intangible property rights in connection with the PERFORMANCES OR ACTIONS OF VENDOR PURSUANT TO THIS CONTRACT. VENDOR AND THE CUSTOMER AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM. VENDOR SHALL BE LIABLE TO PAY ALL REASONABLE COSTS OF DEFENSE INCLUDING ATTORNEYS' FEES. THE DEFENSE SHALL BE COORDINATED BY THE OFFICE OF THE ATTORNEY GENERAL FOR TEXAS STATE AGENCY CUSTOMERS AND BY CUSTOMER'S LEGAL COUNSEL FOR NON-STATE AGENCY CUSTOMERS. VENDOR MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE ATTORNEY GENERAL.

Notwithstanding the foregoing, such indemnity shall not apply, and Vendor shall have no liability under this section if the alleged infringement is caused by:

- 1) Modification of a product by Customer or a third party

Vendor Contract No. _____

- 2) The amount or duration of use which Customer makes of the Product, revenue earned by Customer from services it provides that use the Product, or services offered by Customer to external or internal customers
- 3) Combination, operation, or use of a product with non-Cisco products, software or business processes
- 4) Customer's use of the products after Vendor informs Customer of modifications or a change required to avoid such claims and offers to implement those changes
- 5) Any modifications made to the Product by the Vendor pursuant to Customer's specific instructions.

b) If Vendor becomes aware of an actual or potential claim, or Customer provides Vendor with notice of an actual or potential claim, Vendor may (or in the case of an injunction against Customer, shall), at Vendor's sole option and expense: (i) procure for the Customer the right to continue to use the affected portion of the product or service, or (ii) modify or replace the affected portion of the product or service with functionally equivalent or superior product or service so that Customer's use is non-infringing.

Q. Appendix A, Section 10, Vendor Responsibilities, A. Indemnification, 4) Property Damage, is hereby deleted in its entirety.

R. Appendix A, Section 10, Vendor Responsibilities, B. Taxes/Worker's Compensation/ UNEMPLOYMENT INSURANCE, Paragraph 2), is hereby restated in its entirety as follows:

2) VENDOR AGREES TO INDEMNIFY AND HOLD HARMLESS CUSTOMERS, THE STATE OF TEXAS AND/OR THEIR EMPLOYEES, AGENTS, REPRESENTATIVES, CONTRACTORS, AND/OR ASSIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED COSTS, REASONABLE ATTORNEYS' FEES, AND EXPENSES, RELATING TO TAX LIABILITY, UNEMPLOYMENT INSURANCE AND/OR WORKERS' COMPENSATION IN ITS PERFORMANCE UNDER THIS CONTRACT. VENDOR SHALL BE LIABLE TO PAY ALL COSTS OF DEFENSE INCLUDING REASONABLE ATTORNEYS' FEES. THE DEFENSE SHALL BE COORDINATED BY VENDOR WITH THE OFFICE OF THE ATTORNEY GENERAL WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND VENDOR MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE ATTORNEY GENERAL. VENDOR AND THE CUSTOMER AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM.

S. Appendix A, Section 10, Vendor Responsibilities, N. Required Insurance Coverage, is hereby restated in its entirety as follows:

N. Required Insurance Coverage

As a condition of this Contract with DIR, Vendor shall provide certificates of insurance, or other proof of insurance acceptable to DIR, reflecting maintenance of the listed insurance coverage within 5 business days of execution of the Contract if the Vendor is awarded services which require that Vendor's employees perform work at any Customer premises and/or use employer vehicles to conduct work on behalf of Customers. In addition, when engaged by a Customer to provide services on Customer premises, the Vendor shall, at its own expense, secure and maintain the insurance coverage specified herein, and shall

Vendor Contract No. _____

provide certificates of insurance, or other proof of such insurance coverage acceptable to Customer to the related Customer within five (5) business days following the execution of the Purchase Order. Vendor may not begin performance under the Contract and/or a Purchase Order until such proof of insurance coverage is provided to, and approved by, DIR and the Customer. All required insurance must be issued by companies that have an A rating and a Financial Size Category Class of VII from A.M. Best and are licensed in the State of Texas and authorized to provide the corresponding coverage. Required coverage must remain in effect throughout the term of the Contract and each Purchase Order issued to Vendor thereunder. The minimum acceptable insurance provisions are as follows:

1) Commercial General Liability

Commercial General Liability must include \$1,000,000 per occurrence for Bodily Injury and Property Damage, with a separate aggregate limit of \$2,000,000; Personal Injury and Advertising Liability of \$1,000,000; Products/Completed Operations Aggregate Limit of \$2,000,000; and Damage to Premises Rented: \$50,000. Agencies may require additional Umbrella/Excess Liability insurance. The policy shall contain the following provisions:

- a) Blanket contractual liability coverage for liability assumed under the Contract;
- b) Independent Contractor coverage;
- c) State of Texas, DIR and Customer included as an additional insured, but only to the extent of liabilities falling within Vendor's contractual and indemnity obligations pursuant to this Agreement; and
- d) Waiver of Subrogation, but only to the extent of liabilities falling within Vendor's contractual and indemnity obligations pursuant to this Agreement.

2) Workers' Compensation Insurance

WORKERS' COMPENSATION INSURANCE AND EMPLOYERS' LIABILITY COVERAGE MUST INCLUDE LIMITS CONSISTENT WITH STATUTORY BENEFITS OUTLINED IN THE TEXAS WORKERS' COMPENSATION ACT (ART. 8308-1.01 ET SEQ. TEX. REV. CIV. STAT) AND MINIMUM POLICY LIMITS FOR EMPLOYERS' LIABILITY OF \$1,000,000 BODILY INJURY PER ACCIDENT, \$1,000,000 BODILY INJURY DISEASE PER EMPLOYEE AND \$1,000,000 PER DISEASE POLICY LIMIT.

3) Business Automobile Liability Insurance

Business Automobile Liability Insurance must cover all owned, non-owned and hired vehicles with a minimum combined single limit of \$500,000 per occurrence for bodily injury and property damage. The policy shall contain the following endorsements in favor of DIR and/or Customer:

- a) Waiver of Subrogation, but only to the extent of liabilities falling within Vendor's contractual and indemnity obligations pursuant to this Agreement; and
- b) State of Texas, DIR and Customer included as an additional Insured, but only to the extent of liabilities falling within Vendor's contractual and indemnity obligations pursuant to this Agreement.

T. Appendix A, Section 10, Vendor Responsibilities, X. Use and Protection of Confidential Information, is hereby added to Appendix A as follows:

Vendor Contract No. _____

X. Use and Protection of Confidential Information

Customer and Vendor agree that in connection with this Contract and their relationship, they may come into possession of another party's Confidential Information. The receiving party shall at all times keep in trust and confidence all such Confidential information received, and shall not use such Confidential Information other than as expressly authorized by the disclosing party under this Agreement, nor shall the receiving party disclose any such Confidential Information to third parties without the disclosing party's written consent. Notwithstanding the above, Vendor shall be authorized to disclose Customer's Confidential Information to order fulfillers, contractors or employees of a Vendor entity who have a legitimate business need to have access to such information to fulfill Customer's purchase orders. Notwithstanding any record retention policies and laws, the receiving party shall immediately return to the disclosing party all Confidential Information (including copies thereof) in the receiving party's possession, custody, or control upon termination or expiration of this Agreement. The obligations of confidentiality shall not apply to information which (a) has entered the public domain, except where such entry is the result of the receiving party's breach of this Agreement; (b) prior to disclosure hereunder was already rightfully in the receiving party's possession; (c) subsequent to disclosure hereunder is obtained by the receiving party on a non-confidential basis from a third party who has the right to disclose such information to the receiving party. Additionally, the receiving party is authorized to disclose Confidential Information pursuant to a valid order issued by a court or government agency, provided that the receiving party provides (i) prior written notice to the disclosing party of such obligation and (ii) the opportunity to oppose such disclosure. Customer and DIR may disclose information necessary to comply with the Texas Public Information Act.

Vendor shall not disclose, advertise, or publish the terms and conditions of this Agreement without the prior written consent of the Customer. Any press release or publication by Vendor regarding this Agreement is subject to prior review and written approval of DIR and Customer. Customer and DIR may publish the contract and Agreement in its customary manner or as required by law.

- U. Appendix A, Section 11, Contract Enforcement, B. Termination, 1) Termination for Non-Appropriation, a) Termination for Non-Appropriation by Customer**, is hereby restated in its entirety as follows:

a) Termination for Non-Appropriation by Customer

Customer may terminate Purchase Orders if funds sufficient to pay its obligations under the Contract are not appropriated: i) by the governing body on behalf of local governments; ii) by the Texas legislature on behalf of state agencies; or iii) by budget execution authority provisioned to the Governor or the Legislative Budget Board as provided in Chapter 317, Texas Government Code. In the event of non-appropriation, Vendor and/or Order Fulfiller will be provided ten (10) calendar days written notice of intent to terminate. Notwithstanding the foregoing, if a Customer issues a Purchase Order and has accepted delivery of the product or services, they are obligated to pay for the product or services or they may return the product and discontinue using services under any return provisions that Vendor offers. In the event of such termination, the Customer will not be considered to be in default or breach under this Contract, nor shall it be liable for any further payments ordinarily due under this Contract

Vendor Contract No. _____

(except for products or services accepted before termination, for which return provisions are provided, which Customer fails to return), nor shall it be liable for any damages or any other amounts which are caused by or associated with such termination.

V. Appendix A, Section 11, Contract Enforcement, B. Termination, 3) Termination for Convenience, is hereby restated in its entirety as follows:

3) Termination for Convenience

DIR may terminate the Contract, in whole or in part, by giving the other party thirty (30) calendar days written notice. A Customer may terminate a Purchase Order or other contractual document or relationship prior to the delivery of the ordered products or services by giving the other party thirty (30) calendar days written notice. Notwithstanding the foregoing, if a Customer issued a Purchase Order and accepted delivery of the ordered products or services, the Customer is obligated to pay for the product or services in accordance with the payment and return provisions contained in this Agreement.

W. Appendix A, Section B. Termination, 4. Termination for Cause, b) Purchase Order, is hereby restated in its entirety as follows:

b) Purchase Order

Customer or Order Fulfiller may terminate a Purchase Order or other contractual document or relationship upon the occurrence of a material breach of any term or condition: (i) of the Contract, or (ii) included in the Purchase Order or other contractual document or relationship in accordance with Section 4.B.2 above, upon the following preconditions: first, the parties must comply with the requirements of Chapter 2260, Texas Government Code, in an attempt to resolve a dispute; second, after complying with Chapter 2260, Texas Government Code, and the dispute remains unresolved, then the non-defaulting party shall give the defaulting party ten (10) calendar days from receipt of notice to cure said default. If the defaulting party fails to cure said default within the timeframe allowed, the non-defaulting party may, at its option and in addition to any other remedies it may have available, cancel and terminate the Purchase Order. Customer may immediately suspend a Purchase Order without advance notice in the event Vendor fails to comply with confidentiality, privacy, security requirements, environmental or safety laws or regulations, if such non-compliance materially relates to vendor provision of goods or services to the Customer.

X. Appendix A, Section 11, Contract Enforcement, C. Force Majeure, is hereby restated in its entirety as follows:

C. Force Majeure

DIR, Customer, Vendor or Order Fulfiller may be excused from performance under the Contract for any period when performance is prevented as the result of an act of God, strike, war, civil disturbance, epidemic, or court order, provided that the party experiencing the event of Force Majeure has prudently and promptly acted to take any and all steps that are within the party's control to ensure performance and to shorten the duration of the event of Force Majeure. The party suffering an event of Force Majeure shall provide notice of the event to the other parties when commercially reasonable. Subject to this provision, such non-performance shall not be deemed a default or a ground for termination. However, a Customer may terminate a Purchase

Vendor Contract No. _____

Order if it is determined by the Customer that Order Filler will not be able to deliver product or services in a timely manner to meet the business needs of the Customer.

Remainder of page intentionally left blank

Vendor Contract No. _____

This Contract is executed to be effective as of the date of last signature.

Cisco Systems, Inc.

Authorized By: Signature on File

Name: Jennifer Pate

Title: Authorized Signatory

Date: 6/29/2018

The State of Texas, acting by and through the Department of Information Resources

Authorized By: Signature on File

Name: Hershel Becker / Colleen Berkley, Procurement Director
On Behalf of Hershel Becker

Title: Chief Procurement Officer

Date: 7/3/2018

Office of General Counsel: Signature on File, 6/29/2018

CITY OF BAYTOWN, TEXAS
INDEBTEDNESS CERTIFICATION

Project Name: Cisco FLEX support agreement for telephony equipment

Company Name: Presidio Networked Solutions, Group

Department: Information Technology Service (ITS)

Date: 05/13/2024

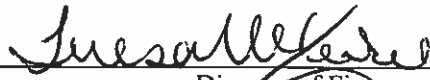
Council Date: 05/23/2024

A review of the above-described company was made in accordance with 2-663 of the City of Baytown Code of Ordinances and the aforementioned company was found:

☐ to be indebted to the City in the following areas:

☒ not to be indebted to the City.

It is hereby certified the above is true and correct based on the best information available.



Director of Finance

05/13/2024

Date

For information regarding this certificate, please contact the Finance Director at 281-420-6531.

If an appeal to this determination is to be filed under section 2-664 of this code, please forward to the following address:

City of Baytown
Director of Finance
P O Box 424
Baytown, TX 77522-0424



CITY COUNCIL MEETING

6. c.

Meeting Date: 05/23/2024

Subject: Consider an ordinance authorizing payment to Belt Harris Pechacek, LLLP for September 30, 2023, Audit

Prepared for: Teresa McKenzie, Finance

Prepared by: Elizabeth Donato, Finance

Department: Finance

Information

ITEM

Consider an ordinance authorizing payment to Belt Harris Pechacek, LLP for the September 30, 2023, City of Baytown Financial Audit.

PREFACE

This proposed ordinance authorizes a payment to Belt Harris Pechacek, LLP for the amount of \$64,587.00, for research and analysis related to the annual financial audit for the year ended September 30, 2023.

This proposed ordinance authorizes a payment to Belt Harris Pechacek, LLP for the amount of \$64,587.00, for professional services rendered in connection with the annual financial audit for the year ended September 30, 2023. As the City's external auditor, Belt Harris Pechacek LLP conducted detailed analysis to assist with compilation of the City's annual financial accounts for the year ended September 30, 2023, and to ensure finalization of the annual audit.

Fiscal Impact

Fiscal Year: 2024

Acct Code: 10320-74022

Source of Funds (Operating/Capital/Bonds):

Funds Budgeted Y/N: Y

Amount Needed: 64,587.00

Fiscal Impact (Additional Information):

Attachments

Ordinance Authorizing Payment 2023 Audit
Invoice

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS, AUTHORIZING THE PAYMENT OF SIXTY-FOUR THOUSAND FIVE HUNDRED EIGHTY-SEVEN AND NO/100 DOLLARS (\$64,587.00) TO BELT HARRIS PECHACEK, LLP, FOR THE SEPTEMBER 30, 2023, CITY OF BAYTOWN FINANCIAL AUDIT; MAKING OTHER PROVISIONS RELATED THERETO; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS:

Section 1: That the City Council of the City of Baytown hereby authorizes the payment of SIXTY-FOUR THOUSAND FIVE HUNDRED EIGHTY-SEVEN AND NO/100 DOLLARS (\$64,587.00) to Belt Harris Pechacek, LLP, for the September 30, 2023, City of Baytown financial audit.

Section 2: That pursuant to the provisions of Texas Local Government Code Annotated §252.048, the City Manager is hereby granted general authority to approve any change order involving a decrease or an increase in costs of FIFTY THOUSAND AND NO/100 DOLLARS (\$50,000.00) or less, subject to the provision that the original contract price may not be increased by more than twenty-five percent (25%) or decreased by more than twenty-five percent (25%) without the consent of the contractor to such decrease.

Section 3: This ordinance shall take effect immediately from and after its passage by the City Council of the City of Baytown.

INTRODUCED, READ and PASSED by the affirmative vote of the City Council of the City of Baytown this the 23rd day of May, 2024.

BRANDON CAPETILLO, Mayor

ATTEST:

ANGELA JACKSON, City Clerk

APPROVED AS TO FORM:

SCOTT LEMON, City Attorney

Belt Harris Pechacek, LLLP
3210 Bingle Road, Ste. 300
Houston, Texas 77055



Invoice 15846
April 30, 2024

Teresa McKenzie
City of Baytown
P.O. Box 424
Baytown, TX 77522-0424

Terms: Due on Receipt

Description	Amount
For professional services rendered in connection with the audit for the year ending 09/30/2023 - Audit - ACFR - Final Billing	\$36,023.00
For professional services rendered in connection with the audit for the year ending 09/30/2023 - Audit-Single Audit - Final Billing	18,569.00
For additional professional services related to the reporting of the Baytown Municipal Development District ("MDD") hotel operations for fiscal year 2023:	
• Review of various MDD legal agreements related to the responsibilities of all parties involved in the accounting, reporting, and recording of hotel operations. Including scheduling and attending meeting with City/MDD hotel consultant and follow up activities	5,740.00
• Review and research of invoices and other written documentation to calculate and propose adjustments for the conveyance of the hotel convention center	1,665.00
• Review of monthly hotel operations reports to determine entries necessary to record banking and other financial activity by the Trustee and hotel operator for reporting by MDD	2,590.00
Total	\$64,587.00

Thank you for your prompt payment.

Remit Payment To
3210 Bingle Road Suite 300
Houston, Texas 77055

Phone: 713.263.1123
Fax: 713.263.1550

Website: www.texasauditors.com
E-Mail: info@texasauditors.com
Tax ID: 26-2686915



CITY COUNCIL MEETING

6. d.

Meeting Date: 05/23/2024

Subject: Consider an ordinance awarding the Annual Criminal Justice Information Systems Janitorial Services Contract

Prepared for: Mike Holden, Police

Prepared by: Carla Hommel, Finance

Department: Police

Information

ITEM

Consider an ordinance awarding the Annual Criminal Justice Information Systems (CJIS) Janitorial Services Contract to Del Sol Group.

PREFACE

This proposed ordinance awards the Annual Criminal Justice Information Systems (CJIS) Janitorial Services Contract to Del Sol Group, for an amount not to exceed \$243,929.52.

Notification of the Janitorial Services bid was sent to 42 companies. Nine (9) companies attended the mandatory pre-bid meeting. In order to qualify for the bid award, all interested vendors were required to attend a mandatory pre-bid meeting and tour each of the City's five (5) CJIS locations to familiarize themselves with the building sizes, locations and better understand the City's expectations of cleaning services. CJIS locations are the following areas: Public Safety Campus, Jail, Police Academy, Gun Range and the 911 Call Center.

The City held a public bid opening at City Hall on March 27, 2024, at 10:00 am. Five (5) companies submitted a response.

After evaluation of received responses and in the best interest of the City, we are asking that Del Sol Group be approved for contract award for all CJIS facilities Janitorial Services.

Fiscal Impact

Fiscal Year: 2024-2025

Acct Code: 10340-74026

Source of Funds (Operating/Capital/Bonds): Operating

Funds Budgeted Y/N: Y

Amount Needed: \$243,929.52

Fiscal Impact (Additional Information):

FY 2024 - \$81,309.84

FY 2025 - \$162,619.68

Attachments

Ordinance Authorizing Payment Del Sol--CJIS

Bid Tabulation

Indebtedness Certification

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS, ACCEPTING THE BID OF DEL SOL, INC., FOR THE ANNUAL CRIMINAL JUSTICE INFORMATION SYSTEMS (CJIS) JANITORIAL SERVICES CONTRACT AND AUTHORIZING PAYMENT BY THE CITY OF BAYTOWN, IN THE SUM OF TWO HUNDRED FORTY-THREE THOUSAND NINE HUNDRED TWENTY-NINE AND 52/100 DOLLARS (\$243,929.52); MAKING OTHER PROVISIONS RELATED THERETO; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

WHEREAS, the City Council of the City of Baytown did authorize the Purchasing Department for the City of Baytown to advertise for bids for the Annual Criminal Justice Information Systems (CJIS) Janitorial Services Contract to be received March 27, 2024; and

WHEREAS, notice to bidders as to the time and place, when and where the contract would be let was published pursuant to the provisions of Chapter 252 of the Texas Local Government Code; and

WHEREAS, all bids were opened and publicly read at Baytown City Hall at 10:00 a.m., Wednesday, March 27, 2024; NOW THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS:

Section 1: That the City Council of the City of Baytown hereby accepts the bid of Del Sol, Inc., for the Annual Criminal Justice Information Systems (CJIS) Janitorial Services Contract for the sum of TWO HUNDRED FORTY-THREE THOUSAND NINE HUNDRED TWENTY-NINE AND 52/100 DOLLARS (\$243,929.52) and authorizes payment thereof.

Section 2: That pursuant to the provisions of Texas Local Government Code Annotated §252.048, the City Manager is hereby granted general authority to approve any change order involving a decrease or an increase in costs of FIFTY THOUSAND AND NO/100 DOLLARS (\$50,000.00) or less, subject to the provision that the original contract price may not be increased by more than twenty-five percent (25%) or decreased by more than twenty-five percent (25%) without the consent of the contractor to such decrease.

Section 3: This ordinance shall take effect immediately from and after its passage by the City Council of the City of Baytown.

INTRODUCED, READ and PASSED by the affirmative vote of the City Council of the City of Baytown this the 23rd day of May, 2024.

BRANDON CAPETILLO, Mayor

ATTEST:

ANGELA JACKSON, City Clerk

APPROVED AS TO FORM:

SCOTT LEMON, City Attorney

R:\Kristin Holmes\Ordinances\2024\05.23.2024 City Council\Ordinance.Awarding Contract.Del Sol CJIS.kh.docx

Janitorial Services CJIS (Criminal Justice Information Services) (#9009238)

Owner: Baytown TX, City of

Solicitor: Baytown TX, City of

03/27/2024 10:00 AM CDT

				American Janitorial Services, Ltd		Ambassador Services LLC		M & R's Elite Janitorial Solutions		Del Sol Group LLC		Metroclean	
Section Title	Item Description	UofM	Quantity	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
Janitorial Services				\$174,084.00		\$191,768.40		\$234,000.00		\$243,929.52		\$431,712.48	
	Public Safety Complex, per specifications	Ea	12	\$10,512.00	\$126,144.00	\$12,136.85	\$145,642.20	\$15,500.00	\$186,000.00	\$14,549.27	\$174,591.24	\$26,936.14	\$323,233.68
	Police Gun Range, per specifications	Ea	12	\$300.00	\$3,600.00	\$47.62	\$571.44	\$225.00	\$2,700.00	\$96.11	\$1,153.32	\$334.33	\$4,011.96
	Jail Administration Facility, per specifications	Ea	12	\$350.00	\$4,200.00	\$80.39	\$964.68	\$300.00	\$3,600.00	\$120.14	\$1,441.68	\$770.22	\$9,242.64
	Police Academy and Gym, per specifications	Ea	12	\$1,350.00	\$16,200.00	\$1,517.11	\$18,205.32	\$1,500.00	\$18,000.00	\$3,604.14	\$43,249.68	\$2,712.81	\$32,553.72
	911 Call Center/ITS, per specifications	Ea	12	\$1,995.00	\$23,940.00	\$2,198.73	\$26,384.76	\$1,975.00	\$23,700.00	\$1,957.80	\$23,493.60	\$5,222.54	\$62,670.48
Base Bid Total:				\$174,084.00		\$191,768.40		\$234,000.00		\$243,929.52		\$431,712.48	

CITY OF BAYTOWN, TEXAS
INDEBTEDNESS CERTIFICATION

Annual CJIS Janitorial Services

Project Name:

Company Name: Del Sol Group, LLC

Department: Police

Date: 05/06/2024

Council Date: 05/23/2024

A review of the above-described company was made in accordance with 2-663 of the City of Baytown Code of Ordinances and the aforementioned company was found:

☐ to be indebted to the City in the following areas:

☒ not to be indebted to the City.

It is hereby certified the above is true and correct based on the best information available.

 _____ Director of Finance	05/06/2024 _____ Date
---	-----------------------------

For information regarding this certificate, please contact the Finance Director at 281-420-6531.

If an appeal to this determination is to be filed under section 2-664 of this code, please forward to the following address:

City of Baytown
Director of Finance
P O Box 424
Baytown, TX 77522-0424



CITY COUNCIL MEETING

6. e.

Meeting Date: 05/23/2024

Subject: Purchase of three x-ray systems for Bomb Squad

Prepared for: John Stringer, Police

Prepared by: Susan Freeman, Police

Department: Police

Information

ITEM

Consider an ordinance to authorize the purchase of three (3) new XIROS II X-ray systems from Logos Imaging LLC.

PREFACE

This proposed ordinance authorizes the purchase of three new XIROS II X-ray systems from Logos Imaging LLC, the sole proprietary manufacturer of the XIROS II system in the amount of \$152,713.17 for the Police Department Bomb Squad. The Bomb Squad uses x-ray systems to inspect, evaluate, mitigate and/or render safe dangerous or suspicious packages, keeping a person inadvertently injuring themselves by physically opening the item. The Bomb Squad has expanded its operations over the years and needs new x-ray systems to replace current outdated technology and expand its capabilities to continue its efficiency and success. The x-ray systems will be purchased using funds awarded to the Police Department from the Port Security Grant Program and Houston Ship Channel Security District.

Fiscal Impact

Fiscal Year: 2024

Acct Code: 21080-84042-FGPORT-21080

Source of Funds (Operating/Capital/Bonds): Grant

Funds Budgeted Y/N: Y

Amount Needed: \$114,534.88

Fiscal Impact (Additional Information):

Fiscal Year: 2024

Acct Code: 21080-84042-LGPORT-84042

Source of Funds (Operating/Capital/Bonds): Grant

Funds Budgeted Y/N: Y

Amount Needed: \$38,178.29

Fiscal Impact (Additional Information):

Attachments

Sole Source Purchase - XIROS II X-ray Systems from Logos Imaging LLC

Indebtedness Certification

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS, AUTHORIZING THE PAYMENT IN THE AMOUNT OF ONE HUNDRED FIFTY-TWO THOUSAND SEVEN HUNDRED THIRTEEN AND 17/100 DOLLARS (\$152,713.17) TO LOGOS IMAGING LLC FOR THE SOLE-SOURCE PURCHASE OF THREE (3) XIROS II X-RAY SYSTEMS FOR THE POLICE DEPARTMENT'S BOMB SQUAD; MAKING OTHER PROVISIONS RELATED THERETO; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

WHEREAS, Texas Local Government Code Annotated §252.022 provides that when the functional requirements of the City can only be satisfied by one source, the requirement for competitive bids is not applicable; and

WHEREAS, the purchase of the three (3) XIROS II X-ray systems that can only be purchased from a single source – Logos Imaging LLC; NOW THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS:

Section 1: That the City Council of the City of Baytown, Texas, hereby declares that only one source can satisfy the needs of the City for the procurement of the (3) XIROS II X-ray systems for the Police Department's Bomb Squad.

Section 2: That the City Council of the City of Baytown, Texas, authorizes payment of the sum of ONE HUNDRED FIFTY-TWO THOUSAND SEVEN HUNDRED THIRTEEN AND 17/100 DOLLARS (\$152,713.17) to Logos Imaging LLC for the sole-source purchase of three (3) XIROS II X-ray systems for the Police Department's Bomb Squad.

Section 3: That pursuant to the provisions of Texas Local Government Code Annotated § 252.048, the City Manager is hereby granted general authority to approve any change order involving a decrease or an increase in costs of FIFTY THOUSAND AND NO/100 DOLLARS (\$50,000.00) or less, subject to the provision that the original contract price may not be increased by more than twenty-five percent (25%) or decreased by more than twenty-five percent (25%) without the consent of the contractor to such decrease.

Section 4: The funds authorized to be paid in Section 2 above will be purchased using funds awarded to the Police Department from the Port Security Grant Program and Houston Ship Channel Security District.

Section 5: This ordinance shall take effect immediately from and after its passage by the City Council of the City of Baytown.

INTRODUCED, READ and PASSED by the affirmative vote of the City Council of the City of Baytown this the 23rd day of May, 2024.

BRANDON CAPETILLO, Mayor

ATTEST:

ANGELA JACKSON, City Clerk

APPROVED AS TO FORM:

SCOTT LEMON, City Attorney

CITY OF BAYTOWN, TEXAS
INDEBTEDNESS CERTIFICATION

Project Name: Purchase of three x-ray systems for Bomb Squad

Company Name: Logos Imaging, LLC

Department: Police

Date: 05/06/2024

Council Date: 05/23/2024

A review of the above-described company was made in accordance with 2-663 of the City of Baytown Code of Ordinances and the aforementioned company was found:

☐ to be indebted to the City in the following areas:

☒ not to be indebted to the City.

It is hereby certified the above is true and correct based on the best information available.

 05/06/2024
Director of Finance Date

For information regarding this certificate, please contact the Finance Director at 281-420-6531.

If an appeal to this determination is to be filed under section 2-664 of this code, please forward to the following address:

City of Baytown
Director of Finance
P O Box 424
Baytown, TX 77522-0424



CITY COUNCIL MEETING

6. f.

Meeting Date: 05/23/2024

Subject: Budget amendment regarding the purchase of mobile radios for the Fire Department

Prepared for: Kenneth Dobson, Fire

Prepared by: Dana Dalbey, Fire

Department: Fire

Information

ITEM

Consider an ordinance approving an amendment to the Baytown Fire Control, Prevention, and Emergency Medical Services District's Fiscal Year 2023-2024 Budget to transfer monies from Fund Balance to Minor Tools (20701-72021) in order to purchase fifty (50) mobile radios and related equipment from Dailey & Wells Communications, Inc.

PREFACE

Consider an ordinance approving an amendment to the Baytown Fire Control, Prevention, and Emergency Medical Services District's Fiscal Year 2023-24 Budget to transfer monies from Fund Balance to Minor Tools (20701-72021) in order to purchase (50) mobile radios and related equipment from Dailey & Wells Communications, Inc., through Buy Board Cooperative Purchasing Agreement Contract: Texas BuyBoard 696-23 in the amount of \$305,566.00.

The Baytown Fire Department has (50) XLT 2500 mobile radios installed in fire department vehicles. These radios have reached the end of their useful life and will cease to operate in the fourth quarter of 2024.

Fiscal Impact

Fiscal Year: 2023/2024

Acct Code: 20701-72021

Source of Funds (Operating/Capital/Bonds): Capital

Funds Budgeted Y/N: N

Amount Needed: \$305,566.00

Fiscal Impact (Additional Information):

None

Attachments

Ordinance Approving Budget Amendment of FCPEMS for Purchase of 50 Mobile Radios

Dailey_Wells Quote

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS, APPROVING A CHANGE IN THE BAYTOWN FIRE CONTROL, PREVENTION, AND EMERGENCY MEDICAL SERVICES DISTRICT'S FISCAL YEAR 2023-2024 BUDGET FOR MUNICIPAL PURPOSES IN ORDER TO REPROGRAM FUNDS FROM FUND BALANCE TO MINOR TOOLS (20701-72021) IN THE AMOUNT OF THREE HUNDRED FIVE THOUSAND FIVE HUNDRED SIXTY-SIX AND NO/100 DOLLARS (\$305,566.00) FOR THE PURCHASE OF FIFTY (50) XLT 2500 MOBILE RADIOS FROM DAILEY & WELLS COMMUNICATIONS, INC., THROUGH THE HOUSTON-GALVESTON AREA COUNCIL (HGAC); MAKING OTHER REPRESENTATIONS RELATED THERETO; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS:

Section 1: That the City Council of the City of Baytown hereby approves changes in the Baytown Fire Control, Prevention, and Emergency Medical Services District's Fiscal Year 2023-2024 budget for municipal purposes to reprogram THREE HUNDRED FIVE THOUSAND FIVE HUNDRED SIXTY-SIX AND NO/100 DOLLARS (\$305,566.00) from Fund Balance to Minor Tools (20701-72021) for the purchase of fifty (50) XLT 2500 mobile radios from Dailey & Wells Communications, Inc., through the Galveston Area Council (HGAC).

Section 2: This ordinance shall take effect immediately from and after its passage by the City Council of the City of Baytown, Texas.

INTRODUCED, READ and PASSED, by the affirmative vote of the City Council of the City of Baytown this the 23rd day of May, 2024.

BRANDON CAPETILLO, Mayor

ATTEST:

ANGELA JACKSON, City Clerk

APPROVED AS TO FORM:

SCOTT LEMON, City Attorney

Dailey & Wells Communications, Inc.

3440 E. Houston St., San Antonio, TX 78219



Bill To:

Ronald Roberts
City of Baytown, TX
201 E Wye Dr
Baytown, TX 77521
ronald.roberts@baytown.org

Ship To:

City of Baytown, TX
201 E Wye Dr
Baytown, TX 77521

Quotation

Quote Number: 2024-3176
Terms: Net 30 Days
Date: 02/26/2024
Valid Until: 03/27/2024

Quote Title: 50 - XL-185M Mobile Radios

Sales Person:
Michael Lee Lockwood
michael.lockwood@dwcomm.com
+1 (281) 713-0405

Contract: Texas BuyBoard 696-23
XL-185M Mobile Radios (Single Control Head)

Line	Qty.	Part Number	Description	List Price	Discount	Unit Price	Ext. Price
1	40	XT-MPS1M	MOBILE, XL-185M, SINGLE BAND	\$ 3,815.00	30%	\$ 2,670.50	\$ 106,820.00
2	40	XT-PL4U	FEATURE, SINGLE-KEY DES ENCRYPTION	\$ 0.01	30%	\$ 0.01	\$ 0.40
3	40	XT-PL9E	FEATURE, SINGLE-KEY AES ENCRYPTION	\$ 0.01	30%	\$ 0.01	\$ 0.40
4	40	XT-PL8Y	FEATURE, ENCRYPTION LITE	\$ 0.01	30%	\$ 0.01	\$ 0.40
5	40	XT-PL4F	FEATURE, PHASE 2 TDMA	\$ 250.00	30%	\$ 175.00	\$ 7,000.00
6	40	XT-PL4L	FEATURE, SINGLE BAND, 7/800	\$ 0.01	30%	\$ 0.01	\$ 0.40
7	40	XT-PKGPT	FEATURE PACKAGE, P25 TRUNKING	\$ 1,600.00	30%	\$ 1,120.00	\$ 44,800.00
8	40	XT-LLA	FEATURE, LINK LAYER AUTHENTICATION	\$ 125.00	30%	\$ 87.50	\$ 3,500.00
9	40	XT-MA4A	KIT, MOUNTING XL-MOBILE UNIVERSAL	\$ 495.00	30%	\$ 346.50	\$ 13,860.00
10	40	XT-MC6A	MICROPHONE, XL, STANDARD MOBILE	\$ 105.00	30%	\$ 73.50	\$ 2,940.00
11	40	XT-AN8D	ANTENNA, ELEMENT, 700/800 3DB	\$ 100.00	30%	\$ 70.00	\$ 2,800.00
12	40	XT-AN6U	ANTENNA, BASE, STD ROOF MOUNT LOW LOSS	\$ 80.00	30%	\$ 56.00	\$ 2,240.00
13	40	XT-LS6A	SPEAKER, EXTERNAL, MOBILE	\$ 60.00	30%	\$ 42.00	\$ 1,680.00
14	40	XT-CA6F	CABLE, XL-MOBILE, SPEAKER ACCY	\$ 120.00	30%	\$ 84.00	\$ 3,360.00
15	40	XT-CP6A	CONTROL UNIT, XL-CH	\$ 1,600.00	30%	\$ 1,120.00	\$ 44,800.00
Shipping: Ground, pre-paid and added to invoice.							

Subtotal: \$ 233,801.60
Total: \$ 233,801.60

XL-185M Mobile Radios (Dual Control Heads)

Line	Qty.	Part Number	Description	List Price	Discount	Unit Price	Ext. Price
1	10	XT-MPS1M	MOBILE, XL-185M, SINGLE BAND	\$ 3,815.00	30%	\$ 2,670.50	\$ 26,705.00
2	10	XT-PL4U	FEATURE, SINGLE-KEY DES ENCRYPTION	\$ 0.01	30%	\$ 0.01	\$ 0.10
3	10	XT-PL9E	FEATURE, SINGLE-KEY AES ENCRYPTION	\$ 0.01	30%	\$ 0.01	\$ 0.10
4	10	XT-PL8Y	FEATURE, ENCRYPTION LITE	\$ 0.01	30%	\$ 0.01	\$ 0.10
5	10	XT-PL4F	FEATURE, PHASE 2 TDMA	\$ 250.00	30%	\$ 175.00	\$ 1,750.00
6	10	XT-PL4L	FEATURE, SINGLE BAND, 7/800	\$ 0.01	30%	\$ 0.01	\$ 0.10
7	10	XT-PKGPT	FEATURE PACKAGE, P25 TRUNKING	\$ 1,600.00	30%	\$ 1,120.00	\$ 11,200.00
8	10	XT-LLA	FEATURE, LINK LAYER AUTHENTICATION	\$ 125.00	30%	\$ 87.50	\$ 875.00
9	10	XT-MA4A	KIT, MOUNTING XL-MOBILE UNIVERSAL	\$ 495.00	30%	\$ 346.50	\$ 3,465.00
10	10	XT-MC6A	MICROPHONE, XL, STANDARD MOBILE	\$ 105.00	30%	\$ 73.50	\$ 735.00
Only 1 microphone required per dual-head radio.							
11	10	XT-AN8D	ANTENNA, ELEMENT, 700/800 3DB	\$ 100.00	30%	\$ 70.00	\$ 700.00
12	10	XT-AN6W	ANTENNA, BASE, THICK ROOF MOUNT LOW LOSS	\$ 85.00	30%	\$ 59.50	\$ 595.00

Dailey & Wells Communications, Inc.

3440 E. Houston St., San Antonio, TX 78219



L3HARRIS

DAILEY-WELLS

Contract: Texas
BuyBoard 696-23

13	10	XT-LS6A	SPEAKER, EXTERNAL, MOBILE	\$ 60.00	30%	\$ 42.00	\$ 420.00
Only 1 external speaker required per dual-head radio.							
14	10	XT-CA6F	CABLE, XL-MOBILE, SPEAKER ACCY	\$ 120.00	30%	\$ 84.00	\$ 840.00
15	20	XT-CP6A	CONTROL UNIT, XL-CH	\$ 1,650.00	30%	\$ 1,155.00	\$ 23,100.00
16	10	XT-MA4C	BRACKET, MOUNTING, XL CONTROL HEAD	\$ 68.00	30%	\$ 47.60	\$ 476.00
17	10	XT-CA6D	CABLE, POWER, XL-CH	\$ 87.00	30%	\$ 60.90	\$ 609.00
18	10	14050-6300-02	CABLE,ETHERNET,OVERMOLD,XL,9M	\$ 42.00	30%	\$ 29.40	\$ 294.00

Subtotal: \$ 71,764.40

Total: \$ 71,764.40

Quotation Totals

Currency: US Dollar

Subtotal: \$ 305,566.00

Total: \$ 305,566.00



Sales Person Signature

Dailey & Wells Communications, Inc.

3440 E. Houston St., San Antonio, TX 78219



Contract: Texas
BuyBoard 696-23

Shipping is Pre-Paid and Added to Invoice UNLESS OTHERWISE QUOTED

Purchase Order to be issued to:
Dailey & Wells Communications, Inc.
3440 E. Houston St.
San Antonio, TX 78219

Dailey Wells Communications, Inc. is registered with:
Wide Area Workflow (WAWF)
System For Award Management (SAM)

Dailey Wells Communications, Inc. is registered as a:
Certified SBE - Small Business Enterprise
Certified MBE - Minority Business Enterprise
Certified ABE - Asian American Business Enterprise
Commodity Codes: NAICS 334220, NAICS 334515

Tax ID: 74-1873279
CAGE Code: 0EC35
DUNNS: 010551315

The Purchase Order must include the following references:

- Quote Number
- Contract Name and/or Number; All orders must contain valid model number, quantity, and price for each item
- Frequencies must be supplied with order if applicable
- Requested Delivery Date
- If related to Grant Funding, important to provide Grant name, Agency, deadline and product receipt deadline, when applicable
- Shipping will default to Best Way, 5 day ground, unless otherwise specific
- Special shipping/delivery instructions (ex. Delivery lift gate required) must be noted if applicable; Non Standard packing will be billed to the customer
- Bill to and Ship to addresses must be included.

This document contains confidential, proprietary, and competitive sensitive information. All information provided shall not be disclosed nor duplicated for any purpose other than to evaluate this quote. Disclosure, reproduction, or use of any part thereof shall not be made without prior written approval from Dailey & Wells Communications.

These items/technical data are controlled by the United States government and shall not be exported from the United States nor shared with a Foreign National without prior approval from the United States government. Delivery is dependent upon receipt of an export license, where applicable.

TOTAL PRICE excludes installation, programming, taxes (if applicable), and shipping (if applicable) unless i) items are itemized herein, ii) otherwise agreed to by both parties in writing, or iii) the quote is issued under an existing contract noted on quote and purchase order.



CITY COUNCIL MEETING

6. g.

Meeting Date: 05/23/2024

Subject: Consider an ordinance authorizing the purchase of mobile radios for Fire Department

Prepared for: Kenneth Dobson, Fire

Prepared by: Dana Dalbey, Fire

Department: Fire

Information

ITEM

Consider an ordinance authorizing the purchase of fifty (50) Harris XL 185M mobile radios and related equipment from Dailey & Wells Communications, Inc., through Buy Board Cooperative Purchasing Agreement Contract: Texas BuyBoard 696-23 in the amount of \$305,566.00.

PREFACE

The proposed ordinance authorizes the purchase of (50) Harris XL 185M mobile radios and related equipment from Dailey & Wells Communications, Inc., through Buy Board Cooperative Purchasing Agreement Contract: Texas BuyBoard 696-23 in the amount of \$305,566.00.

The department has (50) XLT 2500 mobile radios installed in fire department vehicles. These radios have reached the end of their useful life and will cease to operate in the fourth quarter of 2024.

Fiscal Impact

Fiscal Year:

2023/2024

Acct Code:

20701-72021

Source of Funds (Operating/Capital/Bonds): Capital

Funds Budgeted Y/N:

N

Amount Needed:

\$305,566.00

Fiscal Impact (Additional Information):

Approved by FCPEMS Board 4/16/2024

Attachments

BuyBoard Purchase - 50 Harris XL 185M Mobile Radios Daily and Wells Communications, Inc.

Exhibit A

Indebtedness Certification

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS, AUTHORIZING PAYMENT IN AN AMOUNT NOT TO EXCEED THREE HUNDRED FIVE THOUSAND FIVE HUNDRED SIXTY-SIX AND NO/100 DOLLARS (\$305,566.00) TO DAILEY & WELLS COMMUNICATIONS, INC, THROUGH THE TEXAS LOCAL GOVERNMENT PURCHASING COOPERATIVE (BUYBOARD), CONTRACT NUMBER 696-23, FOR THE PURCHASE OF FIFTY (50) HARRIS XL 185M MOBILE RADIOS AND RELATED EQUIPMENT FOR THE FIRE DEPARTMENT; MAKING OTHER PROVISIONS RELATED THERETO; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

WHEREAS, the City of Baytown is a member of the cooperative purchasing program established under Sections 271.082 and 271.083 of the Texas Local Government Code; and

WHEREAS, the Texas Local Government Purchasing Cooperative's Buy Board Program is such a program, allowing municipalities to purchase products and/or services in an efficient, cost effective, and competitive procurement method; and

WHEREAS, the City of Baytown, in making a purchase under a state contract through such cooperative purchasing program, satisfies state law requiring municipalities to seek competitive bids for the purchase of the item; NOW THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS:

Section 1: That the City Council of the City of Baytown hereby authorizes payment not to exceed an amount of THREE HUNDRED FIVE THOUSAND FIVE HUNDRED SIXTY-SIX AND NO/100 DOLLARS (\$305,566.00) to Dailey & Wells Communications, Inc., through the Texas Local Government Purchasing Cooperative (Buy Board), Contract Number 696-23, for the purchase of fifty (50) Harris XL 185M mobile radios for the Fire Department.

Section 2: That the City Manager is hereby granted general authority to approve any change order involving a decrease or an increase in costs of FIFTY THOUSAND AND NO/100 DOLLARS (\$50,000.00) or less, provided that the original contract price may not be increased by more than twenty-five percent (25%) or decreased by more than twenty-five percent (25%) without the consent of the contractor to such decrease.

Section 3: This ordinance shall take effect immediately from and after its passage by the City Council of the City of Baytown.

INTRODUCED, READ and PASSED by the affirmative vote of the City Council of the City of Baytown this the 23rd day of May, 2024.

BRANDON CAPETILLO, Mayor

ATTEST:

ANGELA JACKSON, City Clerk

APPROVED AS TO FORM:

SCOTT LEMON, City Attorney

Dailey & Wells Communications, Inc.

3440 E. Houston St., San Antonio, TX 78219



Bill To:
Ronald Roberts
City of Baytown, TX
201 E Wye Dr
Baytown, TX 77521
ronald.roberts@baytown.org

Ship To:
City of Baytown, TX
201 E Wye Dr
Baytown, TX 77521

Quotation

Quote Number: 2024-3176
Terms: Net 30 Days
Date: 02/26/2024
Valid Until: 03/27/2024

Quote Title: 50 - XL-185M Mobile Radios

Sales Person:
Michael Lee Lockwood
michael.lockwood@dwcomm.com
+1 (281) 713-0405

Contract: Texas BuyBoard 696-23
XL-185M Mobile Radios (Single Control Head)

Line	Qty.	Part Number	Description	List Price	Discount	Unit Price	Ext. Price
1	40	XT-MPS1M	MOBILE, XL-185M, SINGLE BAND	\$ 3,815.00	30%	\$ 2,670.50	\$ 106,820.00
2	40	XT-PL4U	FEATURE, SINGLE-KEY DES ENCRYPTION	\$ 0.01	30%	\$ 0.01	\$ 0.40
3	40	XT-PL9E	FEATURE, SINGLE-KEY AES ENCRYPTION	\$ 0.01	30%	\$ 0.01	\$ 0.40
4	40	XT-PL8Y	FEATURE, ENCRYPTION LITE	\$ 0.01	30%	\$ 0.01	\$ 0.40
5	40	XT-PL4F	FEATURE, PHASE 2 TDMA	\$ 250.00	30%	\$ 175.00	\$ 7,000.00
6	40	XT-PL4L	FEATURE, SINGLE BAND, 7/800	\$ 0.01	30%	\$ 0.01	\$ 0.40
7	40	XT-PKGPT	FEATURE PACKAGE, P25 TRUNKING	\$ 1,600.00	30%	\$ 1,120.00	\$ 44,800.00
8	40	XT-LLA	FEATURE, LINK LAYER AUTHENTICATION	\$ 125.00	30%	\$ 87.50	\$ 3,500.00
9	40	XT-MA4A	KIT, MOUNTING XL-MOBILE UNIVERSAL	\$ 495.00	30%	\$ 346.50	\$ 13,860.00
10	40	XT-MC6A	MICROPHONE, XL, STANDARD MOBILE	\$ 105.00	30%	\$ 73.50	\$ 2,940.00
11	40	XT-AN8D	ANTENNA, ELEMENT, 700/800 3DB	\$ 100.00	30%	\$ 70.00	\$ 2,800.00
12	40	XT-AN6U	ANTENNA, BASE, STD ROOF MOUNT LOW LOSS	\$ 80.00	30%	\$ 56.00	\$ 2,240.00
13	40	XT-LS6A	SPEAKER, EXTERNAL, MOBILE	\$ 60.00	30%	\$ 42.00	\$ 1,680.00
14	40	XT-CA6F	CABLE, XL-MOBILE, SPEAKER ACCY	\$ 120.00	30%	\$ 84.00	\$ 3,360.00
15	40	XT-CP6A	CONTROL UNIT, XL-CH	\$ 1,600.00	30%	\$ 1,120.00	\$ 44,800.00
Shipping: Ground, pre-paid and added to invoice.							

Subtotal: \$ 233,801.60
Total: \$ 233,801.60

XL-185M Mobile Radios (Dual Control Heads)

Line	Qty.	Part Number	Description	List Price	Discount	Unit Price	Ext. Price
1	10	XT-MPS1M	MOBILE, XL-185M, SINGLE BAND	\$ 3,815.00	30%	\$ 2,670.50	\$ 26,705.00
2	10	XT-PL4U	FEATURE, SINGLE-KEY DES ENCRYPTION	\$ 0.01	30%	\$ 0.01	\$ 0.10
3	10	XT-PL9E	FEATURE, SINGLE-KEY AES ENCRYPTION	\$ 0.01	30%	\$ 0.01	\$ 0.10
4	10	XT-PL8Y	FEATURE, ENCRYPTION LITE	\$ 0.01	30%	\$ 0.01	\$ 0.10
5	10	XT-PL4F	FEATURE, PHASE 2 TDMA	\$ 250.00	30%	\$ 175.00	\$ 1,750.00
6	10	XT-PL4L	FEATURE, SINGLE BAND, 7/800	\$ 0.01	30%	\$ 0.01	\$ 0.10
7	10	XT-PKGPT	FEATURE PACKAGE, P25 TRUNKING	\$ 1,600.00	30%	\$ 1,120.00	\$ 11,200.00
8	10	XT-LLA	FEATURE, LINK LAYER AUTHENTICATION	\$ 125.00	30%	\$ 87.50	\$ 875.00
9	10	XT-MA4A	KIT, MOUNTING XL-MOBILE UNIVERSAL	\$ 495.00	30%	\$ 346.50	\$ 3,465.00
10	10	XT-MC6A	MICROPHONE, XL, STANDARD MOBILE	\$ 105.00	30%	\$ 73.50	\$ 735.00
Only 1 microphone required per dual-head radio.							
11	10	XT-AN8D	ANTENNA, ELEMENT, 700/800 3DB	\$ 100.00	30%	\$ 70.00	\$ 700.00
12	10	XT-AN6W	ANTENNA, BASE, THICK ROOF MOUNT LOW LOSS	\$ 85.00	30%	\$ 59.50	\$ 595.00

Dailey & Wells Communications, Inc.

3440 E. Houston St., San Antonio, TX 78219



L3HARRIS

DAILEY-WELLS

Contract: Texas
BuyBoard 696-23

13	10	XT-LS6A	SPEAKER, EXTERNAL, MOBILE	\$ 60.00	30%	\$ 42.00	\$ 420.00
Only 1 external speaker required per dual-head radio.							
14	10	XT-CA6F	CABLE, XL-MOBILE, SPEAKER ACCY	\$ 120.00	30%	\$ 84.00	\$ 840.00
15	20	XT-CP6A	CONTROL UNIT, XL-CH	\$ 1,650.00	30%	\$ 1,155.00	\$ 23,100.00
16	10	XT-MA4C	BRACKET, MOUNTING, XL CONTROL HEAD	\$ 68.00	30%	\$ 47.60	\$ 476.00
17	10	XT-CA6D	CABLE, POWER, XL-CH	\$ 87.00	30%	\$ 60.90	\$ 609.00
18	10	14050-6300-02	CABLE,ETHERNET,OVERMOLD,XL,9M	\$ 42.00	30%	\$ 29.40	\$ 294.00

Subtotal: \$ 71,764.40

Total: \$ 71,764.40

Quotation Totals

Currency: US Dollar

Subtotal: \$ 305,566.00

Total: \$ 305,566.00



Sales Person Signature

Dailey & Wells Communications, Inc.

3440 E. Houston St., San Antonio, TX 78219



Contract: Texas
BuyBoard 696-23

Shipping is Pre-Paid and Added to Invoice UNLESS OTHERWISE QUOTED

Purchase Order to be issued to:
Dailey & Wells Communications, Inc.
3440 E. Houston St.
San Antonio, TX 78219

Dailey Wells Communications, Inc. is registered with:
Wide Area Workflow (WAWF)
System For Award Management (SAM)

Dailey Wells Communications, Inc. is registered as a:
Certified SBE - Small Business Enterprise
Certified MBE - Minority Business Enterprise
Certified ABE - Asian American Business Enterprise
Commodity Codes: NAICS 334220, NAICS 334515

Tax ID: 74-1873279
CAGE Code: 0EC35
DUNNS: 010551315

The Purchase Order must include the following references:

- Quote Number
- Contract Name and/or Number; All orders must contain valid model number, quantity, and price for each item
- Frequencies must be supplied with order if applicable
- Requested Delivery Date
- If related to Grant Funding, important to provide Grant name, Agency, deadline and product receipt deadline, when applicable
- Shipping will default to Best Way, 5 day ground, unless otherwise specific
- Special shipping/delivery instructions (ex. Delivery lift gate required) must be noted if applicable; Non Standard packing will be billed to the customer
- Bill to and Ship to addresses must be included.

This document contains confidential, proprietary, and competitive sensitive information. All information provided shall not be disclosed nor duplicated for any purpose other than to evaluate this quote. Disclosure, reproduction, or use of any part thereof shall not be made without prior written approval from Dailey & Wells Communications.

These items/technical data are controlled by the United States government and shall not be exported from the United States nor shared with a Foreign National without prior approval from the United States government. Delivery is dependent upon receipt of an export license, where applicable.

TOTAL PRICE excludes installation, programming, taxes (if applicable), and shipping (if applicable) unless i) items are itemized herein, ii) otherwise agreed to by both parties in writing, or iii) the quote is issued under an existing contract noted on quote and purchase order.

CITY OF BAYTOWN, TEXAS
INDEBTEDNESS CERTIFICATION

Consider an ordinance authorizing the purchase of mobile radios for Fire Department

Project Name:

Company Name: Dailey and Well Communications, Inc

Department: Fire

Date: 05/06/2024

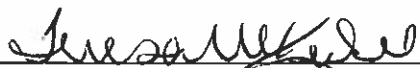
Council Date: 05/23/2024

A review of the above-described company was made in accordance with 2-663 of the City of Baytown Code of Ordinances and the aforementioned company was found:

☐ to be indebted to the City in the following areas:

☒ not to be indebted to the City.

It is hereby certified the above is true and correct based on the best information available.

 _____ Director of Finance	 05/06/2024 _____ Date
---	---------------------------------

For information regarding this certificate, please contact the Finance Director at 281-420-6531.

If an appeal to this determination is to be filed under section 2-664 of this code, please forward to the following address:

City of Baytown
Director of Finance
P O Box 424
Baytown, TX 77522-0424



CITY COUNCIL MEETING

6. h.

Meeting Date: 05/23/2024

Subject: Consider an ordinance authorizing renewal of the Annual As-Needed Plumbing Contract -Year 1 with Blackmon Inc.

Prepared for: Frank Simoneaux, Public Works/Engineering/BAWA

Prepared by: Jamie Wimmer, Public Works/Engineering/BAWA

Department: Public Works/Engineering/BAWA

Information

ITEM

Consider an ordinance authorizing renewal of the Annual As-Needed Plumbing Contract - Year 1 with Blackmon Inc.

PREFACE

This proposed ordinance authorizes the first renewal of the As-Needed Plumbing Contract, with Blackmon Inc., in the amount not to exceed \$365,000.00. This renewal includes a Change Order of \$65,000.00 approved on January 25, 2024, through Council action. Blackmon Inc., has agreed to the renewal with no Consumer Price Index (CPI) increase.

Plumbing services will be used at City buildings for regular repair and/or plumbing installations, as well as for emergency services.

The one (1) year annual term contract includes an option for one (1) additional renewal through mutual agreement for a total of up to two (2) renewal terms. This is the first renewal, allowing for one additional term. This renewal is from July 1, 2024, to June 30, 2025.

Fiscal Impact

Fiscal Year: 2024

Acct Code: 11810-73011

Source of Funds (Operating/Capital/Bonds): Operating

Funds Budgeted Y/N: Y

Amount Needed: \$365,000.00

Fiscal Impact (Additional Information):

Attachments

Ordinance--As Needed-Plumbing Renewal Blackmon, Inc.

Indebtedness Certification

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS, RENEWING THE ANNUAL AS-NEEDED PLUMBING AND EMERGENCY PLUMBING SERVICES CONTRACT WITH BLACKMON, INC.; AUTHORIZING PAYMENT OF A SUM NOT TO EXCEED THREE HUNDRED SIXTY-FIVE THOUSAND AND NO/100 DOLLARS (\$365,000.00); MAKING OTHER PROVISIONS RELATED THERETO; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

WHEREAS, Blackmon, Inc., was awarded the Annual As-Needed Plumbing and Emergency Plumbing Services Contract on June 22, 2023, pursuant to competitive bidding procedures, which contract included an option by the parties to renew for additional one-year periods; and

WHEREAS, the one year annual term contract included an option for a total of up to two (2) renewal terms, upon mutual agreement of the parties, and this is the first renewal of the contract, accordingly the contract may be renewed for one (1) additional term; and

WHEREAS, Blackmon, Inc., has indicated its willingness to renew the contract for an additional year under the same terms and conditions, including any changes reflected in the Change Order approved by the City Council on January 25, 2024 via Ordinance No. 15699; and

WHEREAS, the Administration has reviewed the market conditions and recommends renewal as being in the best interest of the City; NOW THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS:

Section 1: That the City Council of the City of Baytown hereby renews the Annual Concrete Work Contract with Teamwork Construction Services, Inc., for an amount not to exceed THREE HUNDRED SIXTY-FIVE THOUSAND AND NO/100 DOLLARS (\$365,000.00)and authorizes payment thereof.

Section 2: This ordinance shall take effect immediately from and after its passage by the City Council of the City of Baytown.

INTRODUCED, READ and PASSED by the affirmative vote of the City Council of the City of Baytown this the 23rd day of May, 2024.

BRANDON CAPETILLO, Mayor

ATTEST:

ANGELA JACKSON, City Clerk

APPROVED AS TO FORM:

SCOTT LEMON, City Attorney

CITY OF BAYTOWN, TEXAS
INDEBTEDNESS CERTIFICATION

Project Name: Annual As-Needed Plumbing Contract (Renewal)

Company Name: Blackmon, Inc.

Department: Public Works/Engineering/BAWA

Date: 05/09/2024

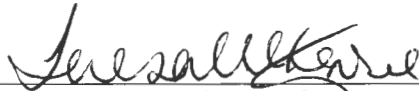
Council Date: 05/23/2024

A review of the above-described company was made in accordance with 2-663 of the City of Baytown Code of Ordinances and the aforementioned company was found:

☐ to be indebted to the City in the following areas:

☒ not to be indebted to the City.

It is hereby certified the above is true and correct based on the best information available.



Director of Finance

05/09/2024

Date

For information regarding this certificate, please contact the Finance Director at 281-420-6531.

If an appeal to this determination is to be filed under section 2-664 of this code, please forward to the following address:

City of Baytown
Director of Finance
P O Box 424
Baytown, TX 77522-0424



CITY COUNCIL MEETING

6. i.

Meeting Date: 05/23/2024

Subject: Consider an ordinance approving the Baytown Household Hazardous Waste Collection Day

Prepared for: Frank Simoneaux, Public Works/Engineering/BAWA

Prepared by: Jamie Wimmer, Public Works/Engineering/BAWA

Department: Public Works/Engineering/BAWA

Information

ITEM

Consider an ordinance approving The Baytown Household Hazardous Waste Collection Day for Saturday, June 8, 2024, at the City of Baytown Storage Facility, located at 1200 Lee Drive, Baytown, Texas, from 9:00 A.M. to 2:00 P.M.

PREFACE

This proposed ordinance approves The Baytown Household Hazardous Waste Collection Day for Saturday, June 8, 2024, at the City of Baytown Storage Facility, located at 1200 Lee Drive, Baytown, Texas, from 9:00 A.M. to 2:00 P.M.

Clean Earth Environmental Solutions Inc., will provide transporting and disposing of the collected household hazardous waste items from the event. Clean Earth Environmental Solutions, Inc., is an approved vendor with the Houston-Galveston Area Council (H-GAC) Cooperative Purchasing Program using contract #10418. The City of Baytown can access contracts with the supplying companies through H-GAC. The cooperative agreement has already been competitively bid, through which the city is receiving the deepest discounts from the said firm. Clean Earth Environmental Solutions, Inc., has provided an estimate, but the final cost will be calculated based on the total number of items collected at the end of the event. The cost is not to exceed \$100,000.00.

Fiscal Impact

Fiscal Year: 2024

Acct Code: 30920-74021

Source of Funds (Operating/Capital/Bonds): Operating

Funds Budgeted Y/N: Y

Amount Needed: \$100,000.00

Fiscal Impact (Additional Information):

Attachments

Ordinance--Authorizing Agreement with Clean Earth

Estimate/Quote

Clean Earth Environmental Solutions Inc., H-GAC Agreement

TCEQ - Notice of Event

Indebtedness Certification

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS, AUTHORIZING PAYMENT NOT TO EXCEED ONE HUNDRED THOUSAND NO/100 DOLLARS (\$100,000.00) TO CLEAN EARTH ENVIRONMENTAL SOLUTIONS, INC, FOR TRANSPORT AND DISPOSAL OF HOUSEHOLD HAZARDOUS WASTE ITEMS, THROUGH A COOPERATIVE PURCHASING AGREEMENT WITH THE HOUSTON-GALVESTON AREA COUNCIL (H-GAC); MAKING OTHER PROVISIONS RELATED THERETO; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

WHEREAS, the City Council of the City of Baytown has approved an Interlocal Agreement for cooperative purchasing with the Houston-Galveston Area Council (H-GAC); and

WHEREAS, pursuant to such agreement, the City may make purchases based upon the bids received and the negotiated contract entered into by the H-GAC; and

WHEREAS, the H-GAC has taken bids and entered into a contract for transport and disposal of household hazardous waste items from and with Clean Earth Environmental Solutions, Inc.; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS:

Section 1: That the City Council of the City of Baytown hereby authorizes the payment to Clean Earth Environmental Solutions, Inc. not to exceed ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$100,000.00), for transport and disposal of household hazardous waste items through a cooperative purchasing agreement with the Houston-Galveston Area Council.

Section 2: That pursuant to the provisions of the Texas Local Government Code Annotated Section 252.048, the City Manager is hereby granted general authority to approve any change order involving a decrease or an increase in costs of FIFTY THOUSAND AND NO/100 DOLLARS (\$50,000.00) or less, provided that the original contract price may not be increased by more than twenty-five percent (25%) or decreased by more than twenty-five percent (25%) without the consent of the contractor to such decrease.

Section 3: This ordinance shall take effect immediately from and after its passage by the City Council of the City of Baytown.

INTRODUCED, READ and PASSED by the affirmative vote of the City Council of the City of Baytown this the 23rd day of May 2024.

BRANDON CAPETILLO, Mayor

ATTEST:

ANGELA JACKSON, City Clerk

APPROVED AS TO FORM:

SCOTT LEMON, City Attorney

R:\Kristin Holmes\Ordinances\2024\05.23.2024 City Council\Ordinance.Agreement with Clean Earth Solutions.Hazardous Waste Collection.docx

Estimate Cost

Baytown 300 car estimate



Material Type	Handling Methods*	Container Type	Container Size	Quantity	Unit Price	Total
Acids	Treatment	DF	55	1	\$ 194.63	\$ 194.63
Aerosols (Spray Foam)	IN	DF	5	2	\$ 76.83	\$ 153.66
Aerosols	FB	CF	CYB	2	\$ 558.74	\$ 1,117.48
Alkaline Batteries	RC	DF	5	1	\$ 226.01	\$ 226.01
Antifreeze	RC	DF	55	2	\$ 103.19	\$ 206.38
Auto Batteries	RC	CF	Batteries		\$ -	\$ -
Bases	Treatment	DF	55	1	\$ 194.63	\$ 194.63
Flammable Liquids (Bulked)	FB	DM	55	3	\$ 129.90	\$ 389.70
Flammable Liquids- non-bulked items	FB	DF	55	8	\$ 157.70	\$ 1,261.60
Flammable Solids	FB	CF	CYB	2	\$ 873.27	\$ 1,746.54
Fluorescent Bulbs	RC	CF	4 ft	57	\$ 0.94	\$ 53.58
Latex Paint	RC	CF	CYB	22	\$ 495.97	\$ 10,911.34
Lead Acid Batteries	RC	DF	55	3	\$ 125.00	\$ 375.00
Lithium Metal Batteries	RC	DF	5	1	\$ 163.23	\$ 163.23
Lithium Ion Batteries	RC	DF	5	1	\$ 89.15	\$ 89.15
Mercury	RC	DF	5		\$ 483.42	\$ -
Ni-Cd Batteries	RC	DF	5	1	\$ 62.78	\$ 62.78
Oil Based Paint (Boxed)	FB	CF	CYB	7	\$ 1,012.02	\$ 7,084.14
Oil Filters	RC	DF	55	1	\$ 150.00	\$ 150.00
Oil for Recycling	RC		Gallons	715	\$ 1.83	\$ 1,308.45
Organic Peroxide	Treatment	DF	5		\$ 250.00	\$ -
Oxidizing Liquids	Treatment	DF	55	1	\$ 1,035.00	\$ 1,035.00
Oxidizing Solids	Treatment	DF	55	1	\$ 1,035.00	\$ 1,035.00
Pesticide Liquids/Flammable Toxics	IN	DF	55	7	\$ 335.00	\$ 2,345.00
Pesticide Solids	IN	CF	CYB	2	\$ 1,039.64	\$ 2,079.28
Propane Cylinders (Small)	RC	DF	Cylinders	42	\$ 21.32	\$ 895.44
Propane Cylinders (BBQ)	RC	CF	Cylinders		\$ 21.32	\$ -
Reactives	IN	DF	5	1	\$ 207.18	\$ 207.18
Reactives	IN	DF	15		\$ 436.95	\$ -
Total Cost for Collection, Transportation and Disposal						\$ 33,285.20
Mobilization Fee					0-500 Cars	\$ 2,511.21
Subtotal						\$ 35,796.41

WAT16-A
INC02
AF08
REC24
REC08
REC05
WAT16-B
AF01
AF07
AF06-1
REC06
REC49
REC05
REC09
REC09
REC14
REC11
AF06
REC10
RECB07
STAB06-6
INC14-E
INC14-E
INC14-P
INC25
REC61
REC61
INC15-D1, INC15-D2, INC15-W
INC15-D1

On Site Labor (Friday Set up & Saturday Event)

	Hours	Rate	Total
Tech	12	10 \$	\$ 35.15
Chemist	3	8 \$	\$ 50.61
Project Manager	1	10 \$	\$ 59.39
Per Diem	0	\$	\$ 175.00

Equipment and Supplies

Forklift (provided by city)		\$	565.03	\$	-
4 foot Bulb Box	1	\$	15.00	\$	15.00
Plastic Sheetting	1	\$	144.39	\$	144.39
Bentonite (Absorbent-Vermiculite)	0	\$	40.17	\$	-
Oil Pads	1	\$	131.84	\$	131.84
Oil Dry	1	\$	25.11	\$	25.11
E Manifest Fee	1	\$	25.00	\$	25.00

TOTAL **\$ 42,017.45**

*Handling/Packaging Methods:

RC - Recycle
FB - Fuel Blending
LF - Landfill
IN - Incineration

Attachment 1

Cost Proposal/Disposal Method - 1-DAY EVENT

Waste Category	Handling/Packaging**	\$/Meter Box	\$/Yard Box	\$/55 gallon	\$/30 gallon	\$/15 gallon	\$/5 gallon	Other	Comment	Minimums/Other Comments
Aerosols	Fuels/Incin - Loose Pack	\$ 757.13	\$ 558.74	\$ 188.34	\$ 158.92	\$ 172.44	\$ 76.83	na	AF08	\$822.41/MN55, \$626.23/MN30, \$226.01/MN05
Alkaline Batteries (recycle)	Recycle / Loose Pack	na	na	na	na	na	na	\$0.97/LB	REC24	
Alkaline Batteries (landfill)	Landfill / Loose Pack	na	na	\$ 146.91	\$ 119.59	\$ 115.51	\$ 52.26	na	LF01	
Antifreeze	Recycle/ Bulk	na	na	\$ 103.19	\$ 78.12	\$ 89.14	\$ 36.42	na	REC08	
Asbestos	Landfill	\$ 624.35	\$ 461.36	\$ 147.09	\$ 119.72	\$ 117.46	\$ 62.75	na	LF11	
Auto Batteries	Recycle	na	No Charge	No Charge	No Charge		No Charge	na	REC05	AF02: \$163/DM55, AF03: \$225/DM55, AF04: \$250/DM55
Corrosives	Treatment/Loose Pack	na	na	\$ 194.63	\$ 163.23	\$ 156.95	\$ 62.78	na	WAT16-A/B	
Corrosives, base	Treatment/Loose Pack	na	na	\$ 194.63	\$ 163.23	\$ 156.95	\$ 62.78	na	WAT16-B	
Fire Extinguishers	Recycle / Loose Pack	na	na	na	na	na	na	\$13.81/XS \$20.10/Small \$27.63/Cylinder (Standard Size) \$40.19/Large	REC60	
Flammables (bulkied) liquid	Fuel Blend/Bulk	na	na	\$ 129.90	\$ 102.65	\$ 98.18	\$ 43.95	na	AF01	
Flammables (packed) liquid	Fuel Blend / Loosepack	na	na	\$ 157.70	\$ 125.56	\$ 106.73	\$ 62.78	na	AF07	
Flammables (incineration) liquid	Incineration/Loose pack	na	na	367.58	282.14	202.78	117.08	na	INC14-D	
Flammables (packed) solid	Thermal Treatment / Loosepack	\$ 873.27	\$ 652.80	\$ 226.01	na	\$ 173.27	\$ 69.06	na	AF06-1	
Flammables (packed) solid D004.1	Incin / Lab Pack	na	na	na	na	\$ 1,436.95	\$ 207.18	na	INC15-D1	
Flammable Containerized Solids/Sludge, nonbulkable	Incineration/Bulk	na	na	na	na	na	na	\$1.26/LB	INC17	
Fluorescent Bulbs	Recycle / Loose Pack	na	na	na	na	na	na	\$0.94/ Pound	REC06	\$312.43/55g MINIMUM \$602.13/55g Drum MINIMUM
Fluorescent Bulbs (crushed)	Recycle / Bulk	na	na	na	na	na	na	\$2.41/LB	REC15	
HID Bulbs	Recycle / Loose Pack	na	na	na	na	na	na	\$2.08/ Pound	REC42	
Latex Paint (bulkied) (recycle)	Recycle / Bulk	na	na	\$163.23	\$131.84	na	na	na	REC01	
Latex Paint (packed) (recycle)	Recycle / Loose Pack	\$669.24	\$495.97	\$163.23	\$131.84	na	na	na	REC49	
Latex Paint (roll off) (recycle)	Recycle / Loose Pack	na	na	na	na	na	na	\$8,487.89/25yd RO	RECB49	
Latex Paint (bulkied) (landfill)	Landfill / Bulkied	na	na	\$129.96	\$106.73	na	na	na	STAB01	
Latex Paint (packed) (landfill)	Landfill / Loose Pack	\$305.11	\$213.46	\$182.78	\$170.23	na	na	na	LF06	
Latex Paint (roll off) (landfill)	Landfill / Loose Pack	na	na	na	na	na	na	\$14,141.26/25yd RO	AFB06	
Mercury (retort)	Retort/ Lab Pack	na	na	na	na	na	\$615.25	na	REC04-H1	
Mercury (recycle)	Recycle / Loose Pack	na	na	\$1,894.90	\$1,430.89	\$929.15	\$483.42	na	REC14	
Motor Oil	Thermal Treatment / Bulk	na	na	\$109.88	\$94.92	\$104.22	\$62.78	na	AF05	
Motor Oil (Recycle)	Recycle / Bulk	na	na	\$81.62	\$81.62	\$62.75	\$62.78	\$1.83/Gal bulk in tankers	REC07	

Ni-Cad Batteries	Recycle/ Loose Pack	na	na	\$458.29	\$313.90	\$188.34	\$62.78	na	REC11	AF02: \$163/DM55, AF03: \$225/DM55, AF04: \$250/DM55
Lithium Batteries	Recycle/ Loose Pack	na	na	\$3,930.05	\$2,564.58	\$1,145.75	\$163.23	na	REC09	
Lithium Ion Batteries	Recycle/ Loose Pack	na	na	\$740.81	\$459.56	\$273.72	\$89.15	na	REC09-1	
Oil-Based Paint (bulkied)	Thermal Treatment/ Bulkied	na	na	\$129.90	na	na	na	na	AF01	
Oil-Based Paint (packed)	Thermal Treatment/ Loose pack	\$1,012.02	\$759.65	\$227.56	na	na	na	na	AF06	AF02: \$163/DM55, AF03: \$225/DM55, AF04: \$250/DM55
Oil-Based Paint (fuel blending)	Thermal Treatment/ Bulkied	na	na	\$129.90	na	na	na	na	AF01	
Oil Filters	Recycle / Loose Pack	na	na	\$150.00	na	na	na	na	REC10	
Other Batteries	Recycle / Loose Pack	na	na	CBC	CBC	na	CBC	CBC		
Oxidizers	Treatment / Lab Pack	na	na	\$1,035.00	\$600.00	\$525.00	\$250.00	na	STAB06-6	
Oxygen Cylinders	Recycle / Loose Pack	na	na	na	na	na	na	\$113/each	REC65	
PCB Waste	Landfill/Loose Pack	na	na	\$738.39	\$554.51	\$401.79	\$196.02	na	PCB09	
Non-TSCA Ballasts	Recycle/ Loose Pack	na	na	\$524.41	\$394.04	\$306.18	\$138.76	na	REC45	
Poison solids	Incineration / Loose pack	\$1,039.64	\$778.48	\$238.57	\$188.34	\$175.78	\$62.78	na	INC25	
Poison liquids	Incineration / Loose pack	na	na	\$335.00	\$188.34	\$175.78	\$115.00	na	INC14-P	
Non-RCRA Poisons/Pesticides	WTE / Loose Pack	\$789.21	\$495.97	\$163.23	\$131.84	\$282.50	\$128.69	na	AF22	
Propane (small cylinder)	Recycle/ Loose Pack	na	na	\$1,240.53	\$639.22	na	\$144.40	\$21.32 Each	REC61	
Propane (BBQ)	Recycle/ Loose Pack	na	na	na	na	na	na	\$21.32 Each	REC61	
Reactives	Incin/ Lab Pack	na	na	\$1,298.91	\$575.06	\$436.95	\$207.18	na	INC15	
Non-Hazardous Solids	Landfill / Lab Pack or Loose Pack	\$305.11	\$213.46	\$116.64	\$100.45	\$56.51	\$56.51	na	LF06	
Municipal Solid Waste		CBC	CBC	CBC	CBC	CBC	CBC	CBC	CBC	
Lead Acid Batteries	Recycle/ Loose Pack	na	na	\$ 125.00	\$ 90.00	NA	\$ 35.00		REC05	
Bulk Flam Liquid for Incineration	Incin/ Bulk	na	na	\$ 321.00	\$ 241.00	\$ 161.00	\$ 113.00		INC09	

**Space has been provided to list multiple Handling/Packaging methods for these materials. Handling/Packaging methods may include, but are not limited to, Recycle/Bulk, Landfill/Loosepack, Incineration/Labpack, Other, etc. If using "Other" method please explain method in detail.

Mobilization	1-Day Collection Events	0-500 Cars	\$ 2,511.21	*Events over 75 miles from Clean Earth Houston TSDF will be charged 1.5x
		501-1000 Cars	\$ 3,139.01	*Events over 75 miles from Clean Earth Houston TSDF will be charged 1.5x
		1001-1500 Cars	\$ 5,857.41	*Events over 75 miles from Clean Earth Houston TSDF will be charged 1.5x
		1501-2000 Cars	\$ 9,134.54	*Events over 75 miles from Clean Earth Houston TSDF will be charged 1.5x
		Over 2001 Cars	\$ 9,699.57	*Events over 75 miles from Clean Earth Houston TSDF will be charged 1.5x

Labor (per hour - if charged separately)

Chemists	\$ 50.61	*Time billed will be portal to portal
Technicians	\$ 35.15	*Time billed will be portal to portal. Labor to used to label loads will be billed this rate.
Traffic Control	\$ 35.15	*Time billed will be portal to portal

Laborers	\$ 35.15	*Time billed will be portal to portal
Site Security	\$ 35.15	*Time billed will be portal to portal
Project Manager	\$ 59.39	*Time billed will be portal to portal
EHS (if needed)	\$ 58.20	*Time billed will be portal to portal
Per Diem	\$175/per person per day	

Supplies (unit cost - if charged separately)

<u>Drums</u>		<u>New</u>	<u>Reconditioned</u>
85 gallon (metal)	\$	<u>INCLUDED</u>	<u>INCLUDED</u>
55 gallon (poly/fiber)	\$	<u>INCLUDED</u>	<u>INCLUDED</u>
55 gallon (metal)	\$	<u>INCLUDED</u>	<u>INCLUDED</u>
30 gallon (poly/fiber)	\$	<u>INCLUDED</u>	<u>INCLUDED</u>
30 gallon (metal)	\$	<u>INCLUDED</u>	<u>INCLUDED</u>
15 gallon (poly/fiber)	\$	<u>INCLUDED</u>	<u>INCLUDED</u>
5 gallon (poly/fiber)	\$	<u>INCLUDED</u>	<u>INCLUDED</u>
5 gallon (metal)	\$	<u>INCLUDED</u>	<u>INCLUDED</u>
Liners (indicate number per roll)	\$	<u>INCLUDED</u>	
<u>Cubic Yard Boxes</u>	\$	<u>INCLUDED</u>	
Cubic Yard Boxes	\$	<u>INCLUDED</u>	
Cubic Yard Box Liners	\$	<u>INCLUDED</u>	
Pallet	\$	<u>18.00</u>	
<u>Cubic Meter Boxes</u>			
Cubic Meter Boxes (including liners and nails)	\$	<u>INCLUDED</u>	
<u>Absorbents</u>			
Corn Cob	\$	<u>NA</u>	
Bentonite	\$	<u>40.17</u>	
Cellulose	\$	<u>NA</u>	
Oil dry	\$	<u>NA</u>	
Absorbent Pads (indicate quantity/bag)	\$	<u>NA</u>	
Other (please indicate)	\$	<u>NA</u>	
Other (Oil Spill Pads-100 count bail)	\$	<u>131.84</u>	
Other (Granular, 25lb bag)	\$	<u>25.11</u>	
<u>Other</u>			
pH Paper (per individual container)	\$	<u>NA</u>	
Chlorine test strips	\$	<u>NA</u>	
4 foot Bulb Box	\$	<u>15</u>	
8 foot Bulb Box	\$	<u>20</u>	
4 foot Bulb Box (jumbo)	\$	<u>NA</u>	
8 foot Bulb Box (jumbo)	\$	<u>NA</u>	
Plastic sheeting	\$	<u>144.39</u>	
Tents	\$	<u>565.03</u>	
Tables and chairs	\$	<u>Included</u>	

Forklift	\$	<u>565.03</u>
Pallets	\$	<u>18</u>
Pallet jack	\$	<u>Included</u>
Containers for non-hazardous waste disposal	\$	<u>565.03 per unit</u>
Containers for non-hazardous waste recycling	\$	<u>565.03 per unit</u>
Signage	\$	<u>Included</u>
Traffic control devices and safety cones	\$	<u>Included</u>
First aid supplies	\$	<u>Included</u>
Portable restroom facilities	\$	<u>Cost + 25%</u>
Other (please indicate)	\$	<u>NA</u>
Other (please indicate)	\$	<u>NA</u>
Other (please indicate)	\$	<u>NA</u>

Analysis (as needed - if charged separately)

Unknown lab pack Fingerprint Test	\$	<u>Included</u>
Full analysis for Incineration	\$	<u>Cost + 25%</u>
TCLP test for landfill	\$	<u>Cost + 25%</u>

Other

E-Manifest Fee	\$	<u>25</u>
Other (please indicate)	\$	<u>NA</u>

Standard Pricing Conditions:

- Pricing is based on the information provided and will be confirmed following receipt of a completed waste profile. All pricing is pending profile approval and/or waste sample analysis.
- Pricing is based on the volume assumptions provided. Clean Earth reserves the right to adjust pricing if waste quantity differs from what was provided.
- A minimum charge of \$350 applies to all invoices.
- Transportation, labor and equipment is portal to portal, and requires a four hour minimum unless otherwise specified.
- Unless otherwise specified, transportation rates include one hour of loading at the customer facility. Demurrage rates will apply after one hour and will be billed in 15 minute increments.
- All invoices are subject to applicable Federal, State, and local taxes & fees as well as an Energy & Insurance recovery charge tied to the National monthly average price for diesel fuel as published by the Department of Energy. <https://www.cleanearthinc.com/energy-and-insurance-fees/>
- E-Manifest Fee of \$25 will be applied
- In order to offer the safest and most complete services, we may need to apply price adjustments as necessary to cover costs that are beyond our control such as extraordinary or unexpected increases in disposal costs, regulatory changes, economic changes, war, etc.

Waste Specific Conditions

- Disposal prices for gas cylinders are for those with original label, operable valve and in acceptable DOT shipping condition.
 - Unknown identification fee of \$350 may be charged for each unknown gas that is sampled and analyzed
 - A confirmation fee of \$200 may be charged for each suspected gas that requires confirmation due to lack of original label. If results do not match suspected contents, then unknown ID rate will apply along with additional disposal costs if applicable.
 - Inoperable valve fee: No charge for Category A cylinders. For Categories B thru E, a tapping fee of \$350 per cylinder will apply regardless of size of cylinder. For categories F & G, inoperable valve fee will be Case-by-Case.
- Batteries not in original manufacturer's packaging must have both ends taped to avoid arc. Additional fees may apply if Clean Earth personnel must tape the battery ends.

General Disposal Terms and Conditions

- Bulk waste is typically defined as tanker or roll-off loads.
- Non-bulk waste means drums, boxes, totes, pails, bags, and cubic yard boxes and other containerized waste.
- Electronic profiling is included in the price. Paper profiles will be charged at \$50 each.
- Unless otherwise specified, prices quoted do not include the following:
 - Radioactive Waste
 - Biohazard or Infectious Waste
 - Explosives of any type
 - Liquid or free mercury
 - Isocyanates
 - Reactive materials (metals, solids, liquids)

Non-Specified Container Conversions		Conversion Table Notes
Container Size	Conversion	• These conversions will apply to all disposal and transportation items <u>priced per container</u> unless quoted separately • Numbers are expressed as a factor of a 55 gallon drum (e.g., 55 gallon price x 35% = sell price) • The greater of the conversion factor or location container minimum of \$40 will be applied unless quoted a different rate. • Some waste may have a different, typically lower, minimum which is reflected on the Non-Standard Minimum table below. • Smaller container sizes can be converted to larger containers using the following steps: 1) Divide the smaller container price by its conversion factor for the 55 gallon price (e.g., 5 gallon price ÷ 35% = 55 gallon price); 2) Use the normal conversions on the 55 gallon drum price to convert to other container sizes.
1-5 gallon	35%	
6-15 gallon	50%	
16-30 gallon	75%	
31-55 gallon	1x	
85 gallon	1.5x	
Cubic Yard Boxes	4x	
250/275 gallon totes	5x	
330/350 gallon totes	6x	

Per Pound Standard Minimums			
	Common Containers ¹	Lab Pack Containers ²	Light Weight Containers ³
Container (Gal)	Minimums		
5 or less	50 lbs	25 lbs	30 lbs
6 - 15	125 lbs	50 lbs	75 lbs
16 - 30	175 lbs	110 lbs	100 lbs
31 - 55	250 lbs	250 lbs	150 lbs
56 - 85	400 lbs	300 lbs	275 lbs
Cubic box / pallet	525 lbs	550 lbs	500 lbs
Tote (<300 gal)	1950 lbs	--	--
1. Excludes Lab Pack and Light Weight items 2. Includes: LF00, STAB00-0, series of codes for INC14, INC15 & WAT10 3. Includes: AF17, INC01, INC02, INC10 4. All other container sizes are case by case (CBC)			

Non-Standard Minimums	
Container Min.	Process Code
\$0	REC51-3
\$5	REC00, REC01, REC02, REC03, REC04, REC05
\$10	REC02:xx series and REC05
\$15	LF04, REC06, REC27
\$25	REC11, REC11-1, REC12, REC16, REC18, REC24, REC42, REC44, REC50, REC55
\$50	REC09, REC09-1

H-GAC

Houston-Galveston Area Council

P.O. Box 22777 · 3555 Timmons · Houston, Texas 77227-2777

Goods and Services Agreement - Contract - Clean Earth Environmental Solutions, Inc. - Community and Environmental - ID: 10418

GENERAL PROVISIONS

This Agreement is made and entered into, by and between the Houston-Galveston Area Council hereinafter referred to as H-GAC having its principal place of business at 3555 Timmons Lane, Suite 120, Houston, Texas 77027 and Clean Earth Environmental Solutions, Inc., hereinafter referred to as the Contractor, having its principal place of business at 933 First Avenue, Suite 200, King of Prussia, PA 19406.

WITNESSETH:

WHEREAS, H-GAC hereby engages the Contractor to perform certain services in accordance with the specifications of the Agreement; and

WHEREAS, the Contractor has agreed to perform such services in accordance with the specifications of the Agreement;

NOW, THEREFORE, H-GAC and the Contractor do hereby agree as follows:

ARTICLE 1: LEGAL AUTHORITY

The Contractor warrants and assures H-GAC that it possesses adequate legal authority to enter into this Agreement. The Contractor's governing body, where applicable, has authorized the signatory official(s) to enter into this Agreement and bind the Contractor to the terms of this Agreement and any subsequent amendments hereto.

ARTICLE 2: APPLICABLE LAWS

The Contractor agrees to conduct all activities under this Agreement in accordance with all applicable rules, regulations, directives, standards, ordinances, and laws, in effect or promulgated during the term of this Agreement, including without limitation, workers' compensation laws, minimum and maximum salary and wage statutes and regulations, and licensing laws and regulations. When required, the Contractor shall furnish H-GAC with satisfactory proof of its compliance therewith.

ARTICLE 3: INDEPENDENT CONTRACTOR

The execution of this Agreement and the rendering of services prescribed by this Agreement do not change the independent status of H-GAC or the Contractor. No provision of this Agreement or act of H-GAC in performance of the Agreement shall be construed as making the Contractor the agent, servant, or employee of H-GAC, the State of Texas, or the United States Government. Employees of the Contractor are subject to the exclusive control and supervision of the Contractor. The Contractor is solely responsible for employee related disputes and discrepancies, including employee payrolls and any claims arising therefrom.

ARTICLE 4: WHOLE AGREEMENT

The General Provisions, Special Provisions, and Attachments, as provided herein, constitute the complete Agreement ("Agreement") between the parties hereto, and supersede any and all oral and written agreements between the parties relating to matters herein. Except as otherwise provided herein, this Agreement cannot be modified without written consent of the parties.

ARTICLE 5: SCOPE OF WORK

The services to be performed by the Contractor are outlined in an Attachment to this Agreement.

ARTICLE 6: PERFORMANCE PERIOD

This Agreement shall be performed during the period which begins Jul 01 2023 and ends Jun 30 2025. All services under this Agreement must be rendered within this performance period, unless directly specified under a written change or extension provisioned under Article 15, which shall be fully executed by both parties to this Agreement.

ARTICLE 7: PAYMENT OR FUNDING

Any payment or funding claimed by Contractor shall be paid by H-GAC only under the specific terms set forth in the Special Provisions and Scope of Work. Contractor agrees that payments are predicated upon properly documented and verified proof of performance delivered, and costs incurred by the Contractor, in accordance with the terms outlined by the Special Provisions of this Agreement.

ARTICLE 8: REPORTING REQUIREMENTS

If the Contractor fails to submit to H-GAC in a timely and satisfactory manner any report required by this Agreement, or otherwise fails to satisfactorily render performances hereunder, after giving Contractor thirty (30) days to cure. H-GAC may withhold payments otherwise due and owing the Contractor hereunder. Contractor's failure in reporting or performance may be considered cause for termination of this Agreement. If H-GAC withholds such payments, it shall notify the Contractor of its decision. Payments withheld pursuant to this Article may be held by H-GAC until such time as the delinquent obligations for which funds are withheld are fulfilled by the Contractor. The Contractor's failure to timely submit any report may also be considered cause for termination of this Agreement.

Any additional reporting requirements shall be set forth in the Special Provisions of this Agreement.

ARTICLE 9: NON-FUNDING CLAUSE

Any obligation of H-GAC created by this Agreement is conditioned upon the availability of state or federal funds appropriated or allocated for the payment of such obligations. H-GAC shall not be otherwise obligated or liable for any future payments due, or for any damages as a result of interruption of payment or termination.

ARTICLE 10: INSURANCE

Contractor shall maintain insurance coverage for work performed or services rendered under this Agreement as outlined and defined in the attached Special Provisions.

ARTICLE 11: SUBCONTRACTS

Except as may be set forth in the Special Provisions, the Contractor agrees not to subcontract, assign, transfer, convey, sublet, or otherwise dispose of this Agreement or any right, title, obligation, or interest it may have therein to any third party without prior written approval of H-GAC. The Contractor acknowledges that H-GAC is not liable to any subcontractor or assignee of the Contractor. The Contractor shall ensure that the performance rendered under all subcontracts shall result in compliance with all the terms and provisions of this Agreement as if the performance rendered was rendered by the Contractor. Contractor shall give all required notices, and comply with all laws and regulations applicable to furnishing and performance of the work. Except where otherwise expressly required by applicable law or regulation, H-GAC shall not be responsible for monitoring Contractor's compliance, or that of Contractor's subcontractors, with any laws or regulations.

ARTICLE 12: AUDIT

Notwithstanding any other audit requirement, H-GAC reserves the right to conduct or cause to be conducted an independent audit of any transaction under this Agreement, such audit may be performed by the H-GAC local government audit staff, a certified public accountant firm, or other auditors designated by H-GAC and will be conducted in accordance with applicable professional standards and practices. Contractor who spend seven-hundred fifty thousand dollars (750,000) or more of federal assistance under this contract or cumulatively under all federal contracts in a fiscal year are required to have an audit conducted annually in compliance with 2 CFR 200. Contractor agrees to submit all written reports of monitoring or audits to H-GAC within 30 days of issuance. Any reports that contain findings from an auditor must also include a corrective action plan from the Contractor in accordance with 2 CFR 200.511.

The Contractor understands and agrees that the Contractor shall be liable to the H-GAC for anything disallowed as a result of audit, in which case future payments are predicated upon repayment as set forth in the Special Provisions.

ARTICLE 13: EXAMINATION OF RECORDS

The Contractor shall maintain during the course of the work complete and accurate records of all of the Contractor's costs and documentation of items which are chargeable to H-GAC under this Agreement. H-GAC, through its staff or designated public accounting firm, the State of Texas, and United States Government, shall have the right at any reasonable time to inspect, copy and audit those records on or off the premises by authorized representatives of its own or any public accounting firm selected by H-GAC. The right of access to records is not limited to the required retention period, but shall last as long as the records are retained. Failure to provide access to records may be cause for termination of the Agreement. The records to be thus maintained and retained by the Contractor shall include (without limitation): (1) personnel and payroll records, including social security numbers and labor classifications, accounting for total time distribution of the Contractor's employees working full or part time on the work, as well as cancelled payroll checks, signed receipts for payroll payments in cash, or other evidence of disbursement of payroll payments; (2) invoices for purchases, receiving and issuing documents, and all other unit inventory records for the Contractor's stocks or capital items; and (3) paid invoices and cancelled checks for materials purchased and for subcontractors' and any other third parties' charges.

The Contractor further agrees to include in all its subcontracts, permitted pursuant to Article 11 hereof. The Contractor agrees that H-GAC and its duly authorized representatives shall until the expiration of seven (7) years after final payment under the subcontract or until all audit findings have been resolved, have access to and the right to examine and copy any directly pertinent books, documents, papers, invoices, and records of such subcontractor involving transactions relating to the subcontract.

ARTICLE 14: RETENTION OF RECORDS

The Contractor shall maintain all records pertinent to this Agreement, and all other financial, statistical, property, participant records, and supporting documentation for a period of no less than seven (7) years from the later of the date of acceptance of the final contract closeout. If any litigation, claim, negotiation, audit, or other action involving the records has been started before the expiration of the retention period, the records shall be retained until completion of the action and resolution of all issues which arise from it, or until the end of the seven (7) years, whichever is later, and until any outstanding litigation, audit, or claim has been fully resolved.

ARTICLE 15: CHANGES AND AMENDMENTS

- A. Any alterations, additions, or deletions to the terms of this Agreement, which are required by changes in federal or state Law or by regulations, are automatically incorporated without written amendment hereto, and shall become effective on the date designated by such law or by regulation.
- B. To ensure the legal and effective performance of this Agreement, both parties agree that H-GAC may amend performance under this Agreement, during the contract period, by issuing policy directives to establish or clarify performance requirements under this Agreement. After a period of no less than 30 days subsequent to written notice, unless sooner implementation is required by law, such policy directives shall have the effect of qualifying the terms of this Agreement and shall be binding upon the Contractor as if written herein, provided however that such policy directives shall not alter the terms of this Agreement so as to relieve H-GAC of any obligation specified in this Agreement to reimburse Contractor for costs properly incurred prior to the effective date of such policy directives.
- C. Except as specifically provided by subsections A and B of this Article, any other alterations, additions, or deletions to the terms of this Agreement shall be by modification hereto in writing and executed by both parties to this Agreement.

ARTICLE 16: TERMINATION PROCEDURES

The Contractor acknowledges that this Agreement may be terminated for Convenience or Default.

- A. *Convenience*
H-GAC may terminate this Agreement at any time, in whole or in part, with or without cause, whenever H-GAC determines that for any reason such termination is in the best interest of H-GAC, by providing written notice by certified mail to the Contractor. Upon receipt of notice of termination, all services hereunder of the Contractor and its employees and subcontractors shall cease to the extent specified in the notice of termination.

The Contractor may cancel or terminate this Agreement upon submission of thirty (30) days written notice, presented to H-GAC via certified mail. The Contractor may not give notice of cancellation after it has received notice of default from H-GAC.

B. *Default*

H-GAC may, by written notice of default to the Contractor, terminate the whole or any part of the Agreement, in any one of the following circumstances:

- (1) If the Contractor fails to perform the services herein specified within the time specified herein or any extension thereof; or
- (2) If the Contractor fails to perform any of the other provisions of this Agreement for any reason whatsoever, or so fails to make progress or otherwise violates the Agreements that completion of services herein specified within the Agreement term is significantly endangered, and in either of these two instances does not cure such failure within a period often (10) days (or such longer period of time as may be authorized by H-GAC in writing) after receiving written notice by certified mail of default from H-GAC.

ARTICLE 17: SEVERABILITY

H-GAC and Contractor agree that should any provision of this Agreement be determined to be invalid or unenforceable, such determination shall not affect any other term of this Agreement, which shall continue in full force and effect.

ARTICLE 18: FORCE MAJEURE

To the extent that either party to this Agreement shall be wholly or partially prevented from the performance of any obligation or duty placed on such party by reason of or through strikes, stoppage of labor, riot, fire, flood, acts of war, insurrection, epidemic, pandemic, accident, order of any court, act of God, or specific cause reasonably beyond the party's control and not attributable to its neglect or nonfeasance, in such event, the time for the performance of such obligation or duty shall be suspended until such disability to perform is removed. Determination of force majeure shall rest solely with H-GAC.

ARTICLE 19: COPYRIGHTS

H-GAC, and any related state or federal awarding agency, reserve a royalty-free, nonexclusive, and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, for state or federal government or H-GAC purposes:

- A. The copyright of all maps, data, reports, research, or other work developed under this Agreement;
- B. Any copyrights or rights of use to copyrighted material which the Contractor purchases with funding under this Agreement. All such data and material shall be furnished to H-GAC upon request.

ARTICLE 20: OWNERSHIP OF MATERIALS

Except as may be specified in the Special Provisions, all data, reports, research, etc., developed by the Contractor solely as a part of its work under this Agreement, shall become the property of the H-GAC upon completion of this Agreement, or in the event of termination or cancellation hereof. All such data and material shall be furnished to H-GAC at no charge and upon request. Contractor further agrees not to release information about results or deliverables connected to this Agreement to anyone outside of H-GAC, without first obtaining written release authorization from H-GAC.

ARTICLE 21: POLITICAL ACTIVITY - LOBBYING

Nothing related, connected to, or provided under this Agreement may be used in any way to attempt to influence in any manner a member of Congress to favor or oppose any legislation or appropriation by Congress, or for lobbying with state or local legislators. The Contractor, if a recipient of Federal assistance exceeding 100,000 dollars through an H-GAC subcontract, will comply with section 319, Public Law 101-121 (31 U.S.C. 1352).

ARTICLE 22: SECTARIAN INVOLVEMENT PROHIBITED

The Contractor shall ensure that no funds under this Agreement are used, either directly or indirectly, in the support of any religious or anti-religious activity, worship, or instruction.

ARTICLE 23: CONFLICT OF INTEREST

No officer, member or employee of the Contractor or Contractor's subcontractor, no member of the governing body of

the Contractor, and no other public officials of the Contractor who exercise any functions or responsibilities in the review or Contractor approval of this Agreement, shall participate in any decision relating to this Agreement which affects his or her personal interest, or shall have any personal or pecuniary interest, direct or indirect, in this Agreement.

ARTICLE 24: FEDERAL COMPLIANCE

Contractor agrees to comply with all federal statutes relating to nondiscrimination, labor standards, and environmental compliance. Additionally, for work to be performed under the Agreement or subcontract thereof, including procurement of materials or leases of equipment, Contractor shall notify each potential subcontractor or supplier of the Contractor's federal compliance obligations. These may include, but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color, or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§ 1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) the Fair Labor Standards Act of 1938 (29 USC 676 et. seq.), (d) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of handicaps and the Americans with Disabilities Act of 1990; (e) the Age Discrimination in Employment Act of 1967 (29 USC 621 et. seq.) and the Age Discrimination Act of 1974, as amended (42 U.S.C. §§ 6101-6107), which prohibits discrimination on the basis of age; (f) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (g) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to the nondiscrimination on the basis of alcohol abuse or alcoholism; (h) §§ 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. 290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (i) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. § 3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (j) any other nondiscrimination provisions in any specific statute(s) applicable to any Federal funding for this Agreement; (k) the requirements of any other nondiscrimination statute(s) which may apply to this Agreement; (l) applicable provisions of the Clean Air Act (42 U.S.C. §7401 et seq.), the Federal Water Pollution Control Act, as amended (33 U.S.C. §1251 et seq.), Section 508 of the Clean Water Act (33 U.S.C. 1251), Executive Order 11738, and the Environmental Protection Agency regulations at 40 CFR Part 15; (m) applicable provisions of the Davis- Bacon Act (40 U.S.C. 276a - 276a-7), the Copeland Act (40 U.S.C. 276c), and the Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708), as set forth in Department of Labor Regulations at 20 CFR 5.5a; (n) the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (P.L. 94-163).

ARTICLE 25: PROHIBITION ON CONTRACTING WITH ENTITIES USING CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE EQUIPMENT (EFFECTIVE AUG. 13, 2020 AND AS AMENDED OCTOBER 26, 2020)

Pursuant to 2 CFR 200.216, Contractor shall not offer equipment, services, or system that use covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. Covered telecommunications equipment or services means 1) telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities); 2) for the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities); 3) telecommunications or video surveillance services provided by such entities or using such equipment; or 4) telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country. Respondent must comply with requirements for certifications. The provision at 48 C.F.R Section 52.204-26 requires that offerors review SAM prior to completing their required representations. This rule applies to all acquisitions, including acquisitions at or below the simplified acquisition threshold and to acquisitions of commercial items, including commercially available off the-shelf items.

ARTICLE 26: DOMESTIC PREFERENCE

In accordance with 2 CFR 200.322, as appropriate and to the extent consistent with law, when using federal grant award funds H-GAC should, to the greatest extent practicable, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). H-GAC must include this requirement in all subawards including all contracts and purchase orders for work or products under the federal grant award. If Contractor intends to qualify for Purchase Orders using federal grant money, then it shall work with H-GAC to provide all required certifications and other documentation needed to show compliance.

ARTICLE 27: CRIMINAL PROVISIONS AND SANCTIONS

The Contractor agrees to perform the Agreement in conformance with safeguards against fraud and abuse as set forth by the H-GAC, the State of Texas, and the acts and regulations of any related state or federal agency. The Contractor agrees to promptly notify H-GAC of any actual or suspected fraud, abuse, or other criminal activity through the filing of a written report within twenty-four (24) hours of knowledge thereof. Contractor shall notify H-GAC of any accident or incident requiring medical attention arising from its activities under this Agreement within twenty-four (24) hours of such occurrence. Theft or willful damage to property on loan to the Contractor from H-GAC, if any, shall be reported to local law enforcement agencies and H-GAC within two (2) hours of discovery of any such act.

The Contractor further agrees to cooperate fully with H-GAC, local law enforcement agencies, the State of Texas, the Federal Bureau of Investigation, and any other duly authorized investigative unit, in carrying out a full investigation of all such incidents.

The Contractor shall notify H-GAC of the threat of lawsuit or of any actual suit filed against the Contractor pertaining to this Agreement or which would adversely affect the Contractor's ability to perform services under this Agreement.

ARTICLE 28: INDEMNIFICATION AND RECOVERY

To the extent permitted by law, H-GAC shall indemnify and hold Contractor harmless against any and all claims, demands, damages, liabilities, and costs incurred by Contractor which directly or indirectly result from, or arise in connection with, any negligent act or omission of H-GAC, its agents, or employees, pertaining to its activities and obligations under this Agreement.

Contractor shall indemnify and hold H-GAC, its officers, agents, and employees harmless against any and all claims, demands, damages, liabilities, and costs (including reasonable attorney fees) which directly or indirectly result from, or arise in connection with, any negligent act or omission of Contractor, its agents, or employees pertaining to its activities and obligations under this Agreement.

In no event will either Party be liable for any loss of use, loss of time, inconvenience, commercial loss, lost profits, or savings; or other incidental special or consequential damages to the full extent such use may be disclaimed by law during the period of this contract and its related procurements. If either Party performs an act knowing or having reason to know that it is contrary to any law or regulation, the responsible Party shall bear all claims, costs, losses, and damages caused by, arising out of, or resulting from that act.

ARTICLE 29: TITLES NOT RESTRICTIVE

The titles assigned to the various Articles of this Agreement are for convenience only. Titles shall not be considered restrictive of the subject matter of any Article, or part of this Agreement.

ARTICLE 30: JOINT WORK PRODUCT

This Agreement is the joint work product of H-GAC and the Contractor. This Agreement has been negotiated by H-GAC and the Contractor and their respective counsel and shall be fairly interpreted in accordance with its terms and, in the event of any ambiguities, no inferences shall be drawn against any party.

ARTICLE 31: DISPUTES

All disputes concerning questions of fact or of law arising under this Agreement, which are not addressed within the Whole Agreement as defined pursuant to Article 4 hereof, shall be decided by the Executive Director of H-GAC or his designee, who shall reduce his decision to writing and provide notice thereof to the Contractor. The decision of the

Executive Director or his designee shall be final and conclusive unless, within thirty (30) days from the date of receipt of such notice, the Contractor requests a rehearing from the Executive Director of H-GAC. In connection with any rehearing under this Article, the Contractor shall be afforded an opportunity to be heard and offer evidence in support of its position. The decision of the Executive Director after any such rehearing shall be final and conclusive. The Contractor may, if it elects to do so, appeal the final and conclusive decision of the Executive Director to a court of competent jurisdiction. Pending final decision of a dispute hereunder, the Contractor shall proceed diligently with the performance of the Agreement and in accordance with H- GAC's final decision.

ARTICLE 32: CHOICE OF LAW - VENUE

This Agreement shall be governed by the laws of the State of Texas. Venue and jurisdiction of any suit or cause of action arising under or in connection with the Agreement shall lie exclusively in Harris County, Texas.

ARTICLE 33: ORDER OF PRIORITY

In the case of any conflict between or within this Agreement, the following order of priority shall be utilized: 1) General Provisions, 2) Special Provisions, 3) Scope of Work, and 4) Other Attachments.

ARTICLE 34: UNIVERSAL IDENTIFIER AND SYSTEM FOR AWARD MANAGEMENT (SAM)

In accordance with 2 CFR Title 2, Subtitle A, Chapter I, Part 25 as it applies to a Federal awarding agency's grants, cooperative agreements, loans, and other types of Federal financial assistance as defined in 2 CFR 25.406. Contractor understands and as it relates to 2 CFR 25.205(a), a Federal awarding agency may not make a Federal award or financial modification to an existing Federal award to an applicant or recipient until the entity has complied with the requirements described in 2 CFR 25.200 to provide a valid unique entity identifier and maintain an active SAM registration (www.SAM.gov) with current information (other than any requirement that is not applicable because the entity is exempted under § 25.110). 2 CFR 25.200(b) requires that registration in the SAM **prior to submitting an application or plan**; and maintain an active SAM registration with current information, including information on a recipient's immediate and highest level owner and subsidiaries, as well as on all predecessors that have been awarded a Federal contract or grant within the last three years, if applicable, at all times during which it has an active Federal award or an application or plan under consideration by a Federal awarding agency; and provide its unique entity identifier in each application or plan it submits to the Federal awarding agency. To remain registered in the SAM database after the initial registration, the applicant is required to review and update its information in the SAM database on an annual basis from the date of initial registration or subsequent updates to ensure it is current, accurate and complete. At the time a Federal awarding agency is ready to make a Federal award, if the intended recipient has not complied with an applicable requirement to provide a unique entity identifier or maintain an active SAM registration with current information, the Federal awarding agency: (1) May determine that the applicant is not qualified to receive a Federal award; and (2) May use that determination as a basis for making a Federal award to another applicant.

In accordance with 2 CFR 200.323, the Houston-Galveston Area Council and the Contractor or Subrecipient must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include: (1) procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; (2) procuring solid waste management services in a manner that maximizes energy and resource recovery; and (3) establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines. Pursuant to the Federal Rule above, as required by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. § 6962(c)(3)(A)(i)), the Contractor or Subrecipient certifies that the percentage of recovered materials content for EPA-designated items to be delivered or used in the performance of the Agreement will be at least the amount required by the applicable contract specifications or other contractual requirements.

ARTICLE 36: PUBLIC INFORMATION ACT

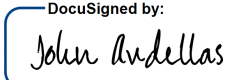
H-GAC and the Contractor understand and agree that H-GAC is a governmental body for purposes of the Public Information Act, codified as Chapter 552 of the Texas Government Code and as such is required to release information in accordance with the Public Information Act (the "Act"). H-GAC must rely on advice, decisions, and opinions of the

Attorney General of the State of Texas relative to the disclosure of data or information. Submissions will be kept confidential in accordance with the Act and applicable law, and submissions are subject to inclusion into the public record after award. To the extent permitted by law, the Contractor may request in writing non-disclosure of any information that it considers to be confidential, proprietary, and/or trade secret in its submission. Such data shall accompany the submission, be readily separable from the response, and shall be CLEARLY MARKED "CONFIDENTIAL, PROPRIETARY and/or TRADE SECRET". H-GAC will make reasonable efforts to provide the Contractor notice in accordance with the Act in the event H-GAC receives a request for information under the Act for information that the Contractor has marked as indicated above.

SIGNATURES:

H-GAC and the Contractor have read, agreed, and executed the whole Agreement as of the date first written above, as accepted by:

Contractor

Signature  DocuSigned by:
E214A511716D430...

Name John Avdellas

Title Vice President Manufacturing & Industrial Sales

Date 8/22/2023

H-GAC

Signature  DocuSigned by:
82EC270D5D61423...

Name Chuck Wemple

Title Executive Director

Date 8/22/2023

Loretta Baker

Manager, Contracts Admin.

8/22/2023

H-GAC

Houston-Galveston Area Council

P.O. Box 22777 · 3555 Timmons · Houston, Texas 77227-2777

Goods and Services Agreement - Contract - Clean Earth Environmental Solutions, Inc. - Community and Environmental
- ID: 10418

SPECIAL PROVISIONS

Incorporated by attachment, as part of the whole agreement, H-GAC and the Contractor do, hereby agree to the Special Provisions as follows:

ARTICLE 1: SCHEDULED TIME FRAME

1. The term of the initial contract will be for a period of two (2) years from 07/01/23, to 06/30/25. H-GAC reserves the right to extend and/or expand the scope of this contract, subject to H-GAC Board of Directors approval and/or additional funding availability.
2. H-GAC reserves the right, and the Contractor agrees; that the contract may be extended for up to three (3) additional twelve (12) month periods. Should H-GAC wish to exercise this right, it must so notify the Contractor.

ARTICLE 2: BIDS/PROPOSALS INCORPORATED

In addition to the whole Agreement, the following documents listed in order of priority are incorporated into the Agreement by reference: Bid/Proposal Specifications and Contractor's Response to the Bid/Proposal.

ARTICLE 3: NO GUARANTEE OF USAGE/PARTICIPATION

H-GAC makes no guarantee of volume or minimum usage under any contract resulting from this Solicitation. Services will be requested and contracted on an as needed basis and the type and value of each assignment will vary. No minimum level of local government ("End User") participation is guaranteed by H-GAC.

ARTICLE 4: PRICE ADJUSTMENTS

Prices provided in response to this RFP must be firm for the entire term of the Contract. However, changes will be considered if accompanied by proper and sufficient documentation satisfactory to H-GAC.

1. Limits of Price Adjustments – Price change requests MUST be supported with substantive documentation (e.g. manufacturer's price increase notices, copies of invoices from suppliers, etc.) showing that Contractor's actual costs have increased. The U.S. Department of Labor Producer Price Index (PPI), series ID PCU562111562111 for solid waste collection may also provide partial justification for price increases, based upon the percentage difference between the PPI issued for January 2020 and the PPI issued for January each year. Price increases greater than 5% a year are permitted only if substantive market fluctuations occur during the term of the contract. Retroactive contract price adjustments will not be allowed. In the event that these indices are discontinued, or the titles or codes are revised, new indices must be promptly identified and incorporated into the agreement. Pricing structure must remain in effect for the term of any existing contract.
2. Approval of Price Changes - No price change will be allowed unless it has been reviewed and approved by H-GAC in writing. Contractor must receive H-GAC's written approval

of any change prior to charging the new price or using it in any quotation prepared for an End User.

3. Right to Accept or Reject– All pricing must remain in effect for the initial term of the contract. If the contract term is extended, H-GAC and Contractor will review unit prices and adjust based upon documented increases in costs. H-GAC reserves the right to accept or reject any price change request within thirty (30) days after receipt of the request.

ARTICLE 4.A: ADDITIONAL PRICING INFORMATION

Contractor has provided two types of pricing, dependent upon program type:

1. For 1-day and mobile collection events, provide all-inclusive per-container pricing which includes the elements listed under Scenario 1, as well as a pricing quotation for an example 1-day collection event. If any of the elements listed under Scenario 1 are to be charged separately from the per-container price, give detailed pricing on separately charged items.
2. For permanent facilities, provide line-item pricing for each of the elements listed under Scenario 2, as well as a pricing quotation for a sample permanent facility waste pick-up.
3. Mobilization pricing scenarios should be proposed separately from the per-container pricing.
4. Consider pricing that is committed to cost-saving strategies (e.g., materials bulking, identification of materials for reuse, etc.)

If applicable, fees established under this Contract must include a) Administrative items such as phone services, mailing services, courier services, printing and materials required in the preparation of presentations, and other expenses deemed typical in the conduct of business. The cost of all copies of reports and submittals that are required must be included in the Contractor's hourly fee/rate for services and must not be deemed additional services. b) Cell phones, personal computers, printers, cameras, video equipment, software, general office supplies, home office and administrative support and all overhead and incidental costs.

ARTICLE 5: END USER RESPONSIBILITIES

End User responsibilities will vary depending on End User needs and resources. The End User, at a minimum, will be responsible for the following:

1. Collection of all required licenses and documentation from Contractor.
2. Coordination of collection activities with Contractor.
3. Suitable site location for collection activities.
4. Promotion of collection activities.
5. Educational materials.
6. Submittal of post-collection data reports to TCEQ.
7. Recruitment and coordination of volunteers.
8. Coordination with local police, fire, EMS, and other appropriate agencies.
9. Provision of emergency contact information.

ARTICLE 6: GOVERNING LAW & VENUE

Contractor and H-GAC agree that Contractor will make every reasonable effort to resolve disputes with the END USER in accord with the law and venue rules of the state of purchase. Contractor shall immediately notify H-GAC of such disputes.

ARTICLE 7: INVOICING

Contractor will submit requests for payment directly to participating End Users. End Users will forward payments to Contractor within thirty (30) calendar days subject to having received accurate invoices accompanied by detailed supplements and other backup documents.

ARTICLE 8: LIQUIDATED DAMAGES

Contractor and H-GAC agree that Contractor shall cooperate with the END USER at the time an END USER purchase order is placed, to determine terms for any liquidated damages. H-GAC is not liable for liquidated damage claims from the End User resulting from this Agreement.

ARTICLE 9: INSURANCE

Contractor must provide professional liability, general liability, and property insurance in amounts in accordance with applicable State Statute or Federal Regulation sufficient to cover applicable contractual liability, protect program equipment, and facilities. Contractor must ensure that any owned, leased, or non-owned automobiles used in performance of any contractual agreement by Contractor's employees or agents are covered by sufficient automobile liability insurance. Contractor further represents to H-GAC that it either has Workers' Compensation insurance in the amount required by statute or is self-insured for Workers' Compensation coverage under statute. All insurance certificates, policies, and binders must be maintained by Contractor at its program site for review by H-GAC at any time, and a copy must be provided to H-GAC upon contract award.

The Contractor shall obtain and maintain in effect during the term of this agreement, insurance coverage as set forth below and shall furnish certificates of insurance showing H-GAC as an Additional Insured, in duplicate form, prior to the beginning of the Agreement. Each policy, except those for Worker's Compensation and Employer's Liability, must name H-GAC as Additional Insured parties on the original policy and all renewals or replacements. Each policy, except for Worker's Compensation and Employer's Liability, must contain an endorsement that the policy is primary to any other insurance available to the Additional Insured with respect to claims arising under the Agreement. Contractor's failure to maintain the required insurance coverage at any time during the Contract period may be grounds for H-GAC to suspend the Contract and for End Users to withhold payment until insurance coverage is satisfactory. The issuer of any policy shall have a certificate of authority to transact insurance business in the State of Texas or have a Best's rating of at least B+ and a Best's Financial Size Category of Class VI or better, according to the most current edition of the Best's Key Rating Guide, Property-Casualty United States.

Standard insurance policies and minimum amounts required are as follows:

1. Commercial General Liability insurance for bodily and personal injury (including death) and property damage.
 - a. Each occurrence not less than \$1,000,000.
 - b. General aggregate not less than \$2,000,000.

- c. The coverage shall include but not be limited to personal injury liability, premises/operations, and products/completed operations.
2. Worker's Compensation and Employer's Liability Insurance.
 - a. Employer's Liability insurance of \$1,000,000 per occurrence.
 - b. Worker's Compensation as required by statute.
3. Automobile Liability (for vehicles Contractor uses in performing under the Agreement, including Employer's Owned, Non-Ownership and Hired Auto Coverage) with broad pollution liability endorsement and MCS-90 endorsement.
 - a. Combined Single Limit of \$1,000,000 per occurrence.
4. Excess Liability a. \$3,000,000 per occurrence and \$3,000,000 aggregate.
5. Other Insurance a. If requested by H-GAC, Contractor shall furnish adequate evidence of Social Security and Unemployment Compensation Insurance, to the extent applicable to Contractor's operations under the Agreement.

The Contractor is responsible for making sure that the processor of material, whether that be the Contractor, or an approved subcontractor carries the following insurance:

1. Environmental Impairment Liability and/or Pollution Liability a. \$3,000,000 per occurrence or claim and \$3,000,000 aggregate.

Defense costs are excluded from the face amount of the policy. Aggregate limits are per 12-month policy period unless otherwise indicated. All of the insurance required to be carried by the Contractor hereunder shall be by policies which shall require on their face, or by endorsement, that the insurance carrier waive any rights of subrogation to recover against H-GAC, and that it shall give thirty (30) days written notice to H-GAC before they may be cancelled or materially changed. Within such thirty (30) day period, Contractor covenants that it will provide other suitable policies in lieu of those about to be cancelled or materially modified, or nonrenewed so as to maintain in effect the coverage required under the provisions hereof. Failure or refusal of the Contractor to obtain and keep in force the above-required insurance coverage shall authorize H-GAC, at its option, to terminate the Agreement at once. Contractor shall give written notice to H-GAC within five (5) days of the date on which total claims by any party against Contractor reduce the aggregated amount of coverage below the amounts required by the Agreement.

Contractor shall pay all insurance premiums, and H-GAC shall not be obligated to pay any premiums. Contractor shall be responsible for and bear any claims or losses to the extent of any deductible amounts and waives any claim it may have for the same against H-GAC.

If any part of the work is sublet, similar insurance shall be provided by or in behalf of the subcontractor to cover their operations, and evidence such as insurance, satisfactory to H-GAC shall be furnished by the Contractor. In the event a subcontractor is unable to furnish insurance in the limits required under the Agreement, the Contractor shall endorse the subcontractor as an Additional Insured on his policies excluding Worker's Compensation and Employer's Liability.

Only unaltered original insurance certificates endorsed by the underwriter are acceptable. Photocopies are unacceptable.

ARTICLE 10: REQUIREMENTS

Any subcontractor utilized for any task, including, but not limited to transport, treatment, storage, or disposal, must be EPA and/or TCEQ-licensed and/or registered to perform such tasks if EPA and/or TCEQ license or registration is required.

- Understanding the compliance regulations per TCEQ, of transporting potentially hazardous and non-hazardous material. Contractor will be compliant with Rule 335.24 of the Texas Administrative Code.
- All vehicles transporting hazardous materials (subcontractors included) must be properly registered, and hazardous material drivers must have all required State and Federal licenses.
- All packaging and transportation of hazardous and non-hazardous material must be in accordance with Department of Transportation (DOT) regulations.
- Contractor must obtain all required Federal, State, and local permits for the responsibilities of the Contractor. Contractor must obtain all necessary permits and qualify to transport electronics according to DOT exemptions. Contractor must qualify to transport material streams packaged in non-DOT specification packaging under DOT exemptions.
- Storage treatment/disposal facilities must be EPA and/or TCEQ licensed, registered, and permitted as required.

ARTICLE 11: GENERATOR STATUS AND INDEMNIFICATION

To protect H-GAC and End Users from liabilities associated with on-site activities, transportation and inherent Comprehensive Environmental Response, Compensation & Liability Act (CERCLA) liabilities involving disposal, the Proposer should supply its own labor, transportation, and dispose of the waste at only EPA-permitted disposal facilities. THE CONTRACTOR MUST AGREE TO ASSUME GENERATOR STATUS AND BE RESPONSIBLE FOR PREPARING AND SIGNING ALL MANIFESTS RELATED TO THE END USER'S HOUSEHOLD HAZARDOUS WASTE COLLECTION EVENT(S) AND/OR PERMANENT FACILITY.

ARTICLE 12: CONTRACTOR WARRANTIES

- A. Contractor will warrant that it has sufficient and requisite experience, personnel, education, licenses and permits, equipment, and knowledge to safely and lawfully collect, transport, and dispose of all HHW that may be brought for disposal by residents to End User programs.
- B. Contractor must warrant that it understands the currently known hazards which are present to persons, property, and the environment in the transportation, storage, and treatment/disposal of the wastes received at all events.
- C. Contractor must warrant that the Contractor-owned or approved storage and treatment/disposal facilities are licensed and permitted. If the storage or treatment/disposal facility loses its permitted status hereafter, during the term of the Agreement, the Contractor will promptly notify H-GAC of such loss.
- D. The Contractor will ensure that all vehicles transporting hazardous wastes (subcontractors included) are properly registered, and that hazardous waste drivers have all required State and Federal licenses.
- E. Contractor must obtain all required Federal, State, and local permits for the responsibilities of the Contractor. Contractor must obtain all necessary permits and

qualify to transport waste per DOT exemptions. Contractor must qualify to transport waste streams packaged in non-DOT specification packaging under DOT exemptions.

ARTICLE 13: LIMITATION OF LIABILITY

Except as specified in any separate writing between the Contractor and an END USER, Contractor's total liability under this Agreement, whether for breach of contract, warranty, negligence, strict liability, in tort or otherwise, but excluding its obligation to indemnify H-GAC, shall not exceed the total of the amounts paid to Contractor pursuant to this Agreement in the twelve (12) month period preceding the event giving rise to the claim. In no event will either H-GAC or Contractor be liable for any loss of use, loss of time, inconvenience, commercial loss, loss of profits or savings or other incidental, special or consequential damages to the full extent such use may be disclaimed by law. Contractor understands and agrees that it shall be liable to repay and shall repay upon demand to END USER any amounts determined by H-GAC, its independent auditors, or any agency of State or Federal government to have been paid in violation of the terms of this Agreement.

5. SCOPE OF WORK

5.1. Overview

The successful Proposer will be responsible for the collection, transportation, and disposal of household hazardous waste (HHW) for local governments in the 13-county H-GAC region. Services will be provided according to the requirements of these specifications, the contract with H-GAC, and the purchase order issued from the End User(s) or service contract with End User(s), as well as all applicable federal, state, and local laws. The successful Proposer will not collect waste directly from H-GAC.

H-GAC recognizes concerns for the depletion of natural resources and the ecological effect of wastes in the environment, and encourages the use of recycled, recyclable, and reusable products and materials. H-GAC also adheres to the Environmental Protection Agency's waste hierarchy of preferred methods for waste reduction. Source reduction and reuse is the most preferred method, followed by recycling, energy recovery, and lastly treatment and landfilling. Proposers are encouraged to demonstrate their support of the recycling and waste management hierarchy goals of H-GAC, and to arrange for the ultimate disposition of the wastes accordingly.

Two service scenarios are detailed below for cost proposals. The first involves provision of HHW collection, transportation, and disposal services for 1-day and mobile collection events (collectively called "1-day events"). The second involves the provision of HHW collection, transportation, and disposal services for permanent HHW facilities. All scenarios must be addressed in response to this RFP. Proposers are also asked to submit a cost scenario for 8-hour Hazardous Waste Operations and Emergency Response (HAZWOPER) refresher training courses.

5.2. Requirements

The chosen Proposer will serve as the Primary Contractor (Contractor). The Contractor will be responsible for subcontracting selected services related to the recycling, reuse, collection, transportation, or disposal of the collected HHW. There will be no subcontracting allowed in this project without prior approval from H-GAC and/or End User(s).

Proposers must include a list of all subcontractors with their proposal. Proposals must also include a statement of the subcontractors' qualifications. H-GAC reserves the right to reject the successful proposer's selection of subcontractors for good cause. If a subcontractor is rejected, the proposer may replace that subcontractor with another subcontractor subject to the approval of H-GAC. Any such replacement must be at no additional expense to H-GAC, nor will it result in an extension of time without H-GAC's approval.

- A. After contract execution, the Proposer is the prime and responsible party for contracting and communicating the work to be performed to subcontractors and for channeling other information between H-GAC and/or End Users and subcontractors, if necessary.
- B. Contractor assumes total responsibility for the quality and quantity of all work performed, whether it is undertaken by the Contractor or is subcontracted to another organization.

- C. If subcontractor involvement is required in the use of license, patent, or proprietary process, the Contractor is responsible for obtaining written authorization from the subcontractor to use the process or providing another process comparable to that which is required and which is acceptable to H-GAC, all at no additional cost or liability to H-GAC and/or End User.
- D. Contractor must make timely payments in accordance with applicable state and federal law to all persons and entities supplying labor, materials or equipment for the performance of this Agreement including Contractor's employees.

5.3. Regulation, License, or Permit Requirements

Contractor must obtain and pay for all licenses, permits, and certificates required by any H-GAC and/or statute, ordinance, rule, or regulation.

5.4. Disposal Site Use/Inspection

All disposal sites and treatment methods used by the Contractor must be approved by H-GAC and/or End User. Any changes in disposal site or treatment method without obtaining prior approval of H-GAC and/or End User will constitute a material breach of this contract. In all instances, the Contractor must adhere to EPA treatment standards for treatment and disposal of wastes.

H-GAC and/or End User reserve the right to conduct audits and/or inspections of any transportation, storage, or disposal facilities used by the Contractor.

5.5. End User Responsibilities

Responsibilities will vary with each End User depending on End User needs and resources. The End User, at a minimum, will be responsible for the following:

- Coordination of collection activities with Contractor
- Suitable site location for collection activities
- Promotion of collection activities
- Educational materials
- Submittal of post-collection data reports to TCEQ
- Recruitment and coordination of volunteers
- Coordination with local police, fire, EMS and other appropriate agencies
- Provision of emergency contact information

5.6. Generator Status and Indemnification

To protect H-GAC and End Users from liabilities associated with on-site activities, transportation and inherent Comprehensive Environmental Response, Compensation & Liability Act (CERCLA) liabilities involving disposal, the Proposer should supply its own labor, transportation, and dispose of the waste at only EPA-permitted disposal facilities. THE CONTRACTOR MUST AGREE TO ASSUME GENERATOR STATUS

AND BE RESPONSIBLE FOR PREPARING AND SIGNING ALL MANIFESTS RELATED TO THE END USER'S HOUSEHOLD HAZARDOUS WASTE COLLECTION EVENT(S) AND/OR PERMANENT FACILITY.

5.7. Contractor Warranties

- A. Contractor will warrant that it has sufficient and requisite experience, personnel, education, licenses and permits, equipment, and knowledge to safely and lawfully collect, transport, and dispose of all HHW that may be brought for disposal by residents to End User programs.
- B. Contractor must warrant that it understands the currently known hazards which are present to persons, property, and the environment in the transportation, storage, and treatment/disposal of the wastes received at all events.
- C. Contractor must warrant that the Contractor-owned or approved storage and treatment/disposal facilities are licensed and permitted. If the storage or treatment/disposal facility loses its permitted status hereafter, during the term of the Agreement, the Contractor will promptly notify H-GAC of such loss.
- D. The Contractor will ensure that all vehicles transporting hazardous wastes (subcontractors included) are properly registered, and that hazardous waste drivers have all required State and Federal licenses.
- E. Contractor must obtain all required Federal, State, and local permits for the responsibilities of the Contractor. Contractor must obtain all necessary permits and qualify to transport waste per DOT exemptions. Contractor must qualify to transport waste streams packaged in non-DOT specification packaging under DOT exemptions.

5.8. Considerations on Proposing Cost

Provide two types of pricing, dependent upon program type:

For 1-day and mobile collection events, provide all-inclusive per-container pricing which includes the elements listed under Scenario 1, as well as a pricing quotation for an example 1-day collection event. If any of the elements listed under Scenario 1 are to be charged separately from the per-container price, give detailed pricing on separately charged items.

For permanent facilities, provide line-item pricing for each of the elements listed under Scenario 2, as well as a pricing quotation for a sample permanent facility waste pick-up.

Mobilization pricing scenarios should be proposed separately from the per-container pricing.

Consider pricing that is committed to cost-saving strategies (e.g., materials bulking, identification of materials for reuse, etc.)

If applicable, fees established under this Contract must include a) Administrative items such as phone services, mailing services, courier services, printing and materials required in the preparation of presentations, and other expenses deemed typical in the conduct of business. The cost of all copies of reports and submittals that are required must be included in the Contractor's hourly fee/rate for

services and must not be deemed additional services. b) Cell phones, personal computers, printers, cameras, video equipment, software, general office supplies, home office and administrative support and all overhead and incidental costs.

5.9. Scenario 1 – 1-Day Collection Events

Note – Items A through E should be included in per-container pricing where possible. This scenario could be applied to a traditional 1-day collection event or to a post-disaster situation.

- A. Planning and Assistance – The Contractor will, at the request of the End User, provide staff experienced or trained to the satisfaction of the End User to attend meetings with the End User to review proposed collection site procedures, or otherwise assist End User staff in planning the collection project. Assistance may include coordination of a contingency plan and submission of required notices to Texas Commission on Environmental Quality.
- B. On-site Labor - Proposers will provide required personnel. The Proposer and the End User will determine specific personnel needs prior to the collection events. Please Note - End User needs will vary. Proposers should be prepared to provide on-site labor for the following:
 - 1. Chemists, appropriately trained for oversight of collection, sorting, packaging, and transport of collected materials
 - 2. Technicians, appropriately trained for collection, sorting, packaging, and transport of collected materials
 - 3. Personnel capable of traffic control, surveying, and educational material distribution
 - 4. Laborers for site set-up, tear-down, and other unskilled tasks
 - 5. Site security
- C. Transportation and Disposal – Proposers should provide pricing based on the cost of the disposal of the waste at an EPA-approved treatment, recycling, or disposal site. Proposers should also provide a listing of treatment, recycling, or disposal methods to be used. Proposers should include cost of drum/container transportation for waste materials.
- D. Supplies – Supplies may vary with each End User. End Users may provide their own supplies depending on their resources. Proposers should be prepared to provide, the following (please indicate which supplies, if any, would require a charge separate from the per-container pricing):
 - 1. Drums/liners
 - 2. Meter boxes
 - 3. Absorbents
 - 4. Plastic sheeting
 - 5. Tents for shelter and/or storage space

6. Forklifts
 7. Pallets
 8. Pallet jacks
 9. Containers for the disposal of non-hazardous waste
 10. Containers for collection of non-hazardous materials which can be recycled
 11. Appropriate signage
 12. Tables and chairs for shelter area(s)
 13. Temporary portable restroom facilities
 14. Traffic control devices and safety cones
 15. First aid supplies
- E. Analysis – Proposers should include costs related to the analysis of unknown materials.
- F. Mobilization, Demobilization and On-Site Equipment – NOT INCLUDED IN PER-CONTAINER PRICING. The cost should include the following:
1. The movement of the disposal team plus supplies and equipment to package wastes at the collection site
 2. Set-up and decommission of the collection site
 3. Personal protective equipment
 4. Administrative costs
 5. Safety equipment
 6. Procedures for handling non-acceptable wastes

5.10. Scenario 2 – Permanent Facility

Note – All prices are to be provided on a per-item basis, unless specifically requested otherwise.

- A. On-site Labor - Proposers should provide personnel upon request, and according to needs of the End User(s). The Proposer and the End User will determine specific personnel needs prior to the pick-up of waste from a permanent facility.
1. Since End User needs will vary, Proposers should provide hourly pricing for on-site labor, for the following:
 - a. Chemists, appropriately trained for oversight of sorting, packaging, and transport of collected materials

- b. Technicians, appropriately trained for sorting, packaging, and transport of collected materials
- B. Transportation and Disposal – Proposers should provide pricing based on the cost of the disposal of the waste at an EPA-approved treatment, recycling, or disposal site. Proposers should include cost of drum/container transportation for waste materials in the per-unit disposal cost. Proposers should also provide a listing of treatment, recycling, or disposal methods to be used.
- C. Supplies – Supplies may vary with each End User. Permanent facility End Users may provide their own supplies depending on their resources. Proposers must provide pricing for the following:
 - 1. Drums/liners
 - 2. Meter boxes
 - 3. Absorbents
 - 4. Plastic sheeting
- D. Analysis – Proposers should provide pricing for analysis of unknown materials.
- E. Mobilization, Demobilization, and On-Site Equipment – The cost should include the following:
 - 1. The movement of the packaging, loading personnel, and equipment to periodically package, load, and transport wastes from the permanent collection facility
 - 2. Personal protective equipment
 - 3. Administrative costs
 - 4. Safety equipment
 - 5. End User computerized waste management software (with free training provided to End User)

5.11. Hazardous Waste Operations and Emergency Response (HAZWOPER) Training

Proposer must submit a pricing scenario for appropriate 8-hour HAZWOPER refresher courses to be made available to End Users within the region. The course must be provided annually and meet all OSHA, EPA, and DOT requirements or any other requirements necessary to meet the OSHA 8-hour annual update requirements. Contractor must also provide class attendees with an official certificate of completion as part of the 8-hour refresher course.

5.12. Contract Deliverables

- A. Contractor must provide copies of all manifests to the End User and to H-GAC within thirty (30) days of a 1-day collection event or immediately upon shipment from a permanent collection facility.
- B. Contractor must provide Certificates of Disposal/Destruction that indicate the date, location, and method of treatment and disposal within six (6) months of arrival of the waste at the permitted facility to the End User and to H-GAC.
- C. Contractor must submit documentation packs to End User and to H-GAC on all events and permanent facility pickups within sixty (60) days of event or pickup which includes the following information:
 - 1. Date and location of collection
 - 2. Pounds of material collected
 - 3. Households participating (for 1-day events)
 - 4. Total cost of collection, transportation, and disposal
 - 5. Handling method by pounds and percentage of waste collected (i.e., recycling, fuels blending, incineration, landfilling, etc.)

6. STUDY AREA SERVICE REGION

6.1. [Map](#)



Request For Proposal #CE-HHW-02-23

Title: Regional Household Hazardous Waste Collection, Transportation and Disposal

7. ADDITIONAL RESOURCES

7.1. Reference Websites

For more information on the Household Hazardous Waste program, please visit <https://www.h-gac.com/solid-waste-management/household-hazardous-waste>.

Request For Proposal #CE-HHW-02-23

Title: Regional Household Hazardous Waste Collection, Transportation and Disposal

8. PRE-AWARD AUDIT

Due to the amount and type of funding programmed for this project, H-GAC requires that a pre-award audit be conducted before the execution of a contract. The information required for this audit, in addition to a draft contract and detailed scope of work, is:

- A. Detailed annual budget
- B. 12-month project Schedule/Timeline
- C. Itemized cost estimate by personnel job title (including hours), benefits, overhead, travel, equipment, supplies, printing and other direct expenses; and
- D. Support data for the benefit and indirect rates (overhead) based on audited costs.
- E. Federal OMB Form 60

Request For Proposal #CE-HHW-02-23

Title: Regional Household Hazardous Waste Collection, Transportation and Disposal

9. CONTRACT TERM

H-GAC intends to award one or more contracts for the services requested under this Solicitation. The term of this contract will be for a period of two (2) years. H-GAC may, at its option, extend the contract for up to three (3) additional one-year terms. H-GAC reserves the right to extend and/or expand the scope of this contract, subject to H-GAC Board of Directors approval and/or additional funding availability.

Request For Proposal #CE-HHW-02-23

Title: Regional Household Hazardous Waste Collection, Transportation and Disposal

10. PAYMENT FOR WORK

Contractor will submit requests for payment directly to participating End Users. Individual End User contracts will specify payment terms. H-GAC is not responsible for invoices being sent to End-Users, or for any payment made from End Users to Contractors.

Jon Niermann, *Chairman*
Bobby Janecka, *Commissioner*
Catarina R. Gonzales, *Commissioner*
Kelly Keel, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

May 1, 2024

Erica Galloway
City of Baytown
2123 Market Street
Baytown, Texas 77523

Dear Erica Galloway,

The Texas Commission on Environmental Quality (TCEQ) acknowledges the receipt of a Notification for a Household Hazardous Waste Collection Event and accompanying material on 04/24/2024. Pursuant to notification requirements in 30 TAC 335.403, the information was submitted at least 45 days prior to conducting the following household hazardous waste collection activities:

Collection Program: Collection Event

Date: June 8, 2024 9:00 AM-2:00 PM

Address: 1200 Lee Drive, Baytown, Texas 77520

Please note that this letter serves simply to notify you that the information received is administratively complete and does not serve as approval of activities. All operations under the collection program must comply, at minimum, with 30 TAC 335 Subchapter N. **The operator, City of Baytown, in compliance with Subchapter N, must also report by April 1, 2025, on the material received under this collection program.**

Please be aware that this collection may be subject to regulations in other program areas within the TCEQ as well as external regulatory authorities (e.g. OSHA, DOT, TCEQ Used Oil Program, etc). For more information and guidance please visit our HHW webpage at <http://www.tceq.texas.gov/p2/hhw/howto.html>. If you need any additional assistance, please contact Alicia Foley at (512) 239-3104 or Recycle@tceq.texas.gov at your convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "Alicia Foley".

Alicia Foley
Texas Commission on Environmental Quality
Pollution Prevention and Education, MC-118
P. O. Box 13087
Austin, TX 78711-3087

CITY OF BAYTOWN, TEXAS
INDEBTEDNESS CERTIFICATION

Household Hazardous Waste Collection Day

Project Name:

Company Name: Clean Earth Environmental Solutions, Inc.

Department: Public Works/Engineering/BAWA

Date: 05/13/2024

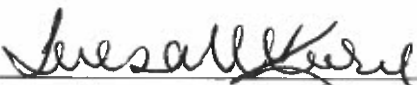
Council Date: 05/23/2024

A review of the above-described company was made in accordance with 2-663 of the City of Baytown Code of Ordinances and the aforementioned company was found:

☐ to be indebted to the City in the following areas:

☒ not to be indebted to the City.

It is hereby certified the above is true and correct based on the best information available.


Director of Finance

05/13/2024

Date

For information regarding this certificate, please contact the Finance Director at 281-420-6531.

If an appeal to this determination is to be filed under section 2-664 of this code, please forward to the following address:

City of Baytown
Director of Finance
P O Box 424
Baytown, TX 77522-0424



CITY COUNCIL MEETING

6. j.

Meeting Date: 05/23/2024

Subject: Consider an ordinance authorizing the Contract Amendment to the Water Supply Contract with the City of Baytown to increase contractual quantities

Prepared for: Frank Simoneaux, Public Works/Engineering/BAWA

Prepared by: Jamie Wimmer, Public Works/Engineering/BAWA

Department: Public Works/Engineering/BAWA

Information

ITEM

Consider an ordinance authorizing the Contract Amendment to the Amended Water Supply Contract with the City of Baytown to increase the contract quantity.

PREFACE

This proposed ordinance authorizes the Contract Amendment to the Water Supply Contract with the City of Baytown to increase the contract quantity from 22.7 Million Gallons per Day (MGD) to 28.6 MGD. This increase provides for continued growth, as well as allowing for current peak demand, which has exceeded the current 22.7 MGD contract amount during emergency events.

This amendment was approved at the Baytown Area Water Authority meeting held on May 9, 2024.

Fiscal Impact

Fiscal Year:

Acct Code:

Source of Funds (Operating/Capital/Bonds):

Funds Budgeted Y/N:

Amount Needed:

Fiscal Impact (Additional Information):

No fiscal impact.

Attachments

Ordinance Authorizing Amendment Water Supply Contract

Exhibit A - City of Baytown Water Supply Amendment No. 6

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS, AUTHORIZING AN AMENDMENT TO THE AMENDED AND RESTATED WATER SUPPLY CONTRACT WITH THE BAYTOWN AREA WATER AUTHORITY; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS:

Section 1: That the City Council of the City of Baytown, Texas, hereby approves an amendment to the Amended and Restated Water Supply Contract with the Baytown Area Water Authority. A copy of said amendment is attached hereto as Exhibit "A" and incorporated herein for all intents and purposes.

Section 2: This ordinance shall take effect immediately from and after its passage by the City Council of the City of Baytown.

INTRODUCED, READ and PASSED by the affirmative vote of the City Council of the City of Baytown this the 23rd day of May, 2024.

BRANDON CAPETILLO, Mayor

ATTEST:

ANGELA JACKSON, City Clerk

APPROVED AS TO FORM:

SCOTT LEMOND, City Attorney

EXHIBIT "A"

CONTRACT AMENDMENT

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This CONTRACT AMENDMENT ("the Amendment") is made and entered into by and between the Baytown Area Water Authority, a governmental entity and body politic and corporate, which is situated and has its principal office at Baytown, Harris County, Texas ("BAWA") and the City of Baytown, Texas, a municipal corporation and home-rule city, which is principally situated and has its City Hall in Harris County, Texas ("City").

WITNESSETH

WHEREAS, the City and BAWA entered into a Water Supply Contract – Treated Water dated January 31, 1977; and

WHEREAS, thereafter on November 6, 1997, such agreement was amended and restated (the "Amended and Restated Water Supply Contract") in order to extend the term of the agreement and to incorporate all amendments and supplements; and

WHEREAS, on January 3, 2005, BAWA amended its Water Supply Contract with the City of Houston to extend the term of the contract and increase the contract quantity; and

WHEREAS, the City and BAWA amended its Water Supply Contract – Treated Water with the City of Baytown (the "First Amendment") to extend the term of the contract and increase the contract quantity, which amendment was effective on January 3, 2005; and

WHEREAS, on February 23, 2012, the City and BAWA clarified the First Amendment regarding the extension of the termination date of the Amended and Restated Water Supply Contract (the "Second Amendment"); and

WHEREAS, effective on March 27, 2014, the City and BAWA increased the contract quantity based upon the results of the City's alternative capacity requirement approved by the Texas Commission on Environmental Quality by executing this Contract Amendment to the Water Supply Contract – Treated Water (the "Third Amendment"); and

WHEREAS, effective on January 18, 2017, the City and BAWA increased the contract quantity to 21 MGD by executing this Contract Amendment to the Water Supply Contract – Treated Water (the "Fourth Amendment"); and

WHEREAS, effective on January 16, 2019, the City and BAWA increased the contract quantity to 22.7 MGD by executing this Contract Amendment to the Water Supply Contract – Treated Water (the "Fifth Amendment");

WHEREAS, the City and BAWA desire to increase the contract quantity again by executing this Contract Amendment to the Water Supply Contract – Treated Water (the "Sixth Amendment");

NOW, THEREFORE, for and in consideration of the premises and mutual covenants and agreements herein contained, the parties hereby agree as follows:

I.

Section 2.01 of the Amended and Restated Water Supply Contract is amended by increasing the Contract Quantity (as defined therein) to 28.6 million gallons per day.

II.

This Sixth Amendment shall become effective on May 9, 2024.

III.

The Amended and Restated Water Supply Contract between the parties hereto, the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment, the Fifth Amendment, and this Sixth Amendment are the entire agreement of the parties. In the event of any conflict between a provision of the Amended and Restated Water Supply Contract and the amendments, the order of priority of documents is as follows:

1. Sixth Amendment;
2. Fifth Amendment;
3. Fourth Amendment;
4. Third Amendment;
5. Second Amendment;
6. First Amendment; and
7. Amended and Restated Water Supply Contract.

IN WITNESS WHEREOF, the parties hereto have signed this Amendment in multiple copies each of which shall be deemed to be an original, but all of which shall constitute but one and the same contract.

BAYTOWN AREA WATER AUTHORITY
BAYTOWN, HARRIS COUNTY, TEXAS
("BAWA")

CITY OF BAYTOWN, TEXAS
("City")

BRENDA BRADLEY SMITH, President

BRANDON CAPETILLO, Mayor

ATTEST:

ATTEST:

ANGELA JACKSON, Assistant Secretary

ANGELA JACKSON, City Clerk

APPROVED AS TO FORM:

APPROVED AS TO FORM:

SCOTT LEMON, General Counsel

SCOTT LEMON, SR., City Attorney

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CITY COUNCIL MEETING

8. a.

Meeting Date: 05/23/2024

Subject: Section(s) 551.071 and/or 551.087 to seek the advice of the City's attorneys and/or to discuss economic development negotiations

Prepared by: Gabriella Gonzales, City Clerk's Office

Department: City Clerk's Office

Information

ITEM

Recess into and conduct an executive session pursuant to Section(s) 551.071 and/or 551.087 of the Texas Government Code to seek the advice of the City's attorneys regarding pending or contemplated litigation and/or to deliberate regarding economic development negotiations.

PREFACE

Recess into and conduct an executive session pursuant to Section(s) 551.071 and/or 551.087 of the Texas Government Code to seek the advice of the City's attorneys regarding pending or contemplated litigation and/or to deliberate regarding economic development negotiations.
