



BAYTOWN MUNICIPAL DEVELOPMENT DISTRICT

NOTICE OF MEETING

BAYTOWN MUNICIPAL DEVELOPMENT DISTRICT REGULAR MEETING
THURSDAY, APRIL 11, 2024
4:30 P.M.
COUNCIL CHAMBER, CITY HALL
2401 MARKET STREET, BAYTOWN, TEXAS 77520

AGENDA

CALL TO ORDER AND ANNOUNCEMENT OF QUORUM

1. CITIZEN COMMENTS

Notice is hereby given that in accordance with the Texas Open Meetings Act, Texas Government Code, Chapter 551, prohibits the Baytown Municipal Development District 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 Baytown Municipal Development District Session.

2. MINUTES

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

3. PROPOSED RESOLUTIONS

- a. Consider a resolution authorizing an Economic Development Contract with the Baytown West Chambers County Economic Development Foundation
- b. Consider a proposed resolution authorizing an agreement with Admin CFO, LLC.

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.

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 and/or deliberate regarding economic development negotiations.

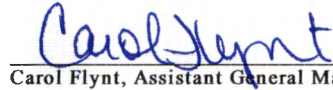
6. ADJOURN

PUBLIC NOTICE IS GIVEN THAT IN ADDITION TO ANY EXECUTIVE SESSION LISTED ABOVE, THE DISTRICT 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 DISTRICT 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 TYY SERVICES. FOR MORE INFORMATION CONCERNING RELAY TEXAS, PLEASE VISIT: [HTTP://RELAYTEXAS.COM](http://RELAYTEXAS.COM).


Approved for posting:



Carol Flynt, Assistant General Manager

Posted this 8th day of April 2024, at 4:10 P.M.

Posted by:


Angela Jackson, Assistant Secretary
(3604)





MUNICIPAL DEVELOPMENT DISTRICT

2. a.

Meeting Date: 04/11/2024

Subject: Minutes for March 28, 2024

Prepared for: Angela Jackson, City Clerk's Office

Prepared by: Gabriella Gonzales, City Clerk's Office

Information

ITEM

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

PREFACE

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

RECOMMENDATION

Attachments

MDD Draft Minutes

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

March 28, 2024

The Board of Directors of the Baytown Municipal Development District (MDD) met in a Regular Meeting on Thursday, March 28, 2024, at 4:34 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
Sarah Graham	Director
Kenrick Griffith	Director
James Franco	Director
Jacob Powell	Director
Mike Lester	Director
Jason Reynolds	General Manager
Scott Lamond	General Counsel
Angela Jackson	Assistant Secretary

President Brandon Capetillo convened the March 28, 2024, MDD Board Regular Meeting with a quorum present at 4:34 P.M., all members were present.

1. CITIZEN COMMENTS

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

2. MINUTES

President Brandon Capetillo called for Agenda Items 2.a. and 2.f. to be considered together.

- a. **Consider approving the minutes of the Baytown Municipal Development District Regular Meeting held on August 3, 2023.**
- b. **Consider approving the minutes of the Baytown Municipal Development District Regular Meeting held on September 7, 2023.**
- c. **Consider approving the minutes of the Baytown Municipal Development District Special Meeting held on September 14, 2023.**
- d. **Consider approving the minutes of the City Council and Baytown Municipal Development District Joint Special Meeting held on October 26, 2023.**
- e. **Consider approving the minutes of the Baytown Municipal Development District Regular Meeting held on November 2, 2023.**

f. Consider approving the minutes of the City Council and Baytown Municipal Development District Joint Special Meeting held on February 8, 2024.

A motion was made by Vice President Laura Alvarado, and seconded by Director Kenrick Griffith to approve the meeting minutes of the Municipal Development District Meetings, as submitted. The vote was as follows:

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

Nays: None

Other: None

Approved

3. PROPOSED RESOLUTIONS

a. Consider a resolution authorizing the Municipal Advisory Agreement with Hilltop Securities, Inc.

Finance Director Teresa McKenzie presented this agreement stating in the event the City needs Hilltop to provide any advice regarding the MDD debt issuances or rating calls.

A motion was made by Director Jacob Powell, and seconded by Director Mike Lester to approve Resolution No. 471, related to Item 3.a. The vote was as follows:

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

Nays: None

Other: None

Approved

RESOLUTION NO.471

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BAYTOWN MUNICIPAL DEVELOPMENT DISTRICT AUTHORIZING THE GENERAL MANAGER TO EXECUTE A MUNICIPAL ADVISORY AGREEMENT WITH HILLTOP SECURITIES INC.; AUTHORIZING PAYMENT TO HILLTOP SECURITIES, INC., CONSISTENT WITH SUCH EXTENSION AGREEMENT; MAKING OTHER PROVISIONS RELATED THERETO; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

4. REPORTS

a. Receive the Baytown Municipal Development District's Quarterly Financial and Investment Reports for the Quarter Ending September 30, 2023.

Finance Director Teresa McKenzie presented the Baytown Municipal Development District's Fourth Quarterly Financial and Investment Report, for the Quarter Ending September 30, 2023. Ms. McKenzie highlighted the Fund Balance, Revenue, Expenditures, Earnings and Investments on the report attached as Exhibit A.

b. Receive the Baytown Municipal Development District's Quarterly Financial and Investment Reports for the Quarter Ending December 31, 2023.

Finance Director Teresa McKenzie presented the Baytown Municipal Development District's Fourth Quarterly Financial and Investment Report, for the Quarter Ending December 31, 2023. Ms. McKenzie highlighted the Fund Balance, Revenue, Expenditures, Earnings and Investments on the report attached as Exhibit B.

5. MANAGER'S REPORT

General Manager Jason Reynolds stated he had nothing to present for this item.

6. 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 4:40 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 4:51 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.

7. PROPOSED RESOLUTIONS

a. Consider a resolution approving the operating and asset management budget amendment for the Hotel and Convention Center.

A motion was made by Vice President Laura Alvarado, and seconded by Director Mike Lester to approve Resolution No. 472, related to Item 7.a. The vote was as follows:

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

Nays: None

Other: None

Approved

RESOLUTION NO.472

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BAYTOWN MUNICIPAL DEVELOPMENT DISTRICT APPROVING THE OPERATING AND ASSET MANAGEMENT BUDGET FOR THE BAYTOWN HOTEL AND CONVENTION CENTER; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

8. ADJOURN

With there being no further business to discuss, President Brandon Capetillo adjourned the March 28, 2024, MDD Board Regular Meeting at 4:53 P.M.

Angela Jackson, Assistant Secretary
City of Baytown



MUNICIPAL DEVELOPMENT DISTRICT

3. a.

Meeting Date: 04/11/2024

Subject: Authorize Economic Development Contract

Prepared for: Jason Reynolds, City Management **Prepared by:** Brian Moran, Administration

Information

ITEM

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

PREFACE

The proposed resolution authorizes an Economic Development Contract with the Baytown West Chambers County Economic Development Foundation for an amount not to exceed \$350,000. The contract combines the Economic Development Contract and the Economic Development Special Services Contract that the MDD enters into with the EDF annually and is similar to previous contracts for these services. An option for a one-year renewal is included this year.

Projects and Services include:

Description	Amount Not to Exceed
Core Services: City-wide redevelopment assistance Marketing and recruitment activities Incubator without walls Public Policy Data Analytics and Clearinghouse Workforce development	\$250,000*
Trade Shows	\$5,000
Assistance with economic development strategy implementation	\$5,000
Phase III Research	\$75,000
Marketing Program Implementation	\$10,000
Total Amount Not to Exceed	\$350,000

*paid quarterly

RECOMMENDATION

Staff recommends approval.

Fiscal Impact

Fiscal Year: 24
Acct Code: 21501-74021-ECMD0510-74021
Source of Funds (Operating/Capital/Bonds): Operating
Funds Budgeted Y/N: Y
Amount Needed: \$350,000
Fiscal Impact (Additional Information):

Attachments

Resolution--Authorizing Economic Development Contract

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.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BAYTOWN MUNICIPAL DEVELOPMENT DISTRICT:

Section 1: That the Board of Directors of the Baytown Municipal Development District hereby finds that the expenditures authorized herein are for improvements, which satisfy the purposes for which the funds can be expended pursuant to Chapter 377 of the Texas Local Government Code and/or Section 3888.102 of the Special District Local Laws Code. All required findings pursuant thereto are hereby declared to have been made and adopted as findings of the Board of Directors.

Section 2: That the Board of Directors of the Baytown Municipal Development District hereby authorizes the General Manager to execute and the Assistant Secretary to attest to an Economic Development Contract between the Baytown Area/West Chambers County Economic Development Foundation and the Baytown Municipal Development District for economic development services. A copy of the agreement is attached hereto as Exhibit "A," and made a part hereof for all intents and purposes.

Section 3: That the Board of Directors of the Baytown Municipal Development District hereby authorizes the payment of an amount not to exceed THREE HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$350,000.00) to the Baytown Area/West Chambers County Economic Development Foundation in accordance with the agreement referenced in Section 2 hereof.

Section 4: This resolution shall take effect immediately from and after its passage by the Board of Directors of the Baytown Municipal Development District.

INTRODUCED, READ and PASSED by the affirmative vote of the Board of Directors of the Baytown Municipal Development District, this the 11TH day of April, 2024.

BRANDON CAPETILLO, President

ATTEST:

ANGELA JACKSON, Assistant Secretary

APPROVED AS TO FORM:

SCOTT LEMON, General Counsel

R:\Kristin Holmes\Ordinances\2024\Resolution - EDF Basic Services Agreement.West Chambers County.kh.doc

EXHIBIT "A"

ECONOMIC DEVELOPMENT CONTRACT

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This Economic Development Contract (the "Contract") is effective as of the 1st day of October, 2023, by and between the **BAYTOWN MUNICIPAL DEVELOPMENT DISTRICT**, a political subdivision of the State of Texas, and the City of Baytown, hereinafter called "District," and **THE BAYTOWN AREA/WEST CHAMBERS COUNTY ECONOMIC DEVELOPMENT FOUNDATION**, hereinafter called "Foundation."

WITNESSETH:

WHEREAS, the District desires to investigate and undertake ways and means of promoting prosperous development of business, industry and commerce within Baytown, and further desires to promote the location and development of new businesses and industries in Baytown as well as the maintenance and expansion of existing businesses; and

WHEREAS, the Foundation was formed for the purposes, among others, of promoting and encouraging, or causing to be promoted and encouraged, the formation of new businesses and the expansion of existing businesses, the relocation of existing businesses, and the general diversification of the economy of and in Baytown and West Chambers County; and

WHEREAS, the District desires to contract with the Foundation to provide, or cause to be provided, economic development services herein described in the Baytown area; and

WHEREAS, the Foundation is willing, in exchange for the consideration herein provided, to provide, or cause to be provided, the economic development services desired by the District which are intended to expand the tax base and the employment base of Baytown and the surrounding area; and

WHEREAS, the formation of new businesses and the expansion of existing businesses in Baytown would benefit the District by the resultant expansion of both the tax base of the District and the employment base; and

WHEREAS, the District and the Foundation agree that in order to foster and promote competition, to assure the integrity of the competitive process, and to protect proprietary or innovative business strategies and concepts, information and data developed, generated, or received by the Foundation should remain privileged and confidential except as herein provided;

NOW THEREFORE, for and in consideration of the premises and mutual covenants herein contained, it is agreed as follows:

Section 1. Representations and Warranties of Foundation.

Foundation hereby represents and warrants as follows:

- a. The Foundation is engaged in an ongoing effort to attract new businesses to the Baytown/West Chambers County area and to encourage the retention and expansion of existing businesses in the Baytown/West Chambers County area.

- b. The Foundation covenants that it shall actively work to productively coordinate its activities with City of Baytown staff and area economic development organizations in an effort to optimize services.
- c. The Foundation represents and warrants that it is a non-profit economic development organization, the principal purpose of which is the promotion of economic development in the Baytown/West Chambers County area and certain unincorporated areas of Harris County.

Section 2. Services to be Provided.

The Foundation shall provide the following economic development services; provided such services comply with the Texas Local Government Code and other applicable laws and are designed (i) to promote or develop new or expanded business enterprises that create or retain primary jobs and/or required or suitable for entertainment and/or tourist purposes or (ii) to promote new or expanded business development in the District consistent with Section 3888.102 of the Texas Special Districts Code:

- a. City-wide Redevelopment Assistance. The Foundation shall provide assistance and guidance in developing programs designed to assist and promote the efforts of local businesses and entrepreneurs to form new business ventures or to expand existing business ventures. The Foundation, through its subsidiary non-profit organization Cedar Trinity Corporation, will also provide assistance and guidance in the City's acquisition and disposition of land and related assets in targeted areas.
- b. Marketing and Recruitment Activities. The Foundation shall provide assistance and guidance in organizing and conducting coordinated marketing programs to positively influence the attitudes of local, national, and international business decision makers by drawing attention to the Baytown area's strengths and potential. The marketing program shall target groups and senior executives most likely to result in business relocations and expansions in the Baytown area. Additionally, the Foundation shall provide assistance and guidance in developing programs designed to encourage the dissemination, on a national and international level, of accurate and detailed information on business and economic development opportunities in the Baytown area. Work items include:
 - 1. Collaborating in formulating a strategy designed to effectively reach targeted companies to educate them about the potential of locating in Baytown;
 - 2. Assisting in the development and deployment of an incentive framework that attracts and assists targeted companies locating in specific areas of the city and its extraterritorial jurisdiction (ETJ);
 - 3. Collaborating in preparing and disseminating "Elevate Baytown" messaging and material that appropriately conveys the facts regarding the potential in the Baytown area;
 - 4. Traveling to meet with decision makers to discuss Baytown; and
 - 5. Assisting in implementing elements of the City of Baytown Economic Development Strategic Plan (BEDSP) and Downtown Strategic Plan.
- c. Incubator without Walls ("IWOW"). The Foundation will provide assistance to start-up, minority-owned, women-owned, and disadvantaged business enterprises through the coordination and application of existing programs from multiple sources. The IWOW will be interoperable with City of Baytown business development programming.

- d. Public Policy. The Foundation shall develop and provide advice on public policy and programs for action by the State of Texas, Harris County, the City of Baytown, Chambers County, and other agencies that would facilitate and encourage economic growth. The Foundation may develop advice on policy and budgetary priorities, tax abatement, desirable regulatory changes, and incentives likely to result in business relocations and expansions in the Baytown area.
- e. Cooperation with Other Entities. The Foundation shall agree to participate in joint projects of mutual benefit with or supply appropriate information requested by other economic development organizations.
- f. Data Analytics and Clearinghouse. The Foundation shall function as a clearinghouse for up-to-date statistical, economic, government, educational, labor/workforce information. This work item shall include funding for upgrades in technical capabilities.
- g. Work Force Development and Talent Attraction. Post-COVID-19, the combination of an aging workforce, decreasing working-age population, workplace hybridization, and an increase in local and national demand for skilled employees serves to set a high priority on this work item. The urgency of identifying, developing, and sustaining an appropriate workforce and labor shed is heightened and shared by the City of Baytown, area school districts, Lee College, Harris, and Chambers Counties, and area businesses and industries. Because of this, the Foundation is facilitating workforce preparedness partnerships, the Economic Development Human Resource Network (EDHRN) comprised of members from all stakeholders mentioned above.
- h. New Market Tax Credits, EB-5, and Qualified Opportunity Zone Program Research, Development, and Implementation. The Foundation shall conduct ongoing analyses of the benefits, processes, and requirements of these programs. This will be done with a focus on encouraging targeted redevelopment and new development in qualified Census sections of Baytown and certain areas in the ETJ.
- i. Trade Shows. The Foundation shall participate in trade shows promoting one or more of the following target industries:
 - 1. Advanced Manufacturing,
 - 2. Corporate Headquarters / Regional Offices,
 - 3. Petrochemicals/Energy, and
 - 4. Transportation and Logistics.
- j.
- k. Phase III Research. Continuing and building upon previous studies, the Foundation will engage the services of consultants and/or acquire appropriate analytics platforms to further define the assets and deficiencies of the area in terms of attracting new residential, commercial, retail, and workforce development, with special focus on analyses supportive of Project Vector and Bayland Island Phase II. The goal of this research is to provide the database, tools, and real-time capacity necessary to effectuate desired development.
- l. Economic Development Symposia. The Foundation will co-sponsor and/or participate in symposia to highlight related challenges and opportunities vis-à-vis supply chain, logistics, transportation, public safety, infrastructure, workforce planning, and economic development.

- m. **Marketing Program Implementation.** In as much as the marketing program will include elements that will be utilized in the attraction of both primary and service sector jobs, funding of this program will be allocated in such a manner as to ensure the District's funds are used only in the preparation of basic material and attraction of primary jobs. Funding for non-District eligible activities will be funded with other Foundation monies. Work tasks shall include:

- formulation of a strategy targeting companies that most clearly align with the BEDSP , local socio/economic profile, and regional assets;
- developing incentive plans and evergreen collateral materials;
- traveling to meet decision makers and site selection consultants; and
- redesign of the Foundation's website to align with the Elevate Baytown Strategy.

In this section, the term "primary job" means a job that is:

- a. available at a company for which a majority of the products or services of that company are ultimately exported to regional, statewide, national, or international markets infusing new dollars into the local economy; and
- b. included in one of the following sectors of the North American Industry Classification System (NAICS):

NAICS Sector #	Description
111	Crop Production
112	Animal Production
113	Forestry and Logging
11411	Commercial Fishing
115	Support Activities for Agriculture and Forestry
211-213	Mining
221	Utilities
311-339	Manufacturing
42	Wholesale Trade
48-49	Transportation and Warehousing
51 (excluding 512131 and 512132)	Information (excluding movie theaters and drive-in theaters)
523-525	Securities, Commodity Contracts, and other Financial Investments and Related Activities; Insurance Carriers and Related Activities; Funds, Trusts, and Other Financial Vehicles
5413, 5415, 5416, 5417, and 5419	Scientific Research and Development Services
551	Management of Companies and Enterprises
922140	Correctional Institutions

Section 3. Foundation Reports.

The Foundation shall prepare and present to the District, as soon as practicable after the end of the Foundation's fiscal year, a written and verbal report describing in detail the services performed by the Foundation pursuant to this contract during the preceding fiscal year. The report must include sufficient detail to show the funds were expended properly in compliance with this contract and Texas law and must include at a minimum:

Key Performance Indicators/Outputs

Investment Attraction: The amount of investment attracted to Baytown/Baytown ETJ

Number of New Business: The number of new businesses initiated or expanded with the assistance of the Foundation in Baytown and Baytown ETJ

Symposium Attendance: Track attendance and feedback from economic development symposia sponsored or co-sponsored by the Foundation.

Outcome Measures:

- **Collaborative Projects:** Track the number and success of joint projects within Baytown and Baytown ETJ (partnerships with COB, Chambers County, Improvement Districts etc.)
- **Increase in Tax Base:** Measure the growth in tax revenues generated from expanded business opportunities.
- **Regional Competitiveness:** Assess the region's competitiveness compared to other similar regions.
- **Job Quality:** Evaluate the quality of jobs created or retained related to actual wages, benefits, compliance with City objectives and policies, and other related metrics.
- **Business Perception:** Gauge how Baytown/Baytown ETJ is perceived by the private sector as a favorable place for investment and expansion

Section 4. Fees.

For and in consideration of the services to be performed by the Foundation and compliance with the terms of this contract and subject to the other provisions of this section, the District agrees to pay to the Foundation an amount not to exceed THREE HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$350,000.00) based upon the following:

Section 2, Subsection	Date of Service	Due Date	Amount
a – h (lump sum payments)	October 1, 2023 - December 31, 2023	December 31, 2023	\$ 62,500
	January 1, 2024 - March 31, 2024	February 31, 2024	\$ 62,500
	April 1, 2024 - June 30, 2024	April 30, 2024	\$ 62,500
	July 1, 2024 - September 30, 2024	July 31, 2024	\$ 62,500
Section 2, Subsection	Description of Service	Due Date	Amount Not to Exceed
i	Trade Shows – Attend and booth space	30 days after receipt of service or receipt of invoice, whichever is later	\$ 5,000
			0
k	Economic Development Strategic Plan		\$ 5,000
l	Phase III Research		\$75,000
m	Economic Development Symposia		\$ 5,000

n	Marketing Program Implementation		\$ 10,000
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Section 5. Allocated Funds.

Payments by the District to the Foundation are subject to funds being appropriated by the District for the purpose of purchasing the services provided in this contract.

Section 6. Term.

This contract shall be effective for the period from October 1, 2023, to September 30, 2024. It is specifically agreed that the Foundation shall not be obligated to perform any services under or pursuant to this contract and the District shall not be obligated to make any payments for services performed after the expiration of that period.

Section 7. Termination for Cause.

A party may terminate its performance under this contract only upon default by the other party. Default by a party shall occur if the party fails to perform or observe any of the terms and conditions of this contract required to be performed or observed by that party. Should such a default occur, the party against whom the default has occurred shall have the right to terminate all or part of its duties under this contract as of the 30th day following the receipt by the defaulting party of a notice describing such default and intended termination, provided: (1) such termination shall be ineffective if within said 30-day period the defaulting party cures the default, or (2) such termination may be stayed, at the sole option of the party against whom the default has occurred, pending cure of the default.

Section 8. Option to Renew.

At the expiration of the initial term of this agreement, the Baytown West Chambers Economic Development Foundation shall have the option to renew this contract for an additional term of one (1) year under the same terms and conditions outlined herein, subject to the following conditions:

The Baytown West Chambers Economic Development Foundation must provide written notice of its intent to renew this contract no later than 30 days prior to the expiration date of the initial term.

The renewal shall be at the sole discretion of the Baytown Municipal Development District and is subject to the appropriation of funds.

Any changes to the terms and conditions of this agreement must be mutually agreed upon in writing by both parties prior to the renewal date.

The renewal shall be subject to Baytown West Chambers Economic Development Foundation being in compliance with all terms and conditions of this agreement throughout the initial term.

In the event that Baytown West Chambers Economic Development Foundation chooses to exercise its option to renew, the terms and conditions of this agreement shall remain in full force and effect for the duration of the renewal term unless otherwise amended in writing by both parties.

Section 8. Independent Contractor.

The relationship of the Foundation to the District shall be that of an independent contractor. The District shall have no authority to direct the day-to-day activities of any of the Foundation's personnel decisions, and shall have no other rights to internal working papers or other information or data than the District would have to any other independent contractor providing specific services (e.g., museum services, weed cutting, legal services, auditors).

Without in any way limiting the generality of the foregoing, it is specifically acknowledged and agreed that Foundation has bargained for the confidentiality of all internal information and data that it generates, other than that required to be submitted to the District pursuant to sections 3 and 13 of this contract, in order to foster and promote competition, to assure the integrity of the competitive process, and to protect proprietary or innovative business strategies and concepts. The Foundation acknowledges and understands that the District is subject to Texas Local Government Code Chapters 551 and 552, which may require disclosure of confidential information.

Section 9. Parties in Interest.

This contract shall bind and benefit the District and the Foundation and shall not bestow any rights upon any third parties.

Section 10. Non-waiver.

Failure of either party hereto to insist on the strict performance of any of the agreements herein or to exercise any rights or remedies accruing thereunder upon default or failure of performance shall not be considered a waiver of the right to insist on and to enforce, by an appropriate remedy, strict compliance with any other obligation hereunder or to exercise any right or remedy occurring as a result of any future default or failure of performance.

Section 11. Applicable Laws.

This contract is subject to and shall be construed in accordance with the laws of the State of Texas, the laws of the federal government of the United States of America and all rules and regulations of any regulatory body or officer having jurisdiction. This contract is performable in Harris County, Texas.

Section 12. Notices.

All notices required or permitted hereunder shall be in writing and shall be deemed delivered when actually received or, if earlier, on the third day following deposit in a United States Postal Service post office or receptacle with proper postage affixed (certified mail, return receipt requested) addressed to the respective other party at the address described below or at such other address as the receiving party may have theretofore prescribed by notice to the sending party:

FOUNDATION

Baytown Area/West Chambers County Economic Development Foundation
Attn: President / CEO
1300 Rollingbrook, Suite 505
Baytown, Texas 77521
Fax: (281) 422-7682

DISTRICT
Baytown Municipal Development District
Attn: General Manager
P. O. Box 424
Baytown, Texas 77522-0424
Fax: (281) 420-6586

Section 13. Audits.

The Foundation shall provide the District, within ninety (90) days of the close of the Foundation's fiscal year, its audited annual financial statements.

Section 14. Ambiguities.

In the event of any ambiguity in any of the terms of this contract, it shall not be construed for or against any party hereto on the basis that such party did or did not author the same.

Section 15. Entire Agreement.

This Contract contains all the agreements of the parties relating to the subject matter hereof and is the full and final expression of the agreement between the parties.

Section 16. Assignment or Transfer of Rights or Obligations.

The Foundation shall not sell, assign, or transfer any of its rights or obligations under this contract in whole or in part without prior written consent of District, nor shall the Foundation assign any monies due or to become due to it hereunder without the previous consent of the District.

Section 17. Severability.

All parties agree that should any provision of this contract be determined to be invalid or unenforceable, such determination shall not affect any other term of this contract, which shall continue in full force and effect.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have made and executed this contract in multiple copies, each of which shall be an original, on this the ____ day of December, 2023.

**BAYTOWN MUNICIPAL DEVELOPMENT
DISTRICT**

JASON REYNOLDS, General Manager

**BAYTOWN AREA/WEST CHAMBERS
COUNTY ECONOMIC DEVELOPMENT
FOUNDATION**

(Signature)

B. J. Simon

(Printed Name)

President / CEO

(Title)

ATTEST:

ANGELA JACKSON, Assistant Secretary

ATTEST:

(Signature)

Lacey Schuman

(Printed Name)

Research & Development

(Title)

APPROVED AS TO FORM:

SCOTT LEMOND, General Counsel

APPROVED AS TO FUNDING AVAILABILITY:

TERESA MCKENZIE, Director of Finance

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY CERTIFICATION OF FILING

Certificate Number:
2024-1136640

Date Filed:
03/20/2024

Date Acknowledged:

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

Baytown Area West Chambers County Economic Development Foundation
Baytown, TX United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

City of Baytown

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

MDD 03282024
Economic Development Services

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary
	Simon, B.J.	Baytown, TX United States	X	

5 Check only if there is NO Interested Party. ☐

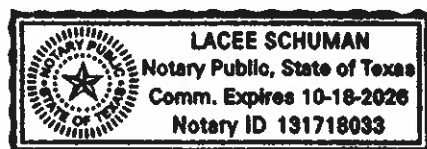
6 UNSWORN DECLARATION

My name is B.J. Simon, and my date of birth is 2/26/58.

My address is 1300 Bollingbrook, ste. 505 Baytown, TX 77521 USA.
(street) (city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in Harris County, State of Texas, on the 20th day of March, 2024.
(month) (year)



[Signature]
Signature of authorized agent of contracting business entity
(Declarant)





Baytown Municipal Development District

TEXAS GOVERNMENT CODE VERIFICATIONS

(for Companies with 10 or more full-time employees entering into a contract with a value of \$100,00 or more)

Pursuant to the Texas Government Code, I, B.J. Simon, the undersigned representative of Baytown Area West Chambers County Economic Development Foundation

(Company Name), do hereby verify the following for and on behalf of the above-referenced company (the "Company"):

- the Company does not boycott Israel and will not boycott Israel during the term of the contract to be entered into with the Baytown Municipal Development District;
- the Company does not boycott energy companies and will not boycott energy companies during the term of the contract to be entered into with the Baytown Municipal Development District; and
- the Company does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of the contract against a firearm entity or firearm trade association.

In making this verification, I understand that the following definitions apply:

- "Boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.
- "Boycott energy company" means, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company:
 - engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or
 - does business with a company described by Paragraph (a).
- "Discriminate against a firearm entity or firearm trade association" means, with respect to the entity or association, to:
 - refuse to engage in the trade of any goods or services with the entity or association based solely on its status as a firearm entity or firearm trade association;
 - refrain from continuing an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association; or
 - terminate an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association;
 but does not include:
 - the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories; and
 - a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship:
 - to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency; or
 - for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association.

EXECUTED this the 20th day of March, 2024.

Baytown Area West Chambers County Economic Development Foundation

Company Name

Signature

B.J. Simon / President & CEO

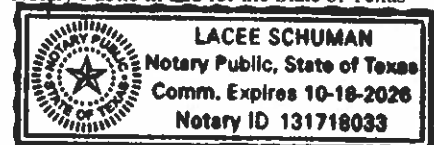
Printed Name/Title

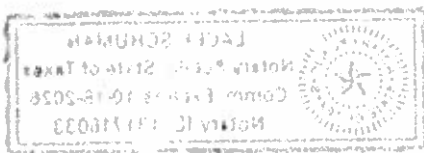
STATE OF TEXAS §
COUNTY OF HARRIS §

Before me, Lacey Schuman, the undersigned notary public, on this day personally appeared B.J. Simon, the President & CEO (Title) of Baytown Area West Chambers County Economic Development Foundation (Company Name), known to me to be the person whose name is subscribed to the foregoing instrument, who after by me being duly sworn, did swear and affirm that the above is true and correct.

Given under my hand and seal of office this 20th day of March, 2024.

Lacey Schuman
Notary Public in and for the State of Texas







MUNICIPAL DEVELOPMENT DISTRICT

3. b.

Meeting Date: 04/11/2024

Subject: Consider a proposed resolution authorizing an agreement with Admin CFO, LLC

Prepared for: Teresa McKenzie, Finance **Prepared by:** Elizabeth Donato, Finance

Information

ITEM

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

PREFACE

This proposed resolution authorizes Admin CFO, LLC to perform administrative and financial oversight services for the Hyatt Regency Baytown-Houston.

RECOMMENDATION

Attachments

Resolution--Consulting Services Agreement Admin CFO

Exhibit A -- 2024 Admin CFO PSA

Admin CFO

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.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BAYTOWN MUNICIPAL DEVELOPMENT DISTRICT:

Section 1: That the Board of Directors of the Baytown Municipal Development District hereby finds that the expenditures authorized herein are for improvements, which satisfy the purposes for which the funds can be expended pursuant to Chapter 377 of the Texas Local Government Code and/or Section 3888.102 of the Special District Local Laws Code. All required findings pursuant thereto are hereby declared to have been made and adopted as findings of the Board of Directors.

Section 2: That the Board of Directors of the Baytown Municipal Development District hereby authorizes 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. A copy of said agreement is attached hereto as Exhibit "A," and incorporated herein for all intents and purposes.

Section 3: That the Board of Directors of the Baytown Municipal Development District hereby authorizes the payment of an amount not to exceed NINETY THOUSAND AND NO/100 DOLLARS (\$90,000.00) to Admin CFO, LLC, in accordance with the agreement referenced in Section 2 hereof.

Section 4: This resolution shall take effect immediately from and after its passage by the Board of Directors of the Baytown Municipal Development District.

INTRODUCED, READ and PASSED by the affirmative vote of the Board of Directors of the Baytown Municipal Development District this the 11th day of April, 2024.

BRANDON CAPETILLO, President

ATTEST:

ANGELA JACKSON, Assistant Secretary

APPROVED AS TO FORM:

SCOTT LEMON, General Counsel

AGREEMENT FOR CONSULTING SERVICES

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This Agreement (this "Agreement") is entered into by and between Admin CFO, LLC (hereinafter "Consultant") and the City of Baytown, a home-rule municipality located in Harris and Chambers Counties, Texas (the "City").

1. Scope of Services/Consultant Fees

- a. This Agreement authorizes Consultant to perform administrative and financial oversight services for the Baytown Municipal Development District related to the Hyatt Regency Baytown-Houston Project (the "Work") for and on behalf of the City as specified in the Scope of Work attached as Exhibit "A."
- b. This Agreement shall commence on the date of execution by the City Manager and (if not terminated in accordance with paragraph 10) shall terminate:
 - ☐ upon completion of the Work in accordance with this Agreement, including Exhibits;
 - ☒ Twelve months (12) months/days following execution by the City Manager;
 - ☐ the earlier of (a) completion of the Work in accordance with this Agreement, including Exhibits; (b) number of months/days (spelled out) (number of months/days [numerical]) months/days following execution by the City Manager.
- c. The scope of the Work is detailed in Exhibit "A," which is incorporated into this Agreement by reference for all purposes.

2. Compensation and Professional Fees

- a. The City shall pay Consultant in installments based upon monthly progress reports and detailed invoices submitted by the Consultant based upon the following:

1. Financial & Administrative Oversight.....	\$90,000.00
2. N/A.....	\$N/A.N/A
3. N/A.....	\$N/A.N/A
4. N/A.....	\$N/A.N/A
5. N/A.....	\$N/A.N/A
6. Total	\$90,000.00
- b. Consultant shall not exceed the fixed contractual amount without written authorization in the form of a contract amendment.

- c. Reimbursable Expenses are itemized by work category. Reimbursable Expenses shall be invoiced AT COST, without subsequent markup by Consultant. All invoices containing a request for Reimbursable Expenses shall include copies of the original expense receipts itemized per allowable category.
 - (1) Allowable reimbursable Expenses include:
 - (a) Hard copy reproductions, copies, and/or binding costs;
 - (b) Postage;
 - (c) Mileage, for travel from Consultant's local office (within a 25-mile radius) to meetings at the City or jobsite. Mileage shall be charged at the current IRS rates;
 - (d) Travel Expenses, mileage from local office to state or federal regulatory agency office beyond 100 miles; and
 - (e) Lodging expenses for destinations beyond 100 miles from Consultant's local office AND when business hours exceed eight hours within one business day OR when Consultant's services require more than one eight-hour day at the destination; provided such expenses have been approved in writing by the City.
 - (2) Disallowed Expenses include travel expenses for professional expertise traveling into the Greater Houston Area from Consultant's office outside the Greater Houston Area.
- d. Consultant shall invoice based upon total services actually completed during the applicable month. Invoices and all required or requested backup information shall be tendered no more often than once a month. Consultant shall not invoice the City for services or expenses that were incurred more than sixty (60) days before the date of the invoice. Failure to timely invoice the City for services or expenses shall result in Consultant's invoice being denied.
- e. In the event of a disputed or contested invoice, the City may withhold from payment that portion so disputed or contested, and the undisputed portion will be paid.

3. Personnel of Consultant

- a. Consultant's Project Manager
Consultant shall designate Jimmy Flannigan, to serve as Project Manager for the Work performed under this Agreement. Any change of Project Manager shall require thirty (30) days advance written approval from the City's Representative.
- b. Data on Consultant's Employees
Prior to commencement of the Work, Consultant shall forward to the City a detailed resume of the personnel that will be assigned to the Work.

- c. Rejection of Consultant's Employees
The City reserves the right to approve or reject from the Work any employees of Consultant.

4. Designation and Duties of the City's Representative

- a. The Director of Finance or his/her designee shall act as the City's Representative.
- b. The City's Representative shall use his or her best efforts to provide nonconfidential City records for Consultant's use. However, the City does not guarantee the accuracy or correctness of the documents so provided. Notwithstanding the foregoing, Consultant shall be entitled to use and rely upon information provided by the City in performing the services required under this Agreement only to the extent and level specified by the City in writing for each document provided. Nothing contained herein shall be construed to require the City to provide such records in any certain format. The format in which the existing data and documentation will be provided shall be at the sole discretion of the City.

5. Standards of Performance

- a. Consultant shall perform all services under this Agreement with the care and skill ordinarily used by members of Consultant's profession practicing under the same or similar circumstances, time and locality. Opinion of probable cost shall be based upon the Consultant's experience and represent its best judgment as an experienced and qualified professional. Each submittal of opinion of probable cost shall be commensurate with the project design.

Consultant shall be responsible for the technical accuracy of its services and documents resulting therefrom, and the City shall not be responsible for discovering deficiencies therein. Consultant shall correct such deficiencies without additional compensation.

- b. Codes and Standards
 - i. All references to codes, standards, environmental regulations and/or material specifications shall be to the latest revision, including all effective supplements or addenda thereto, as of the date that the requestor for Work is made by the City.
 - ii. The Work shall be designed and furnished in accordance with the most current codes and/or standards adopted by city, state, or federal government or in general custom and usage by the profession and shall comply with Texas Department of Licensing and Regulation's rules and regulations.
 - iii. The codes and standards used in the profession set forth minimum requirements. These may be exceeded by the Consultant if superior methods

are available for successful operation of equipment and/or for the construction project on which the Work is performed. Any alternative codes or regulations used shall have requirements that are equivalent or better than those in the above-listed codes and regulations. Consultant shall state the alternative codes and regulations used.

- iv. Consultant agrees the services it provides as an experienced and qualified financial/administrative services will reflect the professional standards, procedures and performances common in the industry for this project. Consultant further agrees that any analysis, reports, preparation of drawings, the designation or selection of materials and equipment, the selection and supervision of personnel and the performance of other services under this Agreement will be pursuant to the standard of performance common in the profession.
- v. Consultant shall promptly correct any defective analysis caused by Consultant at no cost to City. The City's approval, acceptance, use of or payment for all or any part of Consultant's services hereunder or of the Work itself shall in no way alter Consultant's obligations or the City's rights under this Agreement. As applicable, Consultant shall provide the City with record "as-built" drawings relating to the Work in an electronic format that is acceptable to the City. City shall be in receipt of record drawings, if applicable, prior to final payment.

6. Schedule

Consultant shall not proceed with the Work or any stage thereof until written notice to proceed is provided by the City's Representative.

7. Insurance

Consultant shall procure and maintain at its sole cost and expense for the duration of the Agreement, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Work hereunder by Consultant, its agents, representatives, volunteers, employees or subconsultants.

- a. Consultant's insurance coverage shall be primary insurance with respect to the City, its officials, employees and agents. Any insurance or self-insurance maintained by the City, its officials, employees or agents shall be considered in excess of Consultant's insurance and shall not contribute to it. Further, Consultant shall include all subconsultants, agents and assigns as additional insureds under its policy or shall furnish separate certificates and endorsements for each such person or entity. All coverages for subconsultants and assigns shall be subject to all of the requirements stated herein.

The following is a list of standard insurance policies along with their respective minimum coverage amounts required in this Agreement:

- i. Commercial General Liability
 - General Aggregate: \$2,000,000
 - Products & Completed Operations Aggregate: \$2,000,000
 - Personal & Advertising Injury: \$1,000,000
 - Per Occurrence: \$1,000,000
 - Fire Damage \$500,000
 - Waiver of Subrogation required
 - Coverage shall be broad form
 - No coverage shall be deleted from standard policy without notification of individual exclusions being attached for review and acceptance.
- ii. Business Automobile Policy
 - Combined Single Limits: \$1,000,000
 - Coverage for "Any Auto"
 - Waiver of Subrogation required
- iii. Errors and Omissions
 - Limit: \$1,000,000 for this project
 - Claims-made form is acceptable
 - Coverage will be in force for one (1) year after completion of the Project
 - Waiver of Subrogation required
- iv. Workers' Compensation
 - Statutory Limits
 - Employer's Liability \$500,000
 - Waiver of Subrogation required
- b. The following shall be applicable to all policies of insurance required herein:
 - i. Insurance carrier for all liability policies must have an A.M. Best Rating of A:VIII or better.
 - ii. Only insurance carriers licensed and admitted to do business in the State of Texas will be accepted.
 - iii. Liability policies must be on occurrence form. Errors and Omissions can be on claims-made form.
 - iv. Each insurance policy shall be endorsed to state that coverage shall not be suspended, voided, canceled or reduced in coverage or in limits except after thirty (30) days prior written notice by mail, return receipt requested, has been given to the City.

- v. The City, its officers, agents and employees are to be added as Additional Insureds to all liability policies, with the exception of the Workers' Compensation and Errors and Omissions Policies required herein.
- vi. Upon request and without cost to the City, certified copies of all insurance policies and/or certificates of insurance shall be furnished to the City.
- vii. Upon request and without cost to the City, loss runs (claims listing) of any and/or all insurance coverages shall be furnished to the City.
- viii. All insurance required herein shall be secured and maintained in a company or companies satisfactory to the City, and shall be carried in the name of Consultant. Consultant shall provide copies of insurance policies and endorsements required hereunder to the City on or before the effective date of this Agreement.

8. Indemnification and Release

CONSULTANT AGREES TO AND SHALL INDEMNIFY AND HOLD HARMLESS AND DEFEND THE CITY, ITS OFFICERS, AGENTS, AND EMPLOYEES (HEREINAFTER REFERRED TO AS THE "CITY") FROM AND AGAINST ANY AND ALL CLAIMS, LOSSES, DAMAGES, CAUSES OF ACTION, SUITS AND LIABILITY OF EVERY KIND, INCLUDING ALL EXPENSES OF LITIGATION, COURT COSTS, AND ATTORNEY'S FEES, FOR INJURY TO OR DEATH OF ANY PERSON, FOR DAMAGE TO ANY PROPERTY OR FOR ANY BREACH OF CONTRACT TO THE EXTENT ARISING OUT OF OR IN CONNECTION WITH AN ACT OF NEGLIGENCE, INTENTIONAL TORT, INTELLECTUAL PROPERTY INFRINGEMENT, OR FAILURE TO PAY A SUBCONTRACTOR OR SUPPLIER COMMITTED BY THE CONSULTANT OR THE CONSULTANT'S AGENT, CONSULTANT UNDER CONTRACT, OR ANOTHER ENTITY OVER WHICH THE CONSULTANT EXERCISES CONTROL (COLLECTIVELY, CONSULTANT'S PARTIES). IT IS THE EXPRESS INTENTION OF THE PARTIES HERETO, BOTH CONSULTANT AND THE CITY, THAT THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH IS INDEMNITY BY CONSULTANT TO INDEMNIFY AND PROTECT THE CITY FROM THE CONSEQUENCES OF CONSULTANT'S PARTIES' OWN WILLFUL MISCONDUCT, JOINT OR SOLE NEGLIGENCE, AS WELL AS THE CONSULTANT'S PARTIES' INTENTIONAL TORTS, INTELLECTUAL PROPERTY

INFRINGEMENTS, AND FAILURES TO MAKE PAYMENTS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT. SUCH INDEMNITY SHALL NOT APPLY, HOWEVER, TO LIABILITY ARISING FROM THE PERSONAL INJURY, DEATH, OR PROPERTY DAMAGE OF PERSONS THAT IS CAUSED BY OR RESULTS FROM THE NEGLIGENCE OF ANY PERSON OTHER THAN THE CONSULTANT'S PARTIES. IN THE EVENT THAT ANY ACTION OR PROCEEDING IS BROUGHT AGAINST THE CITY FROM WHICH THE CITY IS INDEMNIFIED, CONSULTANT FURTHER AGREES AND COVENANTS TO DEFEND THE ACTION OR PROCEEDING BY LEGAL COUNSEL ACCEPTABLE TO THE CITY. THE INDEMNITY PROVIDED HEREINABOVE SHALL SURVIVE THE TERMINATION AND/OR EXPIRATION OF THIS AGREEMENT.

By this Agreement, the City does not consent to litigation or suit, and the City hereby expressly revokes any consent to litigation that it may have granted by the terms of this Agreement or any other contract or agreement, any charter, or applicable state law. Nothing herein shall be construed so as to limit or waive the City's sovereign immunity. Consultant assumes full responsibility for its services performed hereunder and hereby releases, relinquishes and discharges the City, its officers, agents, and employees from all claims, demands, and causes of action of every kind and character, including the cost of defense thereof, for any injury to or death of any person (whether they be either of the parties hereto, their employees, or other third parties) and any loss of or damage to property (whether the property be that of either of the parties hereto, their employees, or other third parties) that is caused by or alleged to be caused by, arising out of, or in connection with Consultant's services to be performed hereunder. This release shall apply with respect to Consultant's services regardless of whether said claims, demands, and causes of action are covered in whole or in part by insurance.

9. Subcontractors and Subconsultants

Consultant shall receive written approval of the City's Representative prior to the use of any subcontractors or subconsultants. A copy of all proposed contracts with subconsultants and/or subcontractors shall be given to the City before execution of such contracts.

10. Termination of Consultant

The City, besides all other rights or remedies it may have, shall have the right to terminate this Agreement without cause upon written notice from the City Manager to Consultant of the City's election to do so. Furthermore, the City may immediately and without notice terminate this Agreement if Consultant breaches this Agreement. A breach of this Agreement shall include, but not be limited to, the following:

- (a) failing to pay insurance premiums, liens, claims or other charges;
- (b) failing to pay any payments due the city, state, or federal government from Consultant or its principals, including, but not limited to, any taxes, fees, assessments, liens, or any payments identified in this Agreement;
- (c) the institution of voluntary or involuntary bankruptcy proceeding against Consultant;
- (d) the dissolution of Consultant;
- (e) refusing or failing to prosecute the Work or any separable part with the diligence that will ensure its completion within the time specified in this Agreement;
- (f) failing to complete Work within the time period specified in this Agreement; and/or
- (g) the violation of any provision of this Agreement.

Upon delivery of any notice of termination required herein, Consultant shall discontinue all services in connection with the performance of the Agreement. Within ten (10) days after receipt of the notice of termination, Consultant shall submit a final statement showing in detail the services satisfactorily performed and accepted and all other appropriate documentation required herein for payment of services. At the same time that the final statement is tendered to the City, Consultant shall also tender to the City's Representative all of Consultant's instruments of service, including all drawings, special provisions, field survey notes, reports, estimates, and any and all other documents or work product generated by Consultant under this Agreement, whether complete or not, in an acceptable form and format together with all unused materials supplied by the City. No final payment will be made until all such instruments of service and materials supplied are so tendered.

If this Agreement is terminated for cause, Consultant shall be liable for any damage to the City resulting therefrom. This liability includes any increased costs incurred by the City in completing Consultant's services. The rights and remedies of the City in this section are in addition to any other rights and remedies provided by law or under this Agreement.

11. Records

Within ten (10) days of the City's request and at no cost to the City, the City will be entitled to review and receive a copy of all documents that indicate work on the Project that is subject to this Agreement. Except for proprietary data, which we are enjoined from sharing.

12. Supervision of Consultant

Consultant is an independent contractor, and the City neither reserves nor possesses any right to control the details of the Work performed by Consultant under the terms of this Agreement.

13. Billing

The City shall have thirty (30) days to pay Consultant's invoices from the date of receipt of such invoices and necessary backup information. All invoices must identify with specificity the work or services performed and the date(s) of such work or services. In the event of a disputed or contested invoice, the parties understand and agree that the City may withhold the portion so contested, but the undisputed portion will be paid. Consultant shall invoice the City for work performed no more than once a month and may not invoice the City for work not performed. Invoices shall be received by the City no later than sixty (60) calendar days from the date Consultant

and/or its subconsultants perform the services or incur the expense. Failure by Consultant to comply with this requirement shall result in Consultant's invoice being denied and the City being relieved from any liability for payment of the late invoice.

14. Indebtedness

If Consultant, at any time during the term of this Agreement, incurs a debt, as the word is defined in section 2-662 of the Code of Ordinances of the City of Baytown, it shall immediately notify the City's Director of Finance in writing. If the City's Director of Finance becomes aware that Consultant has incurred a debt, the City's Director of Finance shall immediately notify Consultant in writing. If Consultant does not pay the debt within thirty (30) days of either such notification, the City's Director of Finance may deduct funds in an amount equal to the debt from any payments owed to Consultant under this Agreement, and Consultant waives any recourse therefor.

15. Verifications

If Consultant has ten (10) or more full-time employees and Consultant's total compensation under this Agreement has a value of One Hundred Thousand Dollars (\$100,000.00) or more, Consultant makes the following verifications in accordance with Chapters 2271 and 2274 of the Texas Government Code:

- a. the Consultant does not boycott Israel and will not boycott Israel during the term of the contract to be entered into with the City of Baytown;
- b. the Consultant does not boycott energy companies and will not boycott energy companies during the term of the contract to be entered into with the City of Baytown; and
- c. the Consultant does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of the contract against a firearm entity or firearm trade association.

16. Governing Law

This Agreement has been made under and shall be governed by the laws of the State of Texas. The parties further agree that performance and all matters and claims related to this Agreement and for any claim for injunctive relief arising hereunder shall be in the jurisdiction of or venue in Harris County, Texas.

17. Notices

Unless otherwise provided in this Agreement, any notice provided for or permitted to be given must be in writing and delivered in person or by depositing same in the United States mail, postpaid and registered or certified, and addressed to the party to be notified, with return receipt requested, or by delivering the same to an officer of such party. Notice deposited in the mail as described above shall be conclusively deemed to be effective, unless otherwise stated in this Agreement, from and after the expiration of three (3) days after it is so deposited.

For the purpose of notice, the addresses of the parties shall be as follows unless properly changed as provided for herein below:

For the City:

CITY OF BAYTOWN
Attn: City Manager
P. O. Box 424
Baytown, Texas 77522-0424

For Consultant:

Admin CFO, LLC
Attn: Jimmy Flannigan
Address: 6001 W. Parmer Ln Ste 370
Austin, TX 78727-3908

Each party shall have the right from time to time at any time to change its respective address and each shall have the right to specify a new address, provided that at least fifteen (15) days written notice is given of such new address to the other party.

18. No Third-Party Beneficiary

This Agreement shall not bestow any rights upon any third party, but rather, shall bind and benefit Consultant and the City only. No person or entity not a signatory to this Agreement shall be entitled to rely on Consultant's performance of its services hereunder, and no right to assert a claim against Consultant by assignment of indemnity rights or otherwise shall accrue to a third party as a result of this Agreement or the performance of Consultant's services hereunder.

19. No Right to Arbitration

Notwithstanding anything to the contrary contained in this Agreement, the City and Consultant hereby agree that no claim or dispute between the City and Consultant arising out of or relating to this Agreement shall be decided by any arbitration proceeding, including, without limitation, any proceeding under the Federal Arbitration Act (9 U.S.C. Sections 1-14), or any applicable State arbitration statute, including, but not limited to, the Texas General Arbitration Act, provided that in the event that the City is subjected to an arbitration proceeding notwithstanding this provision, Consultant consents to be joined in the arbitration proceeding if Consultant's presence is required or requested by the City of complete relief to be recorded in the arbitration proceeding.

20. Waiver

No waiver by either party to this Agreement of any term or condition of this Agreement shall be deemed or construed to be a waiver of any other term or condition or subsequent waiver of the same term or condition.

21. Complete Agreement

This Agreement represents the entire and integrated agreement between the City and Consultant in regard to the subject matter hereof and supersedes all prior negotiations, representations or agreements, whether written or oral, on the subject matter hereof. This Agreement may only be

amended by written instrument approved and executed by both of the parties. The City and Consultant accept and agree to these terms.

22. No Assignment

Consultant may not sell or assign all or part interest in this Agreement to another party or parties without the prior express written approval of the City Manager of such sale or assignment. The City may require any records or financial statements necessary in its opinion to ensure such sale or assignment will be in the best interest of the City.

23. Headings

The headings used in this Agreement are for general reference only and do not have special significance.

24. Severability

All parties 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.

25. Ambiguities

In the event of any ambiguity in any of the terms of this Agreement, it shall not be construed for or against any party hereto on the basis that such party did or did not author the same.

26. Authority

The officers executing this Agreement on behalf of the parties hereby represent that such officers have full authority to execute this Agreement and to bind the party he/she represents.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in multiple copies, each of which shall be deemed to be an original, but all of which shall constitute but one and the same Agreement on the __ day of _____, 20__, the date of execution by the City Manager of the City of Baytown.

CITY OF BAYTOWN

JASON E. REYNOLDS, City Manager

ATTEST:

ANGELA JACKSON, City Clerk

APPROVED AS TO FORM:

SCOTT LEMON, City Attorney

CONSULTANT:

Jimmy Flannigan

(Signature)

(Printed Name)

(Title)

STATE OF TEXAS §
 §
COUNTY OF HARRIS§

Before me on this day personally appeared _____, in
his/her capacity as _____, on behalf of such _____
_____.

- ☐ known to me;
☐ proved to me on the oath of _____; or
☐ proved to me through his/her current _____
{description of identification card or other document issued by the federal
government or any state government that contains the photograph and signature of
the acknowledging person}

(check one)

to be the person whose name is subscribed to the foregoing instrument and acknowledged to me
that he/she executed the same for the purposes and consideration therein expressed.

SUBSCRIBED AND SWORN before me this _____ day of _____, 20____.

Notary Public in and for the State of Texas

ADMINISTRATIVE ROADMAP

For

BAYTOWN CONVENTION CENTER HOTEL

&

BAYTOWN HOTEL & CONVENTION CENTER MASTER CONDOMINIUM

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Overview

This roadmap outlines the administrative, compliance, finance, and oversight processes required by the suite of documents governing the Baytown Convention Center Hotel. Those documents include the Indenture, the Hotel Services Agreement (“HSA”), the Continuing Disclosure Agreement, the Ground Lease, the City Facilities Lease, the Condominium Declaration, and the Asset Management Agreement.

Processes and schedules defined in this document apply for as long as there are no events of default of any document. There are additional processes not outlined in this document for transferring surplus funds at such time as funds are available. Terms used in this document have the meanings defined in the Glossary of the governing documents.

Accounts

The project operates through a combination of depository accounts, District-held accounts, and Trustee-held accounts.

Depository Accounts¹

There are two accounts at Cadence Bank which are the property of the District but are managed by Hyatt.

- Collections Account: All funds received by Hyatt are deposited into this account. Every week, the balance of this account is automatically swept into the Revenue Fund held by the Trustee.
- Operating Account: All hotel operating expenses are paid out of this account and the monthly funding process deposits into this account.

District Accounts

The District holds sales-tax revenues required to cover Third-Lien Debt Service.

- District-held Sales Tax Revenue Fund²: The District holds in its own account the amount necessary from Pledged Sales Taxes to cover the next required Third-Lien debt service payments.

Trustee-Held Funds³

All other funds related to the Hotel are held by the Trustee for the purposes defined in the Indenture.

- **5634 – BAYTOWN SERIES 21 REVENUE FUND (Revenue Fund): All funds received by the hotel are swept weekly into this fund from the

¹ HSA §6.1

² “Sales Tax Revenue Account of the Development Project Fund” as defined in the Indenture §5.17

³ Indenture §5.02

Collections Account. The monthly funding process is based on amounts held in this fund.

- Rebate Fund: Amounts held in this fund are determined by the arbitrage analysis process. Trustee has not created this Fund.
- **5621 – BAYTOWN TAX & INSURANCE PAYMENT FUND (Tax & Insurance Fund): Amounts required to pay annual insurance premiums and projected tax payments (determined by the District)
- **5622 – BAYTOWN ADMINISTRATIVE EXPENSE FUND (Admin Expense Fund): Amounts required to pay any budgeted administrative expenses (determined annually via a budget set by the District)
- **5623 – BAYTOWN SENIOR FF&E FUND (Senior FF&E Fund): Amounts in this fund pay for capital expenses⁴ included in the annual capital budget. Monthly deposit requirements are based on percent of revenue.
- **5618 – BAYTOWN SENIOR ASSET MANAG FEE FUND (Senior Asset Management Fee Fund): Amounts in this fund cover the senior management fee for Garfield. Monthly deposit requirements are based on percent of revenue.
- **5603 – BAYTOWN SER 21 1ST LIEN DS FUND (First-Lien Principal Account): Amounts in this fund cover annual debt principal payments for First-Lien bonds.
- **5604 – BAYTOWN SER 21 1ST LIEN CAP I (First-Lien Capitalized Interest Account): Amounts in this fund cover semi-annual debt interest payments for First-Lien bonds.
- **5606 – BAYTOWN SER 21 1ST LIEN BOND RESERVE (First-Lien Debt Reserve Fund): Amounts in this fund are available to cover shortfalls in debt service for First-Lien bonds.
- **5608 – BAYTOWN SER 21 2ND LIEN DS FUND (Second-Lien Principal Account): Amounts in this fund cover annual debt principal payments for Second-Lien bonds.
- **5609 – BAYTOWN SER 21 2ND LIEN CAP I (Second-Lien Capitalized Interest Account): Amounts in this fund cover semi-annual interest payments for Second-Lien bonds.
- **5611 – BAYTOWN SER 21 2ND LIEN BOND RESERVE (Second-Lien Debt Reserve Fund): Amounts in this fund are available to cover shortfalls in debt service for Second-Lien bonds.
- **5616 – BAYTOWN SER 21 WORKING CAP RES FUND (Working Capital Reserve Fund): Amounts in this fund are available to cover

⁴ HSA §6.2(b)(i)

shortfalls in monthly required operating capital or certain capital expenses. This fund has a maximum balance of \$600,000.

- ****5619 – BAYTOWN SUBORDINATE MANAG FEE FUND**
(Subordinate Management Fee Fund): Amounts in this fund cover the subordinate management fee for Hyatt. Monthly deposit requirements are based on percent of revenue.
- ****5620 – BAYTOWN SUB ASSET MANAG FEE FUND** (Subordinate Asset Management Fee Fund): Amounts in this fund cover the subordinate management fee for Garfield. Monthly deposit requirements are based on percent of revenue.
- ****5624 – BAYTOWN SUBORDINATE FF&E RESERVE FD**
(Subordinate FF&E Reserve Fund): Amounts in this fund pay for capital expenses⁵ included in the annual capital budget. Monthly deposit requirements are based on percent of revenue.
- ****5607 – BAYTOWN SERIES 21 SUPP 1-LIEN RES FD** (Supplemental First-Lien Bond Reserve Fund)
- ****5612 – BAYTOWN SERIES 21 SUPP 2 LIEN RES FD** (Supplemental Second-Lien Bond Reserve Fund)
- ****5602 – BAYTOWN SERIES 21 SURPLUS REV FUND** (Surplus Revenue Fund): All amounts remaining in the Revenue Fund each month are deposited into this fund after meeting all other flow of funds requirements.
- ****5617 – BAYTOWN SALES TAX REPAYMENT FUND** (Sales Tax Repayment Fund): Amounts in this fund reimburse the District for payments made on the Third-Lien bonds
- ****5601 – BAYTOWN SERIES 21 SALES TAX REV FUND**
(Trustee-held Sales Tax Revenue Fund): This fund is used annually to receive Pledged Sales Taxes to cover Third-Lien debt service.
- ****5613 – BAYTOWN SER 21 3RD LIEN DS FUND** (Third-Lien Principal Account): Amounts in this fund cover annual debt principal payments for Third-Lien bonds.
- ****5614 – BAYTOWN THIRD-LIEN BOND CAP INT ACCT** (Third-Lien Capitalized Interest Account): Amounts in this fund cover annual debt interest payments for Third-Lien bonds.

⁵ HSA §6.2(b)(i)

Monthly Funding Process

By the 15th of every month, Hyatt will provide the prior month's financial results⁶. These reports include the Gross Operating Revenue earned, which determines amounts required to process the flow of funds on the next Monthly Distribution Date.

On or before the 5th of every month (the Monthly Distribution Date), the District will process the monthly flow of funds via instruction to the Trustee (see Exhibit A)⁷. Process each step of this until there are no longer funds remaining in the Revenue Fund.

1. First to the Rebate Fund, if required by arbitrage analysis
2. Second to the Operating Account:
 - a. Hyatt will provide the Required Capital number for that month⁸ and the closing balance of the Operating Account.
 - b. The District will calculate the required transfer based on the Minimum Operating Account Balance (125% of Required Capital) and the closing balance of the Operating Account (Balance).

*(Required Capital * 1.25) - Closing Balance = Operating Transfer amount*

- c. If the Operating Transfer amount is greater than the Revenue Fund and the Working Capital Reserve Fund combined, then the District must transfer into the Working Capital Reserve fund at least the amount necessary to cover the Operating Transfer amount with the required written instructions to the Trustee. (see Exhibit E).
 - d. The District then instructs Hyatt to submit the necessary Indenture Exhibits to fund the Transfer amount. *Indenture Exhibit E* first for transfers from the Revenue Fund and second *Indenture Exhibit F* for transfers from the Working Capital Reserve Fund.
3. Third to the Tax & Insurance Fund an amount equal to 1/12 of the annual insurance premium and projected tax payments. This amount is at the discretion of the District and may or may not include amounts in arrears.
4. Fourth to the Administrative Expense Fund an amount equal to 1/12 of the annual approved admin budget. This amount is at the discretion of the District and may or may not include amounts in arrears.
5. Fifth to the Senior FF&E Fund an amount equal to the Senior FF&E Deposit Amount⁹. Through May 2024, this equals 2% of Gross Operating Revenue. From

⁶ HSA §6.4(a)

⁷ Indenture §5.06

⁸ HSA §6.2(a)

⁹ HSA §6.2(b)(i)

June 2024 to May 2025, 3% of Gross Operating Revenue. Starting in June 2025, 4% of Gross Operating Revenue. Any one month's deposit to this fund must also cover any amounts in arrears from prior months.

6. Sixth to the Senior Asset Management Fee Fund 0.75% of Gross Operating Revenue. Any one month's deposit to this fund must also cover any amounts in arrears from prior months.
7. Seventh to the First-Lien Debt Service Fund accounts
 - a. To the First-Tier Capitalized Interest Account, an amount equal to 1/6 of the next interest payment due as well as any amounts in arrears from prior months
 - b. To the First-Tier Principal Account, an amount equal to 1/12 of the next principal payment due as well as any amounts in arrears from prior months
8. Eighth to the First-Lien Debt Service Reserve Fund an amount required to bring the fund up to the debt service reserve requirement of \$1,923,000.
9. Ninth to the Second-Lien Debt Service account Fund accounts
 - a. To the Second-Tier Capitalized Interest Account, an amount equal to 1/6 of the next interest payment due as well as any amounts in arrears from prior months
 - b. To the Second-Tier Principal Account, an amount equal to 1/12 of the next principal payment due as well as any amounts in arrears from prior months
10. Tenth to the Second-Lien Bond Reserve Fund an amount required to bring the fund up to the debt service reserve requirement of \$1,671,000.
11. Eleventh to the Working Capital Reserve Fund an amount required to bring the fund up to the debt service reserve requirement of \$600,000.
12. ...

In addition on the Monthly Distribution Date, the District will transfer the prior month's Asset Management Fee to Garfield¹⁰ (See Exhibit F). The transfer should include any amounts in arrears not previously paid. Total asset management fees paid for the year will be reconciled during an annual audit of asset management fees¹¹.

Public Disclosures

On or before 45 days after the end of each quarter¹², the District must send to the Hilltop (the Dissemination Agent) the Quarterly Disclosure Report. The Report must include the items detailed in the Continuing Disclosure Agreement §2.2(b).

¹⁰ Indenture §5.11(b)

¹¹ Asset Management Agreement §6.1.3

¹² Continuing Disclosure Agreement §2.1(d)

Quarterly Reports are due to Hilltop on February 15, May 15, August 15, and November 15 each year.

On or before 105 days after the end of the fiscal year, the District must send to Hilltop (the Dissemination Agent) the Annual Report. The Report must include the items detailed in the Continuing Disclosure Agreement §2.2(c) including audited financial statements.

Annual Reports are due to Hilltop on January 15 each year. This includes audited hotel financial statements in accordance with HSA §6.4(c). These are separately audited financials from the District focused on hotel operations.

** NOTE: The HSA defines the audit due date as 150 days (February 28) but the Continuing Disclosure Agreement requires audited financials by 120 days (January 29).*

Debt Service Payments

First- & Second-Lien

On the Debt Service True-Up Date each year, if amounts in the First and Second-Lien Capitalized Interest Accounts and Principal Accounts are insufficient to cover debt service, the District will instruct the Trustee (See Exhibit B) to transfer funds in accordance with the Indenture. First as defined in §5.07(a) for First-Lien and then second as defined in §5.08(a) for Second-Lien.

For example, if on March 28, 2024 the amount in the First-Lien Capitalized Interest Account is less than \$340,887.50, then the District will instruct the Trustee to make the necessary transfers.

Third-Lien¹³

On September 1 of each year, the District will transfer amounts from the District-held Sales Tax Revenue Fund into the Third-Lien Capitalized Interest Fund and Third-Lien Principal Account required to make the Third-Lien debt service payments for the following year as well as any shortfalls from prior periods. (See Exhibit C)

For example, on September 1, 2024, the District needs to transfer amounts required to cover October 1, 2025 Third-Lien debt service.

¹³ Indenture §5.17

If on the Debt Service True-Up Date each year, the amounts on deposit in the Third-Lien Capitalized Interest Fund and Third-Lien Principal Account are insufficient to cover debt service, the District will transfer from the District-Held Sales Tax Revenue Fund to the Trustee-Held Sales Tax Revenue Fund amounts required to cover debt service¹⁴. Once transferred, instruct the Trustee to make the necessary transfers to the debt service funds (See Exhibit D).

For example, if on March 28, 2024 the amount in the Third-Lien Capitalized Interest Account is less than \$701,200 (half of annual FY24 Third-Lien interest of \$1,402,400) then the District will transfer the amount required to bring the balance of that fund to the require amount. The transfer will be from the District-Held Sales Tax Revenue Fund to the Trustee-Held Sales Tax Revenue Fund. The Trustee then transfers the amount to the Third-Lien Capitalized Interest Account¹⁵.

Annual Plan¹⁶

By August 1, Hyatt must submit to the District the draft Annual Plan. The plan consists of the forecasted operating revenue and expenses, a proposed marketing plan, and budget for capital expenses. The District has up to 30 days to provide comments on Capital Budget items. Once approved, Hyatt can reallocate amounts between Capital Budget line items provided the aggregate amount is not increased. Any reallocation greater than \$300,000 or 10% of the line-item requires written notice to the District.

If the Annual Plan results in a Debt Service Coverage Ratio for First and Second-Lien bonds less than 1.25:1, then additional provisions of Indenture §6.15(a) apply.

Similar to the Annual Plan, the District can also adopt an Administrative Expenses budget to cover fees and expenses of the Trustee or Asset Manager, Legal Fees, any consulting fees, or other expenses of the District.

Insurance

Insurance requirements for the facility are described across several governing documents.

- Indenture Exhibit J
 - Part I defines coverages required to be obtained by the District
 - Part II defines coverages for any outside contractors doing work on-site

¹⁴ Indenture §5.05(b)

¹⁵ Indenture §5.09

¹⁶ HSA Article V

- Hotel Services Agreement Exhibit E-1: Coverages to be obtained by the District and paid for from the Tax & Insurance Fund
- Hotel Services Agreement Exhibit E-2: Coverages to be obtained by Hyatt and paid for as an operating expense
- Condo Declaration Attachment 6: Includes an additional requirement for D&O insurance for the condo board.

The Insurance program must be reviewed annually per the Condo Declaration.

Condo Regime & Leases

The facility is divided into 2 separate units via condo regime. The City is the owner of the land and the Convention Center portion of the project (City Facilities Unit). The District is the owner of the Hotel Unit.

The District leases the City Facilities Unit from the City for \$10 per month in rent. The District pays the rent as defined in §2.04 of the City Facilities Unit Lease Agreement. Then through the Hotel Services Agreement, the District contracts with Hyatt to operate the entire facility but the District remains as the “Insurance Trustee”¹⁷.

The Declaration requires an annual review of Insurance policies by the Insurance Trustee at least 60 days prior to the policy renewal date¹⁸.

The Condo Bylaws require one Annual Meeting¹⁹ where Directors can be appointed. At the same time, the Organizational Meeting²⁰ can also be held to elect officers.

Arbitrage Analysis

Every 5 years starting with September 1, 2026, the District must conduct analysis in accordance with Indenture §5.19, §7.05, and §7.06

Summary

Monthly Deadlines

1st of each month: Payment of \$10 rent from District to City²¹

¹⁷ Condo Declaration §7.04

¹⁸ Condo Declaration §7.05

¹⁹ Condo Bylaws 4.1

²⁰ Condo Bylaws 2.3.1

²¹ City Facilities Unit Lease Agreement §2.04

5th of each month: Monthly Funds Distribution, Payment of Asset Management Fees

15th of each month: Receipt of Hyatt prior-month financials²²

*Annual Deadlines*²³

January 15: Annual Report & Audit due to Hilltop

February 15: Quarterly Report due to Hilltop, deadline for Quarterly Meeting with Hyatt GM²⁴

March 27: Debt Service True-up Date

May 1: Condo Regime State Public Info Report Due

May 15: Quarterly Report due to Hilltop, deadline for Quarterly Meeting with Hyatt GM

August 1: Deadline for Hyatt submission of Annual Plan

August 15: Quarterly Report due to Hilltop, deadline for Quarterly Meeting with Hyatt GM

August 30: Deadline for District comments on Annual Plan

September 1: Third-Lien Pledged Sales Taxes transfer

September 27: Debt Service True-up Date

September 30: Deadline for District approval of Annual Plan and Administrative Expenses budget

November 15: Quarterly Report due to Hilltop

December 30: Annual Financial Statement due from Hyatt²⁵

Undated: Secure agreement with annual auditors

Undated: Annual Condo Board Meeting²⁶

Undated: Annual Insurance Review²⁷

Long-term Requirements

October 25, 2026: Deadline for 5-year arbitrage analysis

²² HSA §6.4(a)

²³ Some dates are approximate based on calendar vs. business day. Most dates are “on or before”

²⁴ HSA §6.4(b)

²⁵ HSA §6.4(a)

²⁶ Condo Bylaws §4.1

²⁷ Condo Declaration §7.05

Exhibit A – Example of Trustee Instructions for Monthly Funds Process

February 5, 2024

VIA EMAIL

Sandra Adrian
Vice President, Account Manager
Corporate Trust Services
Computershare
1505 Energy Park Drive,
St. Paul, MN 55108

Re: Baytown Municipal Development District
First-Lien Hotel Revenue Bonds, Series 2021A
Second-Lien Hotel Revenue Bonds, Series 2021B
Combination Limited Sales Tax Revenue and Third-Lien Hotel Revenue Bonds Series 2021C

Dear Ms. Adrian:

Pursuant to Section 5.06 of the Indenture of Trust dated September 1, 2021 (the "Indenture"), between Baytown Municipal Development District ("District") and Computershare Trust Company, N.A. as successor in interest to Wells Fargo Bank, N.A. solely in its capacity as trustee (the "Trustee"), the undersigned Authorized Representative directs the following transfers from the Revenue Fund to comply with monthly funding requirements.

Transfer to First Lien Bond Debt Service Fund - CI Account	****5604	\$63,810.65
Transfer to Senior Asset Management Fee Fund	****5618	\$32,349.77
Transfer to Senior FF&E Fund	****5623	\$86,266.06

These transfers combined with the Exhibit E request funding the Operating Account \$1,198,581.82 as previously sent to the Trustee represent the full \$1,381,008.30 currently held in the Revenue Fund.

Please contact me or Jason Reynolds, City Manager for the City of Baytown at Jason.Reynolds@baytown.org with any questions regarding this matter.

Sincerely,

Teresa McKenzie, Director of Finance
Baytown Municipal Development District

**Exhibit B – Example of Trustee Instructions for First & Second-Lien Debt Service True-Up
Date**

March 25, 2024

VIA EMAIL

Sandra Adrian
Vice President, Account Manager
Corporate Trust Services
Computershare
1505 Energy Park Drive,
St. Paul, MN 55108

Re: Baytown Municipal Development District
First-Lien Hotel Revenue Bonds, Series 2021A
Second-Lien Hotel Revenue Bonds, Series 2021B
Combination Limited Sales Tax Revenue and Third-Lien Hotel Revenue Bonds Series 2021C

Dear Ms. Adrian:

Pursuant to Section 5.07 of the Indenture of Trust dated September 1, 2021 (the “Indenture”), between Baytown Municipal Development District (“District”) and Computershare Trust Company, N.A. as successor in interest to Wells Fargo Bank, N.A. solely in its capacity as trustee (the “Trustee”), the undersigned Authorized Representative directs the following transfers into the First-Lien Bond Debt Service Fund to satisfy Debt Service requirements.

Transfers to First-Lien Capitalized Interest Account	****5604	
From Third-Lien Debt Service Fund - Principal	****5613	\$505.73
From Second-Lien Debt Service Fund - CI	****5609	\$43,778.85
From Second-Lien Debt Service Fund - Principal	****5608	\$185.12
From First-Lien Bond Reserve Fund	****5606	\$188,180.74

These transfers combined with the current balance of the First-Lien Debt Service Fund represent the full \$340,887.50 due on the April 1, 2024 Debt Service Payment Date.

Please contact me or Jason Reynolds, City Manager for the City of Baytown at Jason.Reynolds@baytown.org with any questions regarding this matter.

Sincerely,

Teresa McKenzie, Director of Finance
Baytown Municipal Development District

Exhibit C – Example of Trustee Instructions for Transfer of Pledged Sales Taxes

September 1, 2024

VIA EMAIL

Sandra Adrian
Vice President, Account Manager
Corporate Trust Services
Computershare
1505 Energy Park Drive,
St. Paul, MN 55108

Re: Baytown Municipal Development District
First-Lien Hotel Revenue Bonds, Series 2021A
Second-Lien Hotel Revenue Bonds, Series 2021B
Combination Limited Sales Tax Revenue and Third-Lien Hotel Revenue Bonds Series 2021C

Dear Ms. Adrian:

Pursuant to Section 5.17 of the Indenture of Trust dated September 1, 2021 (the “Indenture”), between Baytown Municipal Development District (“District”) and Computershare Trust Company, N.A. as successor in interest to Wells Fargo Bank, N.A. solely in its capacity as trustee (the “Trustee”), the undersigned Authorized Representative directs the following deposits into the Third-Lien Bond Debt Service Fund from the Sales Tax Revenue Account of the Development Project Fund.

Transfers to Third-Lien Capitalized Interest Account	****5614	\$1,402,400
Transfers to Third-Lien Principal Account	****5613	\$480,000

Please contact me or Jason Reynolds, City Manager for the City of Baytown at Jason.Reynolds@baytown.org with any questions regarding this matter.

Sincerely,

Teresa McKenzie, Director of Finance
Baytown Municipal Development District

Exhibit D – Example of Trustee Instructions for Third-Lien Debt Service True-Up Date

March 25, 2024

VIA EMAIL

Sandra Adrian
Vice President, Account Manager
Corporate Trust Services
Computershare
1505 Energy Park Drive,
St. Paul, MN 55108

Re: Baytown Municipal Development District
First-Lien Hotel Revenue Bonds, Series 2021A
Second-Lien Hotel Revenue Bonds, Series 2021B
Combination Limited Sales Tax Revenue and Third-Lien Hotel Revenue Bonds Series 2021C

Dear Ms. Adrian:

Pursuant to Section 5.09 of the Indenture of Trust dated September 1, 2021 (the “Indenture”), between Baytown Municipal Development District (“District”) and Computershare Trust Company, N.A. as successor in interest to Wells Fargo Bank, N.A. solely in its capacity as trustee (the “Trustee”), the undersigned Authorized Representative directs the following transfers from the Sales Tax Revenue Fund into the Third-Lien Bond Debt Service Fund to satisfy Debt Service requirements.

Transfers to Third-Lien Capitalized Interest Account	****5614	\$701,200
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These transfers combined with the current balance of the Third-Lien Debt Service Fund represent the full \$701,200 due on the April 1, 2024 Debt Service Payment Date.

Please contact me or Jason Reynolds, City Manager for the City of Baytown at Jason.Reynolds@baytown.org with any questions regarding this matter.

Sincerely,

Teresa McKenzie, Director of Finance
Baytown Municipal Development District

Exhibit E – Example of Trustee Instructions for Working Capital Reserve Fund Deposits

March 5, 2024

VIA EMAIL

Sandra Adrian
Vice President, Account Manager
Corporate Trust Services
Computershare
1505 Energy Park Drive,
St. Paul, MN 55108

Re: Baytown Municipal Development District
First-Lien Hotel Revenue Bonds, Series 2021A
Second-Lien Hotel Revenue Bonds, Series 2021B
Combination Limited Sales Tax Revenue and Third-Lien Hotel Revenue Bonds Series 2021C

Dear Ms. Adrian:

Pursuant to Section 5.10(a) of the Indenture of Trust dated September 1, 2021 (the “Indenture”), between Baytown Municipal Development District (“District”) and Computershare Trust Company, N.A. as successor in interest to Wells Fargo Bank, N.A. solely in its capacity as trustee (the “Trustee”), the undersigned Authorized Representative directs the following deposit into the Working Capital Reserve Fund from funds held by the District:

Deposit to Working Capital Reserve Fund	*****5616	\$300,000
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Please contact me or Jason Reynolds, City Manager for the City of Baytown at Jason.Reynolds@baytown.org with any questions regarding this matter.

Sincerely,

Teresa McKenzie, Director of Finance
Baytown Municipal Development District

Exhibit F – Example of Trustee Instructions for Transfer of Asset Management Fees

March 5, 2024

VIA EMAIL

Sandra Adrian
Vice President, Account Manager
Corporate Trust Services
Computershare
1505 Energy Park Drive,
St. Paul, MN 55108

Re: Baytown Municipal Development District
First-Lien Hotel Revenue Bonds, Series 2021A
Second-Lien Hotel Revenue Bonds, Series 2021B
Combination Limited Sales Tax Revenue and Third-Lien Hotel Revenue Bonds Series 2021C

Dear Ms. Adrian:

Pursuant to Section 5.11(b) of the Indenture of Trust dated September 1, 2021 (the “Indenture”), between Baytown Municipal Development District (“District”) and Computershare Trust Company, N.A. as successor in interest to Wells Fargo Bank, N.A. solely in its capacity as trustee (the “Trustee”), the undersigned Authorized Representative directs the payment of Senior Asset Management Fees to Garfield AM LCC for the preceding month and amounts in arrears from prior months.

Payment from Senior Asset Management Fee Fund	****5618	\$31,360.80
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Please contact me or Jason Reynolds, City Manager for the City of Baytown at Jason.Reynolds@baytown.org with any questions regarding this matter.

Sincerely,

Teresa McKenzie, Director of Finance
Baytown Municipal Development District



MUNICIPAL DEVELOPMENT DISTRICT

5. a.

Meeting Date: 04/11/2024

Subject: Executive session - Sections 551.071 and 551.087 Economic Development

Prepared by: Gabriella Gonzales, City Clerk's Office

Information

ITEM

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 and/or deliberate regarding economic development negotiations.

PREFACE

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 and/or deliberate regarding economic development negotiations.

RECOMMENDATION
