



**AGENDA  
REGULAR MEETING  
FREEPORT CITY COUNCIL  
TUESDAY, SEPTEMBER 5, 2023 AT 6:00 PM**

**Mayor:**

Brooks Bass

**Council Members:**

Jeff Pena

Jerry Cain

George Matamoros

Winston Rossow

**City Manager:**

Timothy Kelty

**THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS, WILL MEET ON TUESDAY, SEPTEMBER 5, 2023 AT 6:00 PM, AT THE FREEPORT, POLICE DEPARTMENT, MUNICIPAL COURT ROOM, 430 NORTH BRAZOSPORT BOULEVARD FREEPORT TEXAS**

**This meeting will be live streamed via Facebook Live and may be accessed on the City of Freeport Facebook page: <https://www.facebook.com/freeporttexas>**

**THE MEETING IS BEING HELD FOR THE FOLLOWING PURPOSES:**

**CALL TO ORDER:** The Mayor will call the meeting to order, declare a quorum if present, and declare notices legally posted pursuant to Open Meetings Act.

**INVOCATION AND PLEDGE OF ALLEGIANCE:** (Council Member)

**CITIZENS' COMMENTS:**

Members of the public are allowed to address the City Council at this time, and must include name and address. Note, specific factual information or a recitation of existing policy may be furnished in response to an inquiry made, but any deliberation, discussion, or decision with respect to any subject about which the inquiry was made shall be limited to a proposal to place such subject on the agenda for a subsequent meeting for which notice is provided in compliance with the Texas Open meetings Act unless said notice appears herein. The public is reminded that there is a (4) minute time limit as approved by City Council on June 21, 2010.

**PRESENTATIONS/ANNOUNCEMENTS:** Announcements by Mayor, City Council and/or Staff.

1. Proclamation for National Hispanic Heritage Month. **(Tim Kelty)**

**CONSENT AGENDA:**

Consent Agenda items are considered to be routine in nature and may be acted upon in one motion. Any item requiring additional discussion may be withdrawn from the Consent Agenda by the Mayor, Councilmember or City Manager, and acted upon separately.

2. Consideration and possible action on the approval of City Council Meeting Minutes, from August 21, 2023. **(Betty Wells)**
3. Consideration and possible action to authorize the City Manager to sign a one-year contract extension for depository services with Texas Gulf Bank. **(Cathy Ezell)**

**COUNCIL BUSINESS – REGULAR SESSION:**

4. **Public Hearing:** Public Hearing Regarding FY 2023-2024 Proposed Budget. **(Cathy Ezell)**
5. Consideration and possible action of approving Ordinance No. 2023-2705 Adopting the FY2023-2024 Budget. **(Cathy Ezell)**
6. **Public Hearing:** Public Hearing Regarding FY 2023-2024 Tax Rate. **(Cathy Ezell)**
7. Consideration and possible action of approving Ordinance No. 2023-2706 Establishing a Tax Rate for the 2023 Tax Year. **(Cathy Ezell)**
8. Ratification of Increased Property Tax Revenues Reflected in the Fiscal Year 2023-2024 Adopted Budget. **(Cathy Ezell)**
9. Consideration and possible action of approving Resolution No. 2023-2816 amending the annual investment policy. **(Cathy Ezell)**
10. Consideration and possible action of approving Ordinance No. 2023-2707, vacating and selling a portion of the 20' alley right of way in Velasco Townsite, Block 19 adjacent to lots 11 and 12 and approving the City Manager to sign and the City Secretary to attest to a deed transferring real property. **(Laura Cramer)**
11. Consideration and possible action approving the sale of City owned levee property located at, and adjacent to, 104 Mystery Harbor Lane, to Chris Duncan **(Tim Kelty)**
12. Consideration and possible action of approving Resolution for the EDC Project 2023-2024 Local Business Improvement Grant Program, after second reading of the Resolution. **(Robert Johnson)**
13. Consideration and possible action approving emergency road repair at Quintana and Ave D intersection not to exceed \$30,000.00. **(Lance Petty)**



## **WORK SESSION:**

14. The City Council may deliberate and make inquiry into any item specifically listed as a Subsection under the itemized Sections A-H below, an item appearing on the City Council agenda for this meeting, on matters related to community events, or on matters that are not within the jurisdiction of the City for consideration by City Council. The City Council may not deliberate on any City matters not specifically disclosed under this Work Session or on this posted City Council Meeting agenda. City Council members and the Mayor always reserve the right to request that a matter be placed on a future agenda for consideration
- A. Mayor Brooks Bass announcements and comments.
  - B. Councilman Pena Ward A announcements and comments.
  - C. Councilman Cain Ward B announcements and comments.
  - D. Councilman Matamoros Ward C announcements and comments.
  - E. Councilman Rossow Ward D announcements and comments.
  - F. City Manager Tim Kelty announcements and comments.
  - G. Updates on current infrastructure.
  - H. Update on reports / concerns from Department heads.

## **ADJOURNMENT:**

15. Adjourn

Items not necessarily discussed in the order they appear on the agenda. The Council at its discretion may take action on any or all of the items as listed. This notice is posted pursuant to the Texas Open Meeting Act. (Chapter 551, Government Code).

The City Council reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.087 (Economic Development).

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**ACCESSIBILITY STATEMENT** This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's Office at (979) 233-3526.

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**CERTIFICATE** I certify the foregoing notice was posted in the official glass case at the rear door of the City Hall, with 24 hours a day public access, 200 West 2nd Street, Freeport Texas, before 6:00 p.m. in

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accordance with Open Meetings Act.

A handwritten signature in blue ink, reading "Betty Wells", is written over a horizontal line.

Betty Wells,  
City Secretary, City of Freeport, Texas



# PROCLAMATION

**WHEREAS**, National Hispanic Heritage Month, known as “Mes de Herencia Hispana”, is celebrated nationwide from September 15<sup>th</sup> through October 15<sup>th</sup> each year. We celebrate the rich history, culture, contributions and importance of Hispanics and Latinos to our country and our community, and the American citizens whose ancestors came from Spain, Mexico, the Caribbean, Central America, and South America; and

**WHEREAS**, the observation of Hispanic Heritage Week started in 1968 under President Lyndon B. Johnson and later was extended to a 30-day celebration by President Ronald Reagan. Hispanic Heritage Month was enacted into law on August 17, 1988. Understanding that September 15<sup>th</sup> is significant because it is the anniversary of independence for Latin American countries Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua. In addition, Mexico and Chile celebrate their independence days on September 16<sup>th</sup> and 18<sup>th</sup>, respectively; and

**WHEREAS**, today, Hispanics form the largest ethnic or racial minority group in the United States with over 62.6 million population. In 2019, Hispanics constituted 18.55% of the nation’s total population. According to the U.S. Census Bureau as of July 1<sup>st</sup>, 2022 the Hispanic population for the City of Freeport is 62.7%. Hispanics are advancing our economy, improving our communities, and bettering our country; and

**WHEREAS**, During National Hispanic Heritage Month, we honor and celebrate the rich and vibrant traditions of Hispanic and Latino faith, family, hard work, and patriotism. We are grateful for the innumerable contributions they make to our society, which are vital to our community; and

**WHEREAS**, the City of Freeport looks forward to celebrating “Mes de Herencia Hispana”, to honor and celebrate the key leadership roles and accomplishments of Latinos and Hispanics as an important part of the city and its strong, inclusive community.

**NOW THEREFORE**, be it resolved, that I, Brooks Bass, Mayor of the City of Freeport, and on behalf of the City of Freeport, encourage City of Freeport residents to celebrate our diverse heritage and culture and continue the efforts to create a world that is more peaceful and prosperous for all and do hereby claim September 15<sup>th</sup> through October 15<sup>th</sup> as:

## “HISPANIC HERITAGE MONTH”

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the seal of the City of Freeport, this 5<sup>th</sup> day of September 2023.

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**Mayor**

State of Texas

County of Brazoria

City of Freeport

BE IT REMEMBERED, that the City Council of Freeport, Texas met on Monday, August 21, 2023 at 6:00 PM at the Freeport, Police Department, Municipal Court Room, 430 North Brazosport Boulevard Freeport Texas for the purpose of considering the following agenda items:

City Council:

- Mayor Brooks Bass
- Councilman Jeff Pena
- Councilman Jerry Cain
- Councilman George Matamoros
- Councilman Winston Rossow

Staff:

- Tim Kelty, City Manager
- Lance Petty, Assistant City Manager/PWD
- David Olson, Interim City Attorney
- Betty Wells, City Secretary
- Cathy Ezell, Finance Director
- Toby Cohen, IT Manager
- Donna Fisher, Human Resource Director
- Robert Johnson, EDC Director
- Kayce Roman, Building Official
- Wade Dillon, Museum Manager
- Jennifer Howell, Police Chief
- Chris Motley, Fire Chief

Visitors:

|                 |                   |
|-----------------|-------------------|
| David McGinty   | Karla Clark       |
| Pam Dancy       | Kenny Hayes       |
| Carol Parker    | Mark Parker       |
| Con McCleester  | Diane McCleester  |
| Keith Stumbaugh | Ruben Renobato    |
| Ron Bachman     | Tommy Pearson     |
| Matt Hendricks  | Douglas Domingues |
| Emily Hanson    | Alma Kelty        |
| Ben Kelty       |                   |

**THE MEETING IS BEING HELD FOR THE FOLLOWING PURPOSES:**

**CALL TO ORDER:**

Mayor Bass called the meeting to order at 6: P.M.

**INVOCATION AND PLEDGE OF ALLEGIANCE:**

Invocation and Pledge was led by Councilman Rossow.

### **CITIZENS' COMMENTS:**

Keith Stumbaugh spoke of the letter that was mailed to City residents. He said this letter was made to look like it was mailed from the CCF. He said the CCF did not mail this letter out. He said the letter was not signed. He said the letter spoke of Councilman Matamoros, but it was about his father, George H. Matamoros. He said the letter claims false and untrue statements about Councilman Matamoros. He said this letter makes it obvious that whomever sent out this letter does not like Mr. Matamoros. Mr. Stumbaugh said he hopes the City will work with the US Postal Service to investigate and find who mailed these letters. This is fraud.

Matt Hendricks, said he works for Ribiana Foods in Port Freeport. He said he wanted to let the Council know how the water interruptions impact this facility. He said each time pressure is lost we lose revenue.

Pam Dancy spoke of her concern about the City residents not being notified in a timely manner when there is an issue. She said she believes that management needs to be notified as soon as the issue arises, so they can let the public know.

Shonda Marshall, spoke of affordable housing in the City of Freeport. She said our lower income residents cannot afford \$200,000 homes. She said some residents are not able to afford the new homes being built. She spoke of local builders, who may be able to help build new affordable housing for the lower income residents.

Karla Clark spoke of negative remarks coming from the crowd. She asked the Mayor to respond to this.

Jeff Pena spoke of vision and trust. He said we have neither in our City Hall, nor our City Elected Officials from Ward B and D. He said the Bass administration has completely ignored the vision laid out by the citizens.

He said the City Hall staff has laid out a budget that is in the red this year. He said this budget would bankrupt the city. He said the budget is grossly self-serving with fat rises and lazy contracts, and stupid increases to items that are bleeding the city of money. He spoke of ETJ land, which is an item on the agenda. He spoke of the corruption at City Hall, and asked when it would end. He spoke of the Mayor acting out physical violence in council, and voting to protect his friend from paying back to the city hundreds of thousands of dollars. He said, how can we trust them? He said we can't.

Mayor Bass asked the Interim Attorney to explain what TML is. Mr. Ramsy said TML is the Texas Municipal League which is an association of municipalities and cities in Texas. He said this association does a number of things and it provides guidance on various issues. Among the issues are certain legal issues that are common to all cities. Mayor Bass said recently there was a query made, and it is part of the book that has just been put out this year, he read " May a member of City Council speak as a member of the public during the "public comment" portion of the city council meeting?". Mayor Bass said there is Federal Case Law on this. Answer: "A recent Fifth Circuit Appeals Court concluded that a member of a government body did not have the First Amendment right to speak as a member of the public during the "public comment" portion of the governor's body meeting". Mayor Bass said at the next meeting this will be implemented. A city council member will not speak as a member of the public during the public comment portion of the city council meeting.

### **PRESENTATIONS/ANNOUNCEMENTS:**

Employee of the Month for July.

There was no Employee of the Month for July 2023.

## **CONSENT AGENDA:**

Consideration and possible action on the approval of City Council Meeting Minutes, from August 7, 2023, and Special Meeting Meeting Minutes from August 14, 2023.

Consideration and possible action changing the first meeting in September to Tuesday September 5<sup>th</sup>

A motion was made by Councilman Matamoros to approve the Consent Agenda, seconded by Councilman Cain with a 4-1 vote council approved the Consent Agenda. Councilman Pena voted "Nay"

## **COUNCIL BUSINESS – REGULAR SESSION:**

Proposed Fiscal Year 2023-2024 Budget Discussion.

City Manager Tim Kelty, and Finance Director Cathy Ezell presented the proposed FY 2023/2024 annual Budget. Mr. Kelty said the proposed budget for FY23/24 will not bankrupt the city. He said the proposed budget does maintain a 90-day Reserve in the General Fund, and significant funds over and above the required Reserve. He said the water and sewer fund is struggling, but we are proposing changes to the rate to ensure the fund stays intact. He said the over and above funds are currently \$931.135. He said the proposed employee raises are not self-serving, the wages that are proposed are a tool to retain current employees and recruit qualified candidates. Mr. Kelty said some of the field employees and clerks do not make \$15 an hour. Mr. Kelty said these employees work hard and should be recognized for the work they do, and not beaten down by unwarranted and baseless critiques. He said the City staff are not "fat, lazy and stupid", they are hard-working employees.

Mr. Kelty said he has met with the council members individually, except for Councilman Pena, who was unavailable. We discussed potential changes to be made to the budget, which will be reviewed tonight.

Finance Director Cathy Ezell said there have been two changes made to the current proposed budget. She said one is the Recreation telephone expenditure, which added \$58,500 to the Fund Balance. She said she added \$360,000 in revenue that would be generated by a tax rate of \$0.533. Ms. Ezell said our revenue is \$18.8 million and the expenditures are \$17.8 million. She said the ending fund balance is \$5,378,151, and the operating reserves which are required are \$4.4 million. Over and above, we have \$931,935.

City Manager, Tim Kelty went through a list of potential cuts and a few additions to the budget as it currently stands. These changes were offered as a result of feed back received from individual elected officials. As each item was discussed, input was also provided by department heads affected. Council expressed opinions about some of the proposed changes and asked questions. Staff was directed to meet with officials individually to review the proposed changes before inserting any of the changes into the budget for discussion at the next meeting.

Karla Clark 411 Sailfish, asked about Services on page 9 of the proposed budget. She asked what this includes? Ms. Ezell said any contracts we have, copiers, professional services, mowing, legal, it is any professional service. She said this includes the telephone. She said the details are broken down per department, but page 9 is the summary. Ms. Clark asked about the proposed amount of the \$1.5 million for the sidewalks and the drainage on Skinner Street. She also spoke of the Industrial Agreements. She asked about the Port Freeport money we have received, and asked what account this is being kept,

Consideration and possible action on a Resolution Amending the City of Freeport Master Fee Schedule adjusting the rates for sewer taps, water rates and sewer rates.

Finance Director Cathy Ezell presented to council Resolution No. 2023-2809 amending the City of Freeport Master Fee Schedule adjusting the rates for sewer taps, and water and sewer rates. Ms. Ezell said the sewer taps are \$500 and the City is being charged \$1000. She said the Water/Sewer fund pays for this on every sewer

tap that is made. She said the need for the utility rate increase is being driven BWA and Veolia rate increases, an Federal unfunded mandate regarding lead and copper, and Veolia R&M overages the last two years. These are the things being covered by the rate increase.

The question was asked about how many sewer taps are done a year? Ms. Ezell said about twenty.

A motion was made by Mayor Bass, to approve Resolution No. 2023-2809 amending the City of Freeport Master Fee Schedule adjusting the rates for sewer taps, water and sewer rates, seconded by Councilman Matamoros.

Councilman Pena asked about the water/sewer fund and how it was supported. Ms. Ezell said in the past, the General Fund supported the utility fund to the tune of a million dollars a year, but this is not financially feasible nor proper. She said the water/sewer fund needs to stand on its own. Ms. Ezell said without the rate increase, the year end fund balance would be negative approximately \$500,000. She said with the proposed rate increase, the fund will have approximately \$122,000 at the end of the next fiscal year.

Mayor Bass called the motion to a vote, with all present voting 4-1 motion passed. Councilman Pena voted "Nay"

Discussion and possible action on Ordinance releasing ETJ controlled by the City of Freeport to the city of Brazoria for planning and development purposes by the City of Brazoria.

City Manager Tim Kelty presented to council Ordinance No. 2023-2704 releasing ETJ controlled by the City of Freeport to the City of Brazoria for planning and development purposes by the City of Brazoria. He said the City of Brazoria has formally requested that the City of Freeport release this ETJ. He said it is in an area that does not have any economic or strategic value to the City of Freeport. He said approving this is just being good neighbors.

Councilman Pena said he would hate for us to forfeit any strategic advantages or sovereign territory of the City of Freeport.

A motion was made by Councilman Cain, to approve Ordinance No. 2023-2704 releasing ETJ controlled by the City of Freeport to the City of Brazoria for planning and development purposes by the City of Brazoria, seconded by Councilman Rossow.

The Project Manager from the City of Brazoria said there are a couple of developments in the area that want to build a subdivision. He said we have our utilities and we have our WWTP in the ETJ. He said this is right outside of our City Limits. Councilman Pena asked for the square footage, Mr. Kelty said he did not have that information, but the area proposed is clearly marked on the map.

Mayor Bass called the motion to a vote, with all present voting 4-1 motion passed. Councilman Pena voted "Nay"

Consideration regarding first reading of EDC project; 2023-2024 Local Business Improvement Grant Program.

EDC Director Robert Johnson presented to council the first reading of EDC Project; 2023-2024 Local Business Improvement Grant Program. He said the EDC is requesting authorization by the Council for the Business Improvement Grant Program. He discussed some of the changes in the new application.

Mr. Kelty read the first reading of Resolution No. 2023-2815.

Councilman Pena asked if there was additional value to helping the Mom and Pops? He said he worries about the over incentives for corporates.

Mayor Bass asked about outdoor seating, the plastic chairs. He asked if this was part of this? Mr. Johnson said it falls under the property improvements. Mayor Bass asked if there have been any lawsuits filed against businesses that were funded, but did not meet their agreements? Mr. Johnson said currently we have two demand letters to two separate businesses. Mayor Bass said we need to make firmer clawbacks.

Councilman Matamoros said the EDC has started to have contracts for grants reviewed by new representation, so any issues the Council may have are being addressed beforehand. Councilman Matamoros said the sign grants have not been given to any major corporations.

Consideration and possible action approving a resolution revising the Personnel Policy Manual regarding Mental Health Leave for Dispatchers, personal appearance protections, and incentive for voluntary payroll deduction for United Way.

Human Resource Director Donna Fisher presented to council Resolution No. 2023-2814 revising the personnel policy manual regarding Mental Health Leave for Dispatchers, personal appearance protection, and incentive for voluntary payroll deductions for United Way. She said the Mental Health Leave was a State Legislative change. She said the personal appearance policy legislature passed HB 567 which takes effect on September 1, 2023. She explained the payroll deduction for the United Way is for any employee that wishes to make this donation, it will allow a deduction from their payroll.

A motion was made by Councilman Cain to approve Resolution No. 2023-2814 revising the personnel policy manual regarding Mental Health Leave for Dispatchers, personal appearance protection, and incentive for voluntary payroll deductions for United Way, seconded by Councilman Matamoros with all present voting "aye" 5-0 motion passed unanimously.

Consideration and possible action to approve FEMA American Firefighter Grant for portable radios in the amount of \$216,000.00

Fire Chief Motley presented to council the consideration and possible action to approve FEMA American Firefighter Grant for portable radios in the amount of \$216,000. He said staff recommends the approval of accepting the FEMA American Firefighter Grant. Chief Motley said the grant covers multi-band portable radios including batteries, chargers, speaker mics and the programming. He said the cost to the City is \$19,636.37 which is in the existing budget.

A motion was made by Councilman Cain to approve FEMA American Firefighter Grant for portable radios for the amount of \$216,000, seconded by Councilman Rossow with all present voting "aye" 5-0 council unanimously approved the motion.

Consideration and possible action to approve the purchase of a modular building for Fire Station #2.

Fire Chief Motley presented to council the consideration and possible action to approve the purchase of a modular building for Fire Station #2. He said this would be from Palmer Modular Building Company for temporary housing for the fire station. The FM 1495 bridge is getting ready to be closed down between two and three years. We need to relocate that response. He said this is staff's recommendation to purchase this building during the duration of this project.

A motion was made by Councilman Cain to approve the purchase of a modular building for Fire Station #2, seconded by Councilman Matamoros with discussion that followed.

Councilman Pena asked if there was bidding for this \$219,000 project? Chief Motley said this project was through the Buy Board, TIPS or HGAC,

Mayor Bass called the motion to a vote, with all present voting "Aye" 5-0 council unanimously approved the motion.



## **WORK SESSION:**

The City Council may deliberate and make inquiry into any item listed in the Work Session.

Mayor Brooks Bass announcements and comments.

Councilman Pena Ward A announcements and comments.

Councilman Pena spoke of the Citizens Comments. He spoke of the business owner speaking of the water outages, and the money they are losing. He spoke of the Skinner Street Project street repairs. He said we need to put our money on the waterfront. He said the gas leak on Broad Street is still leaking. He asked Mr. Kelty contact Centerpoint. This has been going on since June. He spoke of a leak that had been in the downtown behind Barcardia. He said it is still leaking, and it needs to be repaired. He asked about the new lights on 11th Street. He asked when these lights would be turned on. He spoke of the Budget. He said he wants to incentivize COLA raises for the employees, and to give these responsibly. He does not think any Directors need these raises.

Councilman Cain Ward B announcements and comments.

Councilman Cain gave a shout to the staff for Kidfest. He said his kids loved it. He asked Mr. Kelty about the lighting program. He said he had noticed new lights in subdivisions but there is no power for the lights. Mr. Kelty said he would get a status update on this.

Councilman Matamoros Ward C announcements and comments.

Councilman Matamoros said he has some concerns about Ave M and Yellowstone and the stop sign being run. He said the church has been hit a couple of times. He asked if we could get a blinking stop sign at this location.. He said the 1700-1800 block of 8th Street said there are residents that would like the No Parking Signs removed. He said he did a tour of the Vulcan Asphalt facility. He said if residents are having issues with loud noise, or the smell please reach out to him.

Councilman Rossow Ward D announcements and comments.

Councilman Rossow said stop signs are very important, and if one is down and reported, and needs to be taken care of as soon as possible. He asked when bulk trash pickup is for Ward D? Mr. Kelty said once a month on the fourth Wednesday of the month. He said he wants to clean up the City, and the mowing needs to be done throughout the City.

City Manager Tim Kelty announcements and comments.

Updates on current infrastructure.

Update on reports / concerns from Department heads.

## **CLOSED SESSION:**

Executive Session regarding a.) (Consultation with Attorney) Pending or potential Litigation, Civil Action No. 3:22-cv-00284; Brennon Malone v. City of Freeport, in accordance with the Texas Government Code Annotated, Chapter 551, Sections 551.071.

A motion was made by Councilman Pena to allow the Police Chief into Executive Session. With a lack of second motion failed. Councilman Pena was not present in Executive Session.

Mayor Bass said for the record the alleged case of assault by threat filed by Councilman Pena, the DA's Office is not going to take any action and they have discounted the claim, so therefore it is over.

A motion was made by Mayor Bass to allow Mr. Kelty into Executive Session, seconded by Councilman Cain with a 4-1 vote motion passed. Councilman Pena voted "Nay"

**COUNCIL BUSINESS – REGULAR SESSION:**

Take any action resulting from Executive Session.

Executive Session closed at 8:57 PM, and Regular Session opened.

There was no action from Executive Session.

**ADJOURNMENT:**

Adjourn

A motion was made by Councilman Cain to adjourn the meeting, seconded by Councilman Matamoros with all present voting "aye" 5-0 Mayor Bass adjourned the meeting.

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Brooks Bass, Mayor

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Betty Wells, City Secretary



## City Council Agenda Item #3.

**Title:** Consideration and possible action to authorize the City Manager to sign a one-year contract extension for depository services with Texas Gulf Bank.

**Date:** September 5, 2023

**From:** Cathy Ezell, Finance Director

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**Staff Recommendation:** Staff recommends approval of the one-year extension

**Item Summary:** The current depository contract with Texas Gulf will expire November 30, 2023 with the past two one-year extensions. This contract extension will be for one year. The charges of various fees will stay the same as under the current contract. The City has had a very good working relationship with Texas Gulf.

**Background Information:** On September 16, 2019, City Council approved entering into a two-year contract with Texas Gulf Bank to provide the depository services to the City beginning December 1, 2019. The contract does allow the City the option for three (3) one-year extensions. This is the third one-year extension. The City will have to go out for bids for depository services in 2024.

**Special Considerations:** N/A

**Financial Impact:** The cost of services will remain the same.

**Board or 3rd Party Recommendation:** N/A

**Supporting Documentation:**

1. Depository Bank Services Agreement-TGB signed
2. Renewal Letter 2023

## DEPOSITORY BANK SERVICES AGREEMENT

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**THIS DEPOSITORY BANK SERVICES AGREEMENT** hereinafter called the “Agreement”, is made and entered into on the date last herein written by and between the City of Freeport, Texas, hereinafter called the “City”, and Texas Gulf Bank, N.A. a banking association, organized under the law of the United States and authorized by law to do banking business in the State of Texas, hereinafter called the “Bank”, and provides as follows:

1. **Designation of Depository.** The City, through action of the City Council, on September 16, 2019, hereby designates Bank as a primary depository bank for the period beginning December 1, 2019, and **continuing** through November 30, 2021, with the option for three (3) one-year extensions under the same terms and conditions.

2. **General.** All services rendered to City by Bank under this Agreement shall be performed in accordance with accepted commercial banking standards for public fund organizations and under the overall direction and instructions of City pursuant to Bank’s standard operations, policies, and procedures.

3. **Scope of Services.** Bank agrees to provide those services as described in the City of Freeport, Texas Request for Application for Depository Bank Services released on July 8, 2018 hereinafter referred to as the “RFA”. The RFA and Bank’s response to the RFA, hereinafter referred to as the “Application”, are incorporated herein by reference. Bank acknowledges that all services performed by Bank are subject to the approval of City.

4. **City Representatives.** During the term of this Agreement, City will, through appropriate action of its City Council, designate the officer, or officers, who singly or jointly will be authorized to represent and act on behalf of City in any and all matters of every kind arising under this Agreement and to (a) appoint and designate, from time to time, a person or persons who may request withdrawals, orders for payment or transfer on behalf of City in accordance with the electronic funds or funds transfer agreement and addenda, and (b) make withdrawals or transfer by written instrument.

5. **Custodian.** City and Bank, by execution of this Agreement, hereby designate TIB – The Independent Bankersbank, N.A. as custodian, hereinafter called “Custodian”, to hold in trust, according to the terms and conditions of this Agreement, the collateral described and pledged by Bank in accordance with the provisions of this Agreement.

6. **Custodian Fees.** Any and all fees associated with Custodian’s holding of collateral for the benefit of City will be paid by Bank and City will have no liability therefore.

7. **Entire Agreement.** The entire agreement between Bank and City shall consist of this Agreement, City’s RFA (except to the extent Bank took specific exceptions in the Bank’s Application), Bank’s Application, the Custodial Agreement with Custodian, and other such bank service agreements, policies and documents as may be required and approved by the parties (together, the “Banking Agreements”), each incorporated by reference as they presently exist and each listed in governing order of precedence in the event of conflict among the documents. This Agreement supersedes any and all prior representations, statements, and agreements, whether written or oral. The terms and provisions of this Agreement may not be amended, altered, or waived except by mutual agreement evidenced by a written instrument signed by duly authorized representatives of both parties.

8. **Collateralization.** All funds on deposit with Bank to the credit of City shall be secured by collateral as provided for in the Public Funds Investment Act (Chapter 2256 of the Texas Government Code

as amended), the Public Funds Collateral Act (Chapter 2257 of the Texas Government Code), City's Investment Policy, and Bank's Application.

If marketable securities are pledged, the total market value of the securities securing such deposits will be in an amount at least equal to the minimum required amount as per City's Investment Policy. The market value of any pledged securities (collateral) will be obtained from non-Bank-affiliated sources. Bank will monitor and maintain the required collateral margins and levels at all times.

Bank has heretofore, or will immediately hereafter, deliver to Custodian collateral of the kind and character above mentioned of sufficient amount and market value to provide adequate collateral for the funds of City deposited with Bank. Custodian will accept said collateral and hold the same in trust for the purposes herein stated. Said collateral or substitute collateral, as hereinafter provided for, shall be kept and retained by Custodian in trust so long as deposits of City remain with Bank. Bank hereby grants a security interest in such collateral to City.

If at any time the collateral in the hands of Custodian shall have a market value in excess of the required balances, City may authorize the withdrawal of a specified amount of collateral, and Custodian shall deliver this amount of collateral (and no more) to Bank.

If surety bonds or letters of credit are utilized, City shall agree as to the issuer and form of contract prior to the pledge. The amount of surety bonds or letters of credit will be at least equal to the minimum required amount as per City's Investment Policy. The termination or expiration of any surety bond or letter of credit shall be a minimum of two (2) business days after City anticipates withdrawing the secured deposit.

9. **Successors.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Whenever a reference is made herein to either party, such reference shall include the party's successors and assigns.

10. **Compensation.** City and Bank agree that any compensation for the performance of all duties and services is set forth in the Application accepted by City. Except as may otherwise be provided in the Banking Agreements, said compensation shall constitute full payment for all services, liaison, products, materials, and equipment required to provide the professional banking services, including services, materials, training, equipment, travel, overhead, and expenses. Fees shall be fixed for the term of the Banking Agreements, including all extensions.

11. **Consideration.** The Banking Agreements are executed by the parties hereto without coercion or duress and for substantial consideration, the sufficiency of which is forever confessed.

12. **Counterparts.** The Banking Agreements may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes. A facsimile signature will also be deemed to constitute an original if properly executed.

13. **Authority to Execute.** The individuals executing the Banking Agreements on behalf of the respective parties below represent to each other and to others that all appropriate and necessary action has been taken to authorize the individual who is executing the Banking Agreements to do so for and on behalf of the party for which his or her signature appears, that there are no other parties or entities required to execute the Banking Agreements in order for the same to be authorized and binding on the party for whom the individual is signing and that each individual affixing his or her signature hereto is authorized to do so.

14. **Governing Law and Venue.** This Agreement shall be governed by the laws of the State of Texas. Brazoria County will be the venue for any lawsuit arising out of this Agreement.

15. **Notices.** Except as may otherwise be specified in the applicable service-level agreements and/or set-up forms, any demand, notice, request, instruction, designation, or other communication(s) required in writing under this Agreement shall be personally delivered or sent certified mail, return receipt requested, to the other party as follows:

Bank: Mary L. Henson, Chief Operations Officer  
Texas Gulf Bank, N.A.  
1717 North Velasco Street  
Angleton, Texas 77515

City: Stephanie Russell, Finance Director  
City of Freeport  
200 W 2nd Street  
Freeport, Texas 77541

Changes to notice information may be made by either party with written notification to the other party.

16. **Severability.** If any provision of this Agreement is held to be illegal, invalid, or unenforceable by a court of competent jurisdiction, the parties, shall, if possible, agree on a legal, valid, and enforceable substitute provision that is as similar in effect to the illegal, invalid, or unenforceable provision as possible. The remaining portion of the Agreement not declared illegal, invalid, or unenforceable shall remain valid and in full force and effect for the term remaining.

17. **Binding Commitment.** Bank hereby acknowledges itself duly and firmly bound for the faithful performance of all the duties and obligations required by applicable law, including the Government Code and Texas Local Government Code, such that all funds deposited with it as depository shall be faithfully kept by it and accounted for according to law.

18. **Termination.** This Agreement may be terminated by either party, with or without cause, by giving ninety (90) days prior written notice to the other party. Notices will be delivered as required and addressed in item 15.

19. **Continuation.** Unless this Agreement is terminated sooner, Bank's designation as the primary City Depository will remain continuously in effect through November 30, 2021 subject to execution of the extension options if applicable.

Executed by the undersigned duly authorized officers of the parties hereto:

**CITY OF FREEPORT, TEXAS**

By:   
Name: Timothy Kelly  
Title: City Manager  
Date: 10/4/19

ATTEST:  
By: 

**TEXAS GULF BANK, N.A.**

By:   
Name: Mary C. Henson  
Title: Chief Operations Officer  
Date: 9-23-19

ATTEST  
By: 

Name: Betty Wells

Title: City Secretary

Name: Cari Wallace

Title: VP Operations



**Brooks Bass**  
*Mayor*

**Tim Kelty**  
*City Manager*

September 5, 2023

Ms. Mary L. Henson  
Chief Operations Officer  
Texas Gulf Bank, N.A.  
1717 North Velasco Street  
Angleton, Texas 77515

RE: City of Freeport Depository Services Contract Extension 2023-2024 – Delivered via U.S. Postal service and emailed to [MHenson@TexasGulfBank.com](mailto:MHenson@TexasGulfBank.com)

Dear Ms. Henson:

The expiration of the second of three (3) one-year terms of the Depository Services Agreement is November 30, 2023. The City is opting to exercise the third and final one-year contract extension option provided for in the Agreement to extend the term through November 30, 2024, under the same terms and conditions.

To confirm the Bank's acceptance of this contract extension, please complete the section below and return a copy of this letter to me.

We have appreciated our business relationship with you and the Bank over the term of the current depository contract and look forward to the extended term.

Should you have any questions or need additional information or explanation, please contact me at 979.871.0107.

Sincerely,

Timothy Kelty  
City Manager

**TEXAS GULF BANK, N.A.**

**ACCEPTED BY:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

**PRINTED NAME:** \_\_\_\_\_ **TITLE:** \_\_\_\_\_







## City Council Agenda Item #4.

**Title:**     **Public Hearing:** Public Hearing Regarding FY 2023-2024 Proposed Budget.

**Date:**     September 5, 2023

**From:**    Cathy Ezell, Finance Director

---

**Staff Recommendation:** Staff recommends this public hearing to be allowed for public input to be given on the Fiscal Year 2023-2024 Budget.

**Item Summary:** On July 31, 2023, the City Manager and Finance Director presented a proposed budget for the Fiscal Year 2023-2024, which was filed with the City Secretary and posted on the City website as required by Local Government Code Section 102.005. Per the City's Charter we are required to hold a public hearing and publish notification of that hearing 15 days prior to holding the public hearing, and before the Budget can be adopted. Because the publication of the notice for the public hearing ran late, a second Public Hearing will have to be held on Monday, September 11, 2023 at 6 p.m.

The adjustments identified below have been made from the originally proposed budget under the General Fund.

**Revenues:**

- Increased property tax revenue \$360,000
- Reduced lease income (\$5,700)
- Increase sale of property tax revenue - \$20,000

**Expenditures:**

**Cuts**

- Information Technology (\$21,645) - Budgeting Software
- Building (\$19,614) - Part-time Administrative Assistant
- Police (\$30,000) - Removal of Tower

- Musuem (\$28,500)
  - Interpretive Panels T
  - Traveling Exhibits
  - Advertising Brochures
- Recreation Center (\$82,500)
  - Correction to Telephone line item
  - Free Weight Replacements
  - Decrease Special Events (\$20,000) - to be paid out of Hotel Occupancy Tax Fund
- Library (\$800) - Waste Receptacles
- Transfers (\$84,460)
  - FMP Kitchen Renovations
  - Library Restroom Upgrade
  - Budgeting Software

#### Additions to the Budget

- Administration \$86,463
  - Increase Human Resources Director salary
  - Engineering Storm Water Utility
- Information Technology \$12,925 - Increase IT Manager salary
- Police \$6,463 - Increase Police Chief salary
- Senior Citizen \$10,000
- Transfers \$13,000
  - Park Equipment
  - Additional Police Vehicle Funding

All General Fund Telephone Services have been moved to the Information Technology Department.

The Court Security Fund expenditures increased by \$36,960 - to equip a police vehicle.

The Debt Service expenditures increased by \$9,729 for the 2024 debt service payment.

The Water/Sewer Fund expenditures increased by \$2,800 for 2024 debt service payment

The City-EDC Project Fund expenditures increased by \$85,000 monument sign.

The Freeport Economic Development budget was added, which was approved by the EDC budget.

#### **Proposed cuts still included in the budget:**

- Promote Officers in Charge to Corporals - \$30,725

- Police 3.5% Cost of Living Adjustment - \$65,578
- Fire Fighters merit increase - \$17,037
- Double Pedestal Desk Library - \$2,500
- Resurfacing Greens Golf - \$320,000
- New Evidence Lockers Police - \$11,000
- New Display Cases Museum - \$11,500
- Nesting Training Tables Library - \$6,750
- Fire Reserves PPE - \$19,100
- Streets 1/2 Ton 4X4 vehicle - \$40,000
- One Police Vehicle - \$85,46

Items proposed but not included in the budget:

- Sidewalk & Drainage on Skinner Street - \$1,500,000
- Plan to Sunset Museum with a 25% cut to the budget
- Plan to Sunset Golf Course with a 25% cut to budget
- Closing Recreation Center and keeping one employee
- Feasability Stude on construction of new Recreation Center - \$35,000
- Cut one Public Works Staff - (50,000)
- Extend Beach Road to the dunes
- Beach Plan
- Speed Bumps - \$203,040 will have to be contracted out. The city does not have the staff to complete the project in-house.
- Reflectors - \$63,100 will have to be contracted out. The city does not have the staff to complete the project in-house.

**Background Information:** The changes previously proposed were reviewed individually by council members. Where consensus was reached, changes were incorporated into the original draft. Tonight is the opportunity for the Council to receive feedback from the public, and discuss publicly the proposed changes and current Budget draft.

**Special Considerations:** None

**Financial Impact:** The Budget establishes the appropriations for all expenditures allowed in the next fiscal year.

**Board or 3rd Party Recommendation:**

**Supporting Documentation:**

None



## City Council Agenda Item #5.

**Title:** Consideration and possible action of approving Ordinance No. 2023-2705 Adopting the FY2023-2024 Budget.

**Date:** September 5, 2023

**From:** Cathy Ezell, Finance Director

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**Staff Recommendation:** Staff recommends tabling this item and Council authorizing a public hearing for Monday, September 11, 2023 in accordance with the published notice.

**Item Summary:** Per section 102.007 of the Texas Local Government Code, at the conclusion of the public hearing, the governing body of the municipality shall take action on the proposed budget. A vote to adopt the budget must be a record vote. Upon final adoption, the budget shall be in effect for the fiscal year. As required by law, once approved, the Budget Cover Page will be updated with the following statement: “This budget will raise more revenue from property taxes than last year's budget by an amount of \$401,965, which is a 10.75 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$29,170.” A copy of the budget, as finally adopted, will be filed with City Secretary and the County Clerk of Brazoria County. The final budget will also be made available on the City’s website.

**Background Information:** On July 31, 2023, the City Manager presented to the City Council a proposed budget for the fiscal year 2024 which was filed with the City Secretary and posted on the City website as required by Local Government Code Section 102.005. Additionally, a notice as required by Section 102.006 of the Local Government Code, was published to conduct a public hearing on such budget on September 5, 2023 and September 11, 2023. During such hearing all citizens and taxpayers of the City had the right to be present and to be heard, and those who requested to be heard were heard.

**Special Considerations:** Per Section 9.11 of the City’s Charter, “the budget shall be finally adopted not later than fifteen (15) days prior to the beginning of the fiscal year and should the City Council fail to so adopt a budget, the then existing budget together with its tax levying ordinance and its appropriation ordinance shall be deemed adopted for the ensuing fiscal year. If delayed by a situation beyond control of the City it shall be acted on as soon as practicable.”

**Financial Impact:** The proposed Ordinance appropriates expenditures for the fiscal year beginning October 1, 2023 through September 30, 2024.

| Fund                      | FY2023-2024<br>Proposed<br>Budget | Adjustments     | FY2023-2024<br>Adopted<br>Budget |
|---------------------------|-----------------------------------|-----------------|----------------------------------|
| <b>General Fund</b>       |                                   |                 |                                  |
| Administration            | 1,768,315                         | 68,962          | 1,837,277                        |
| Information Technology    | 292,699                           | 150,580         | 443,279                          |
| Municipal Court           | 233,473                           | (5,000)         | 228,473                          |
| Police/Animal Control     | 5,665,597                         | 88,537          | 5,577,060                        |
| Fire/Emergency Management | 1,629,203                         | (16,000)        | 1,613,203                        |
| EMS                       | 1,804,196                         | -               | 1,084,196                        |
| Streets/Drainage          | 1,575,340                         | (13,211)        | 1,562,129                        |
| Service Center            | 208,183                           | (4,750)         | 203,433                          |
| Beach Maintenance         | 42,850                            | -               | 42,850                           |
| Garbage                   | 720,000                           | -               | 750,000                          |
| Building                  | 341,406                           | (6,664)         | 334,742                          |
| Code Enforcement          | 499,777                           | (5,150)         | 494,627                          |
| Library                   | 42,000                            | (4,300)         | 37,700                           |
| Parks                     | 1,355,497                         | (15,250)        | 1,340,247                        |
| Recreation                | 631,986                           | (89,000)        | 542,986                          |
| Sr. Citizen's Commission  | 7,500                             | 10,000          | 17,500                           |
| Golf Course               | 1,294,222                         | (5,900)         | 1,288,322                        |
| Historical Museum         | 275,980                           | (34,000)        | 241,980                          |
| Mainstreet                | 139,352                           | -               | 139,352                          |
| Emergency Management      | -                                 | -               | -                                |
| <b>General Fund Total</b> | <b>17,828,363</b>                 | <b>(49,008)</b> | <b>17,779,355</b>                |
| <b>Water/Sewer Fund</b>   | <b>7,049,163</b>                  | <b>-</b>        | <b>7,049,163</b>                 |
| <b>Other Funds</b>        |                                   |                 |                                  |
| Capital Debt Service      | 801,790                           | 9,729           | 811,519                          |

|                                    |                  |                  |                   |
|------------------------------------|------------------|------------------|-------------------|
| Court Security                     | 23,400           | 28,560           | 51,960            |
| Court Technology                   | 10,800           | -                | 10,800            |
| Hotel/Motel                        | 30,250           | -                | 30,250            |
| TIRZ                               | -                | -                | -                 |
| State Narcotics                    | 21,000           | -                | 21,000            |
| City-EDC Project                   | -                | 85,000           | 85,000            |
| Facilities CIP                     | 538,150          | (40,000)         | 498,150           |
| Vehicle & Equipment Fund           | 623,600          | (5,500)          | 618,100           |
| Streets & Drainage CIP             | 1,070,178        | -                | 1,070,178         |
| Information Technology Fund        | -                | -                | -                 |
| 2020 Cert of Obligation            | -                | -                | -                 |
| 2021 Cert of Bond Fund             | -                | -                | -                 |
| Projects Fund                      | 4,240,000        | -                | 4,240,000         |
| Freeport Economic Development Corp | -                | 1,326,239        | 1,326,239         |
| EDC Projects                       | -                | 1,369,684        | 1,369,684         |
| EDC Marketing                      | -                | 125,000          | 125,000           |
| <b>Other Funds Total</b>           | <b>7,359,168</b> | <b>2,898,712</b> | <b>10,257,880</b> |
| <b>Transfers</b>                   | <b>2,063,200</b> | <b>482,300</b>   | <b>2,545,500</b>  |

**Board or 3rd Party Recommendation:**

**Supporting Documentation:**

1. Budget Ordinance FY2024

**ORDINANCE NO. 2023-2705**

**AN ORDINANCE APPROVING AND ADOPTING THE CITY OF FREEPORT, TEXAS, ANNUAL GOVERNMENTAL AND PROPRIETARY FUNDS BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2023 AND ENDING SEPTEMBER 30, 2024; MAKING APPROPRIATIONS FOR CITY OPERATIONS FOR SUCH FISCAL YEAR AS REFLECTED IN SUCH BUDGET; AUTHORIZING VARIOUS OTHER TRANSFERS; MAKING CERTAIN FINDINGS AND CONTAINING CERTAIN PROVISIONS RELATING TO THE SUBJECT; PROVIDING A SEVERANCE CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, the City of Freeport, Texas, (hereinafter sometimes "the City") is a "Home Rule City" and a "Home Rule Municipality" lying and situated in Brazoria County, Texas, as described in and defined by Section 5, Article XI of the Constitution of Texas and Section 1.005 of the Local Government Code of Texas, respectively; and,

WHEREAS, under Section 102.001(b) of the Local Government Code, because the City has a City Manager form of government, the City Manager is the budget officer of the City municipality and under Section 102.002 of said Code and Chapter 9 of said Charter, the City Manager is required to prepare a proposed annual budget for the municipality and, under Section 102.03(a) of said Code and Chapter 9 of said Charter, is required to file the same with the City Secretary before the 30th day before the date the governing body of the municipality makes its tax levy for the fiscal year; and,

WHEREAS, on July 31, 2023, the City Manager presented to the City Council a proposed budget of the expenditures of the City of Freeport for the fiscal year 2024 and the proposed budget was filed with the City Secretary and posted on the City website as required by Local Government Code Section 102.005; and

WHEREAS, pursuant to notice as required by Section 102.006 of the Local Government Code, on September 6, 2022, a public hearing on such budget was held in the Council Chambers, at which hearing all citizens and taxpayers of the City had the right to be present and to be heard, and those who requested to be heard were heard; and

WHEREAS, the City Council has considered the proposed budget and has made such changes therein as in the City Council's judgment were warranted by law and were in the best interest of the citizens and taxpayers of the City; and

WHEREAS, such changes are described in Exhibit A

WHEREAS, under Chapter 9 of said Charter, the governing body of the municipality is required to adopt a budget not later than fifteen (15) days prior to the beginning of the fiscal year; and,

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS:**

Section 1. The facts and opinions in the preamble of this ordinance are true and correct.

Section 2. In accordance with the provisions of Local Government Code Section 102. 007, the City Council hereby approves and adopts the budget described above, the same as shown in Exhibit A, all of which are attached and incorporated herein. The City Secretary is hereby directed to place on such budget and to sign an endorsement reading as follows: " The Original Annual Budget of the City of Freeport, Texas, for Fiscal Year 2023-2024" and to keep such budget on file in her office as a public record. In addition, in accordance with Section 102. 009 (d), Texas Local Government Code, the City Secretary is hereby directed to file a true copy of the approved Budget in the offices of the county clerks of the counties in which the City is located.

Section 3. The FY2023-2024 Budget for operations shall be administered as follows:

a. The Council may transfer any unencumbered appropriation balance or portion thereof from one department, or fund to another, at any time.

b. The City Manager shall have authority, without Council approval, to transfer appropriation balances from one expenditure account to another within a department.

c. At any time in any fiscal year, the Council may, pursuant to Article XI, section 9.14 of the City Charter, make emergency appropriations to meet a pressing need for public expenditure, for other than regular or recurring requirements, to protect the public health, safety or welfare. Such appropriation shall not be more than 5% of the total annual budget; however, the 5% may only be allocated annually under the condition the "undesignated" reserve/contingency funds in general revenue does not exceed eight million dollars. All reserve/contingency funds may only be used with the specific consent of the City Council for unforeseen contingencies by the City Manager.

Section 4. That the Beginning Fund Balance reflected in the budget for each fund for which a Budget is adopted shall be adjusted to be the amount of the Ending Fund Balance for Fiscal Year 2022-2023 as reflected in the final Comprehensive Annual Financial Report for Fiscal Year 2022-2023 upon publication. The revised Beginning Fund Balance shall thereafter be used to calculate the Fiscal Year 2023-2024 Ending Fund Balance.

Section 5. That the budget for Fiscal Year 2023-2024 shall be increased for valid outstanding encumbrances at the conclusion of Fiscal Year 2022-2023. Said increased appropriations shall be equal to the outstanding and valid encumbrances and shall be recorded in the appropriate accounts.

Section 6. All ordinances and resolutions, and parts of ordinances and resolutions in conflict herewith, are hereby repealed.

Section 7. A copy of the final approved budget shall be filed with the City Secretary and posted on the website in accordance with Local Government Code Section 102.008.



Section 8. It is hereby found and determined that the meeting at which this ordinance was passed was open to the public and that advance public notice of the time, place and purpose of said meeting was given as required by law.

This ordinance shall be effective from and after its passage and the annual budget adopted hereby shall be in effect for the Fiscal Year of the City beginning October 1, 2023 and ending September 30, 2024.

PASSED AND ADOPTED this \_\_\_\_\_ day of September 2023.

\_\_\_\_\_  
Brooks Bass, Mayor

ATTEST:

\_\_\_\_\_  
Betty Wells, City Secretary

APPROVED AS TO FORM AND CONTENT:

\_\_\_\_\_  
City Attorney

**EXHIBIT "A"**  
**City of Freeport FY2023-2024 Adopted Budget**

| <b>Fund</b>               | <b>FY2023-2024<br/>Proposed<br/>Budget</b> | <b>Adjustments</b> | <b>FY2023-2024<br/>Adopted<br/>Budget</b> |
|---------------------------|--------------------------------------------|--------------------|-------------------------------------------|
| <b>General Fund</b>       |                                            |                    |                                           |
| Administration            | 1,768,315                                  | 68,962             | 1,837,277                                 |
| Information Technology    | 292,699                                    | 150,580            | 443,279                                   |
| Municipal Court           | 233,473                                    | (5,000)            | 228,473                                   |
| Police/Animal Control     | 5,665,597                                  | 88,537             | 5,577,060                                 |
| Fire/Emergency Management | 1,629,203                                  | (16,000)           | 1,613,203                                 |
| EMS                       | 1,804,196                                  | -                  | 1,084,196                                 |
| Streets/Drainage          | 1,575,340                                  | (13,211)           | 1,562,129                                 |
| Service Center            | 208,183                                    | (4,750)            | 203,433                                   |
| Beach Maintenance         | 42,850                                     | -                  | 42,850                                    |
| Garbage                   | 720,000                                    | -                  | 750,000                                   |
| Building                  | 341,406                                    | (6,664)            | 334,742                                   |
| Code Enforcement          | 499,777                                    | (5,150)            | 494,627                                   |
| Library                   | 42,000                                     | (4,300)            | 37,700                                    |
| Parks                     | 1,355,497                                  | (15,250)           | 1,340,247                                 |
| Recreation                | 631,986                                    | (89,000)           | 542,986                                   |
| Sr. Citizen's Commission  | 7,500                                      | 10,000             | 17,500                                    |
| Golf Course               | 1,294,222                                  | (5,900)            | 1,288,322                                 |
| Historical Museum         | 275,980                                    | (34,000)           | 241,980                                   |
| Mainstreet                | 139,352                                    | -                  | 139,352                                   |
| Emergency Management      | -                                          | -                  | -                                         |
| <b>General Fund Total</b> | <b>17,828,363</b>                          | <b>(49,008)</b>    | <b>17,779,355</b>                         |
| <b>Water/Sewer Fund</b>   | <b>7,049,163</b>                           | <b>-</b>           | <b>7,049,163</b>                          |
| <b>Other Funds</b>        |                                            |                    |                                           |
| Capital Debt Service      | 801,790                                    | 9,729              | 811,519                                   |
| Court Security            | 23,400                                     | 28,560             | 51,960                                    |

|                                    |                  |                  |                   |
|------------------------------------|------------------|------------------|-------------------|
| Court Technology                   | 10,800           | -                | 10,800            |
| Hotel/Motel                        | 30,250           | -                | 30,250            |
| TIRZ                               | -                | -                | -                 |
| State Narcotics                    | 21,000           | -                | 21,000            |
| City-EDC Project                   | -                | 85,000           | 85,000            |
| Facilities CIP                     | 538,150          | (40,000)         | 498,150           |
| Vehicle & Equipment Fund           | 623,600          | (5,500)          | 618,100           |
| Streets & Drainage CIP             | 1,070,178        | -                | 1,070,178         |
| Information Technology Fund        | -                | -                | -                 |
| 2020 Cert of Obligation            | -                | -                | -                 |
| 2021 Cert of Bond Fund             | -                | -                | -                 |
| Projects Fund                      | 4,240,000        | -                | 4,240,000         |
| Freeport Economic Development Corp | -                | 1,326,239        | 1,326,239         |
| EDC Projects                       | -                | 1,369,684        | 1,369,684         |
| EDC Marketing                      | -                | 125,000          | 125,000           |
| <b>Other Funds Total</b>           | <b>7,359,168</b> | <b>2,898,712</b> | <b>10,257,880</b> |

|                  |                  |                |                  |
|------------------|------------------|----------------|------------------|
| <b>Transfers</b> | <b>2,063,200</b> | <b>482,300</b> | <b>2,545,500</b> |
|------------------|------------------|----------------|------------------|

*NOTE: Expenses for the Employee Benefit Fund is not included in the Citywide Total above to avoid duplication of the amounts shown as part of the General and Utility Fund budgets that are transfers to this fund for services.*



## City Council Agenda Item #6.

**Title:** Public Hearing: Public Hearing Regarding FY 2023-2024 Tax Rate.

**Date:** September 5, 2023

**From:** Cathy Ezell, Finance Director

**Staff Recommendation:** Staff recommends Council hold this public hearing to allow for citizen input on the proposed tax rate.

**Item Summary:** A tax rate of \$0.533 per \$100 valuation has been proposed for adoption. This would represent the 2nd year in a row of lowering the tax rate. Last year the city reduced the tax rate from .61 cents per \$100 of assessed value to .60. This year it is being recommended to be lowered to \$0. 533. This Public Hearing is required by law prior to taking action on the tax rate.

**Background Information:** A tax rate of \$0.533 per \$100 valuation has been proposed for adoption. This rate is higher than the No-New Revenue rate and lower than the Voter Approval and De Minimis rates. This rate exceeds the No-New Revenue rate, and state law requires that one public hearing be held by the governing body before adopting the proposed tax rates. The tax rate can be adopted on the same day as the public hearing.

| Line | Description of Rate      | Total Rate | M & O Rate | Debt Rate | % Over NNR | General Fund (M&O) Revenue | Budget Impact from M&O Rate |
|------|--------------------------|------------|------------|-----------|------------|----------------------------|-----------------------------|
| 1    | No New Revenue Tax Rate* | 0.481227   | 0.416616   | 0.064661  |            | \$3,237,808                | (\$12,192)                  |
| 2    | Voter Approval Tax Rate  | 0.533064   | 0.468403   | 0.064661  | 10.8%      | \$3,640,281                | \$390,281                   |
| 3    | De Minimis Tax Rate      | 0.553418   | 0.488757   | 0.064661  | 15.0%      | \$3,798,465                | \$548,465                   |
| 5    | Proposed Rate            | 0.533000   | 0.468339   | 0.064461  | 10.8%      | \$3,639,783                | \$389,783                   |

The No-New Revenue Tax rate is the tax rate at which the City will not receive any additional revenue on the re-evaluation of property, but will receive new revenue generated new assessed created assessed value from new construction on the tax roll. The Voter Approval Rate is the tax rate at which the City will receive 10.8% of increased revenue from the re-evaluation of property plus any new property added to the tax roll. Any rate over the Voter Approval Rate can require an election on the property tax rate.

**Special Considerations:** N/A

**Financial Impact:** Taxes owed under any of the above rates can be calculated as follows:  
Property Tax Amount = (Rate) X (Taxable Value/100)

**Board or 3rd Party Recommendation:** N/A

**Supporting Documentation:**

1. 90 - Notice of Public Hearing on Tax Increase (002)
2. 90 - Worksheet for Determination of Steps Required for Adoption of Tax Rate

# NOTICE OF PUBLIC HEARING ON TAX INCREASE

A tax rate of \$0.533000 per \$100 valuation has been proposed by the governing body of CITY OF FREEPORT.

|                         |                      |
|-------------------------|----------------------|
| PROPOSED TAX RATE       | \$0.533000 per \$100 |
| NO-NEW-REVENUE TAX RATE | \$0.481277 per \$100 |
| VOTER-APPROVAL TAX RATE | \$0.533064 per \$100 |

The no-new-revenue tax rate is the tax rate for the 2023 tax year that will raise the same amount of property tax revenue for CITY OF FREEPORT from the same properties in both the 2022 tax year and the 2023 tax year.

The voter-approval rate is the highest tax rate that CITY OF FREEPORT may adopt without holding an election to seek voter approval of the rate.

The proposed tax rate is greater than the no-new-revenue tax rate. This means that CITY OF FREEPORT is proposing to increase property taxes for the 2023 tax year.

A PUBLIC HEARING ON THE PROPOSED TAX RATE WILL BE HELD ON September 5, 2023 AT 6:00PM AT 430 N. Brazosport Blvd., Freeport, Texas 77541.

The proposed tax rate is not greater than the voter-approval tax rate. As a result, CITY OF FREEPORT is not required to hold an election at which voters may accept or reject the proposed tax rate. However, you may express your support for or opposition to the proposed tax rate by contacting the members of the of CITY OF FREEPORT at their offices or by attending the public hearing mentioned above.

YOUR TAXES OWED UNDER ANY OF THE RATES MENTIONED ABOVE CAN BE CALCULATED  
AS FOLLOWS:

Property tax amount= (tax rate) x (taxable value of your property)/100

|                          |                             |                           |
|--------------------------|-----------------------------|---------------------------|
| <b>FOR the proposal:</b> | Mayor Brooks Bass           | Councilman Jerry Cain     |
|                          | Councilman George Matamoros | Councilman Winston Rossow |

**AGAINST the proposal:** Councilman Jeff Pena

**PRESENT** and not voting:None

**ABSENT:** None

Visit [Texas.gov/PropertyTaxes](https://www.texas.gov/PropertyTaxes) to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.

The following table compares the taxes imposed on the average residence homestead by CITY OF FREEPORT last year to the taxes proposed to be imposed on the average residence homestead by CITY OF FREEPORT this year.

|                                            | 2022        | 2023        | Change                            |
|--------------------------------------------|-------------|-------------|-----------------------------------|
| <b>Total tax rate (per \$100 of value)</b> | \$0.600000  | \$0.533000  | decrease of -0.067000, or -11.17% |
| <b>Average homestead taxable value</b>     | \$88,993    | \$99,438    | increase of 10,445, or 11.74%     |
| <b>Tax on average homestead</b>            | \$533.96    | \$530.00    | decrease of -3.96, or -0.74%      |
| <b>Total tax levy on all properties</b>    | \$3,740,344 | \$4,142,309 | increase of 401,965, or 10.75%    |

---

For assistance with tax calculations, please contact the tax assessor for CITY OF FREEPORT at (979) 864-1320 or [taxoffice@brazoriacountytx.gov](mailto:taxoffice@brazoriacountytx.gov), or visit <https://www.brazoriacountytx.gov/departments/tax-office> for more information.

**Section 26.05(b) of Property Tax Code**  
**Worksheet for Determination of Steps Required for Adoption of Tax Rate**  
**CITY OF FREEPORT**

|                                                                                                                             |                  |
|-----------------------------------------------------------------------------------------------------------------------------|------------------|
| <b>M&amp;O Tax Increase in Current Year</b>                                                                                 |                  |
| 1. Last year's taxable value, adjusted for court-ordered reductions. Enter Line 8 of the No-New-Revenue Tax Rate Worksheet. | \$638,532,113    |
| 2. Last year's M&O tax rate.<br>Enter Line 28 of the Voter-Approval Tax Rate Worksheet.                                     | \$0.522997/\$100 |
| 3. M&O taxes refunded for years preceding tax year 2022.<br>Enter Line 31A of the Voter-Approval Tax Rate Worksheet.        | \$1,119          |
| 4. TIF Adjustment.<br>Enter Line 31B of the Voter-Approval Tax Rate Worksheet.                                              | \$65,375         |
| 5. Last year's M&O tax levy. Multiply line 1 times line 2 and divide by 100. To the result, add line 3 and subtract line 4. | \$3,275,247      |
| 6. This year's total taxable value. Enter line 21 of the No-New-Revenue Tax Rate Worksheet.                                 | \$777,168,613    |
| 7. This year's proposed M&O tax rate. Enter the proposed M&O tax rate approved by the Governing Body.                       | \$0.468339/\$100 |
| 8. This year's M&O tax levy. Multiply line 6 times line 7 and divide by 100.                                                | \$3,639,784      |
| 9. M&O Tax Increase (Decrease).<br>Subtract line 5 from line 8.                                                             | \$364,537        |
| <b>Comparison of Total Tax Rates</b>                                                                                        |                  |
| 10. No-New-Revenue Total Tax Rate.                                                                                          | \$0.481277/\$100 |
| 11. This year's proposed total tax rate.                                                                                    | \$0.533000/\$100 |
| 12. This year's rate minus No-New-Revenue rate. Subtract line 10 from line 11.                                              | \$0.051723       |
| 13. Percentage change in total tax rate. Divide Line 12 by line 10.                                                         | 10.75%           |
| <b>Comparison of M&amp;O Tax Rates</b>                                                                                      |                  |
| 14. No-New-Revenue M&O Tax Rate. Enter line 39 of the Voter-Approval Tax Rate Worksheet.                                    | \$0.424421/\$100 |
| 15. This year's proposed M&O tax rate.                                                                                      | \$0.468339/\$100 |
| 16. This year's rate minus No-New-Revenue rate. Subtract line 14 from line 15.                                              | \$0.043918       |
| 17. Percentage change in M&O tax rate. Divide line 16 by line 14.                                                           | 10.35%           |
| <b>Raised M&amp;O Taxes on a \$100,000 Home</b>                                                                             |                  |
| 18. This year's taxable value on a \$100,000 home.                                                                          | \$100,000        |
| 19. Last year's M&O tax rate.                                                                                               | \$0.522997/\$100 |
| 20. This year's proposed M&O tax rate.                                                                                      | \$0.468339/\$100 |
| 21. This year's raised M&O taxes.<br>Subtract line 19 from line 20 and multiply result by line 18.                          | \$-54.66         |





## City Council Agenda Item #7.

**Title:** Consideration and possible action of approving Ordinance No. 2023-2706 Establishing a Tax Rate for the 2023 Tax Year.

**Date:** September 5, 2023

**From:** Cathy Ezell, Finance Director

**Staff Recommendation:** Staff recommends approval of the ordinance be tabled until the September 11th Special meeting. In order, we should approve the budget, approve the tax rate and then ratify the budget. Because we had to reschedule a Public Hearing on the budget until the 11th. This should not receive action until that date.

**Item Summary:** A tax rate of \$0.533 per \$100 valuation has been proposed for adoption. This rate is higher than the No-New Revenue Rate and lower than the Voter Approval and De Minimis rates. As a result, the City is not required to hold an election to seek voter approval of the rate.

**Background Information:** On August 7, 2023, Council proposed a not to exceed tax rate of \$0.533 per \$100 valuation for adoption on Tuesday, September 5, 2023.

| Line | Description of Rate      | Total Rate | M & O Rate | Debt Rate | % Over NNR | General Fund (M&O) Revenue | Budget Impact from M&O Rate |
|------|--------------------------|------------|------------|-----------|------------|----------------------------|-----------------------------|
| 1    | No New Revenue Tax Rate* | 0.481227   | 0.416616   | 0.064661  |            | \$3,237,808                | (\$12,192)                  |
| 2    | Voter Approval Tax Rate  | 0.533064   | 0.468403   | 0.064661  | 10.8%      | \$3,640,281                | \$390,281                   |
| 3    | De Minimis Tax Rate      | 0.553418   | 0.488757   | 0.064661  | 15.0%      | \$3,798,465                | \$548,465                   |
| 5    | Proposed Rate            | 0.533000   | 0.468339   | 0.064461  | 10.8%      | \$3,639,783                | \$389,783                   |

**Special Considerations:** Council must adopt the tax rate before September 30, 2023 or 60 days after receiving the certified appraisal roll, whichever date is later. Additionally, the deadline to approve the tax rate for the consolidation tax bill is September 20, 2023. The last day to adopt the City's budget is September 15, 2023 per the City's Charter..

**Financial Impact:** Taxes owed under any of the above rates can be calculated as follows:  
$$\text{Property Tax Amount} = (\text{Rate}) \times (\text{Taxable Value of Property}) / 100$$

**Board or 3rd Party Recommendation:** N/A

**Supporting Documentation:**

1. Ordinance Adopting 2023 Tax Rate final

## **ORDINANCE NUMBER 2023-2706**

**AN ORDINANCE OF THE CITY OF FREEPORT, TEXAS, ESTABLISHING A TAX RATE FOR EACH \$100.00 VALUATION OF TAXABLE PROPERTY FOR THE 2023 TAX YEAR; LEVYING ALL TAXES FOR SAID CITY FOR SUCH TAX YEAR; ALLOCATING SUCH TAXES FOR CERTAIN MUNICIPAL PURPOSES THEREIN ENUMERATED; ORDERING THAT SUCH TAXES BE ASSESSED AND COLLECTED; CONTAINING A SEVERANCE CLAUSE; AND PROVIDING AN EFFECTIVE DATE FOR THIS ORDINANCE.**

**WHEREAS**, the City of Freeport, Texas, (hereinafter sometimes "the City") is a "Home Rule City" and a "Home Rule Municipality" lying and situated in Brazoria County, Texas, as described in and defined by Section 5, Article XI of the Constitution of Texas and Section 1.005 of the Local Government Code, respectively; and,

**WHEREAS**, Section 6.22 (c), Texas Tax Code, authorizes the governing body of a taxing unit to require the county in which said unit is located to assess and collect the taxes such unit imposes in the manner in which the county assesses and collects its taxes; and,

**WHEREAS**, Section 26.05 of the Texas Property Tax Code provides that the governing body of each taxing unit shall adopt a tax rate for the current tax year before the later of September 30 or the 60th day after the date the certified appraisal roll is received by the taxing unit; and

**WHEREAS**, county taxes in Brazoria County, Texas, are assessed and collected by the Brazoria County Tax Assessor-Collector; and,

**WHEREAS**, Section 6.23 (a)(3) of the Texas Tax Code, provides that the county assessor and collector of taxes shall, if so required by a taxing unit, assess and collect the taxes of said unit; and,

**WHEREAS**, heretofore the City Council, being the governing body thereof, adopted a resolution requesting and requiring the Assessor and Collector of Taxes for Brazoria County to assess and collect the ad valorem taxes levied by the City; and,

**WHEREAS**, under the provisions of Section 26.05 (b) of the Tax Code, the tax rate must be set by ordinance, resolution or order which, if the rate exceeds the no-new-revenue maintenance and operations tax rate, must be adopted by a motion with a record vote of the governing body of the City, such motion must be made in the form prescribed in Section 26.05 (b), at least sixty (60) percent of the members of the governing body are required to vote in favor of the motion to adopt such ordinance, resolution or order and, if the ordinance, resolution or order sets a tax rate that, if applied to the total taxable value, will impose an amount of taxes to fund maintenance and operation expenditures of the City that exceeds the amount of taxes imposed for that purpose in the preceding year, additional requirements regarding the contents of

such ordinance, resolution or order and the giving of notice of the home page of any Internet website operated by the City must be met; and,

**WHEREAS**, Section 26.05 (d) of the Tax Code, the City is only required to conduct a public hearing and satisfy the notice and voting requirements of Section 26.06 and Section 26.065 of the Tax Code where the proposed tax rate will exceed the lower of the voter approval tax rate or the no-new-revenue tax rate calculated as provided in said code.

**WHEREAS**, such Section further provides that where the tax rate consists of two components (one which will impose the amount of taxes needed to pay the unit's debt service and the other which will impose the amount of taxes needed to fund maintenance and operation expenditures of the unit for the next year); and

**WHEREAS**, the proposed tax rate for the current tax year of the City of Freeport, Texas, consists of two such components, a tax rate of **\$0.064661** for debt service and a tax rate of **\$0.468339** to fund maintenance and operation expenditures; and

**WHEREAS**, a budget appropriating revenue generated by the collection of ad valorem for the use and support of the municipal government of the City of Freeport has been proposed by the Freeport City Council as required by Title Four (4), Section 102.009 of the Local Government Code; and

**WHEREAS**, it is necessary and appropriate for the City Council to adopt the 2022 Tax Rate for the City of Freeport, Texas.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS:**

Section 1. Findings of Fact

The City Council hereby makes the following findings:

- (1) The Chief Appraiser of the Brazoria County Appraisal District furnished to the Assessor and Collector of Taxes for Brazoria County, Texas, a Certified Estimate of Taxable Value of the City for the 2023 tax year on the 4th day of August, 2023.
- (2) The Assessor and Collector of Taxes calculated the No New Revenue, Voter Approval, and De Minimis tax rates for such tax year, being \$0.481277, \$0.533064, and \$0.553418, respectively, per \$100.00 valuation.
- (3) On the 7th day of August, City Council made a motion which was seconded proposing to adopt a tax rate of \$0.533 per \$100.00 valuation for the 2023 tax year.

- (4) There is outstanding indebtedness for which an interest and sinking fund must be provided from ad valorem taxes and taxes must be levied as provided below to provide a general fund for current expenses and the general improvement of the City and its property, and to meet the revenue requirements of the budget for the City's 2023-2024 fiscal year.
- (5) On the 30st day of August, 2023 a Notice of 2022 Tax Year Proposed Property Tax Rate for the City of Freeport was published in The Facts.

#### Section 2. Appraisal Roll Accepted and Adopted

The City Council of the City hereby accepts and adopts the Certified Appraisal Roll for the City furnished to the Assessor and Collector of the City by the Brazoria County Appraisal District and which is incorporated herein by reference.

#### Section 3. Tax Rate for Interest and Sinking Fund

The City Council of the City hereby orders, determines and establishes that the tax rate for each \$100.00 valuation of taxable property within the City for the interest and sinking fund shall be \$0.064661 the tax year 2023.

#### Section 4. Tax Rate for Maintenance and Operations

The City Council of the City hereby orders, determines and establishes that the tax rate for each \$100.00 valuation of taxable property within the City to provide a general fund for maintenance and operation expenses of the City shall be \$0.468339 for the tax year 2023.

**THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 1.02% AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY 26.30.**

#### Section 5. Internet Website

The City Secretary shall cause the following to be included on the homepage of the City website:

**THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY**

1.02% AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY 26.30.

Section 6. Tax Levy; Assessment and Collection

Ad valorem taxes for the tax year 2023 are hereby levied and shall be assessed and collected as herein above set forth by the City as the ad valorem tax for said year, to-wit: a total tax of \$0.533 on each \$100.00 valuation of taxable property situated in the City.

Section 7. Severance Clause

Any section or provision of this ordinance found to be unconstitutional, void or inoperative by the final judgment of a court of competent jurisdiction is hereby declared to be severable from the remainder of this ordinance which shall remain in full force and effect.

Section 8. Effective Date

This ordinance shall be effective from and after its passage and adoption.

**PASSED AND ADOPTED** this \_\_\_\_ day of September, 2023.

---

Brooks Bass, Mayor  
City of Freeport, Texas

ATTEST:

---

Betty Wells, City Secretary  
City of Freeport, Texas

APPROVED AS TO FORM AND CONTENT:

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David Olson, City Attorney  
City of Freeport, Texas



## City Council Agenda Item #8.

**Title:** Ratification of Increased Property Tax Revenues Reflected in the Fiscal Year 2023-2024 Adopted Budget.

**Date:** September 5, 2023

**From:** Cathy Ezell, Finance Director

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**Staff Recommendation:** Staff recommends Council Table this item until the Special meeting on September 11th.

**Item Summary:** Pursuant to Section 102.007 of the Texas Local Government Code, adoption of a budget that will require raising more revenue from property taxes than in the previous year requires a separate vote of the governing body to ratify the property tax increase reflected in the budget. A vote under this subsection is in addition to and separate from the vote to adopt the budget or a vote to set the tax rate required by Chapter 26, Tax Code, or other law.

**Background Information:** The FY2023-2024 Budget includes more property tax revenues than FY2022-2023, therefore; Council must take a separate vote to ratify increased property tax revenues that are reflected in a budget. The ratification is in addition to and separate from the vote to adopt the budget or a vote to set the tax rate required by Chapter 26, Tax Code.

**Special Considerations:** N/A

**Financial Impact:** N/A

**Board or 3rd Party Recommendation:** N/A

**Supporting Documentation:**  
None



## City Council Agenda Item #9.

**Title:** Consideration and possible action of approving Resolution No. 2023-2816 amending the annual investment policy.

**Date:** September 5, 2023

**From:** Cathy Ezell, Finance Director

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**Staff Recommendation:** Staff recommends approval of the Resolution

**Item Summary:** Staff proposes amending Section VII. Suitable and Authorized Investments of the City's Investment Policy, changing Certificates of Deposit to be issued by a depository institution, and adding Commercial Paper. Also, amending Exhibit "C" of the City's Investment Policy to add brokers and adding Texas Class to the authorized Investment Pools.

**Background Information:** The purpose of City's Investment Policy is to provide direction for investing the funds of the City of Freeport and to comply with Chapter 2256 of the Texas Government Code ("Public Funds Investment Act"), which requires each entity to adopt a written investment policy regarding the investment of its funds and any funds under its control. The investment policy addresses the methods, procedures and practices that must be exercised to ensure effective and judicious fiscal management of the City's funds.

**Special Considerations:** N/A

**Financial Impact:** With interest rates rising, the proposed changes will allow the City to take advantage of the rising interest rates to increase investment income.

**Board or 3rd Party Recommendation:** N/A

**Supporting Documentation:**

1. Amending Investment Policy Resolution 2023-2816
2. Broker Certifications
3. Final Policy



**RESOLUTION NUMBER 2023-2816**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS, AMENDING THE INVESTMENT POLICY TO CHANGE AUTHORIZED INVESTMENTS CERTIFICATES OF DEPOSITS AND ADDING COMMERCIAL PAPER, ADDING BROKERS TO THE BROKERS DEALERS LIST AND ADDING TEXAS CLASS AS AN AUTHORIZED INVESTMENT POOL; PROVIDING FOR INCORPORATION OF PREAMBLE AND AN EFFECTIVE DATE.**

**WHEREAS**, Chapter 2256 of the Texas Government Code, commonly known as the "Public Funds Investment Act," requires the City to adopt an Investment Policy and Qualified Broker/Deal List by rule, order, ordinance or resolution; and

**WHEREAS**, the City Council must approve any amendments to such Investment Policy; and

**WHEREAS**, the proposed amendment to the Investment Policy, a copy of which is attached hereto as Exhibit "A," complies with the Public Funds Investment Act, as amended, and authorizes the investment of City funds in safe and prudent investments; and

**WHEREAS**, the City Council hereby finds that the proposed Amended Investment Policy should be approved.

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

**Section 1.** The facts and statements contained in the preamble are hereby found to be true and correct and are incorporated herein and made a part hereof for all purposes.

**Section 2.** Exhibit C, Approved Broker/Dealers, Financial Institutions and Investment Pools, of the City of Freeport's Investment Policy is hereby amended as attached hereto as "Exhibit A".

**Section 3.** This Resolution shall become effective immediately upon its passage.

**DULY PASSED, APPROVED AND ADOPTED** on this the \_\_\_\_\_ day of September 2021.

\_\_\_\_\_  
Brooks Bass, Mayor  
City of Freeport, Texas

ATTEST:

\_\_\_\_\_  
Betty Wells, City Secretary  
City of Freeport, Texas

APPROVED AS TO FORM AND CONTENT:

\_\_\_\_\_  
David Olson, City Attorney  
City of Freeport, Texas

**Certification by Broker/Dealers and Financial Institutions**

(date)

City of Freeport, Texas  
Attn: Finance  
200 W. 2nd Street  
Freeport, TX 77541

Dear Ms. Ezell:

This certification is executed on behalf of the City of Freeport, Texas (the Investor) and \_\_\_\_\_ SouthState DuncanWilliams \_\_\_\_\_ (the Business Organization), pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code, (the Act) in connection with investment transactions conducted between the Investor and Business Organization.

The undersigned Registered Principal of the Business Organization hereby certifies on behalf of the Business Organization that:

1. The undersigned is a Registered Principal of the Business Organization offering to enter an investment transaction with the Investor (Note: as such terms are used in the Public Funds Investment Act, chapter 2256, Texas Local Government Code) and;
2. The Registered Principal of the Business Organization has received and reviewed the Investment Policy furnished by the Investor and;
3. The Registered Principal of the Business Organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Business Organization and the Investor that are not authorized by the Investor's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the investor's entire portfolio or requires and interpretation of the subjective investment standards.

**Registered Principal**

Signed By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Broker Assigned to the Account**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Certification by Broker/Dealers and Financial Institutions

(August 23, 2023)

City of Freeport, Texas  
Attn: Finance  
200 W. 2nd Street  
Freeport, TX 77541

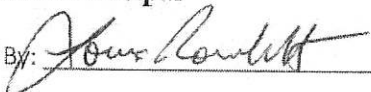
Dear Ms. Ezell:

This certification is executed on behalf of the City of Freeport, Texas (the Investor) and \_\_\_\_\_ SAMCO Capital Markets, Inc. \_\_\_\_\_ (the Business Organization), pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code, (the Act) in connection with investment transactions conducted between the Investor and Business Organization.

The undersigned Registered Principal of the Business Organization hereby certifies on behalf of the Business Organization that:

1. The undersigned is a Registered Principal of the Business Organization offering to enter an investment transaction with the Investor (Note: as such terms are used in the Public Funds Investment Act, chapter 2256, Texas Local Government Code) and;
2. The Registered Principal of the Business Organization has received and reviewed the Investment Policy, **dated September 7, 2027**, furnished by the Investor and;
3. The Registered Principal of the Business Organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Business Organization and the Investor that are not authorized by the Investor's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the investor's entire portfolio or requires and interpretation of the subjective investment standards.

**Registered Principal**

Signed By: 

Printed Name: Louis Rowlett

Title: Managing Director

Date: August 23, 2023

**Broker Assigned to the Account**

Robert M. Phillips

Robert Phillips

Managing Director

August 23, 2023

Certification by Broker/Dealers and Financial Institutions

8/24/2023

City of Freeport, Texas  
Attn: Finance  
200 W. 2nd Street  
Freeport, TX 77541

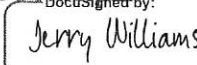
Dear Ms. Ezell:

This certification is executed on behalf of the City of Freeport, Texas (the Investor) and BOK Financial Securities, Inc. (the Business Organization), pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code, (the Act) in connection with investment transactions conducted between the Investor and Business Organization.

The undersigned Registered Principal of the Business Organization hereby certifies on behalf of the Business Organization that:

1. The undersigned is a Registered Principal of the Business Organization offering to enter an investment transaction with the Investor (Note: as such terms are used in the Public Funds Investment Act, chapter 2256, Texas Local Government Code) and;
2. The Registered Principal of the Business Organization has received and reviewed the Investment Policy furnished by the Investor and;
3. The Registered Principal of the Business Organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Business Organization and the Investor that are not authorized by the Investor's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the investor's entire portfolio or requires and interpretation of the subjective investment standards.

**Registered Principal**

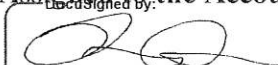
DocuSigned by:  
  
Signed By: AB16CB6620CE425...

Printed Name: Jerry Williams

Title: SVP, Director of Institutional Sales

Date: 8/24/2023

**Broker Assigned to the Account**

DocuSigned by:  
  
6C014DB2527B49D...

Russell Robinson

VP, Investment Sales Officer

8/24/2023

Certification by Broker/Dealers and Financial Institutions

August 24, 2023

City of Freeport, Texas  
Attn: Finance  
200 W. 2nd Street  
Freeport, TX 77541

Dear Ms. Ezell:

This certification is executed on behalf of the City of Freeport, Texas (the Investor) and Multi-Bank Securities, Inc. (the Business Organization), pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code, (the Act) in connection with investment transactions conducted between the Investor and Business Organization.

The undersigned Registered Principal of the Business Organization hereby certifies on behalf of the Business Organization that:

1. The undersigned is a Registered Principal of the Business Organization offering to enter an investment transaction with the Investor (Note: as such terms are used in the Public Funds Investment Act, chapter 2256, Texas Local Government Code) and;
2. The Registered Principal of the Business Organization has received and reviewed the Investment Policy furnished by the Investor and;
3. The Registered Principal of the Business Organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Business Organization and the Investor that are not authorized by the Investor's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the investor's entire portfolio or requires and interpretation of the subjective investment standards.

**Registered Principal**

Signed By: \_\_\_\_\_

Printed Name: Merlin Elsner

Title: Chief Compliance Officer

Date: 8/24/23

**Broker Assigned to the Account**

\_\_\_\_\_  
*Luigi Mancini*

Luigi Mancini

Vice President, Fixed Income

8/24/23

**Certification by Broker/Dealers and Financial Institutions**

(date)

City of Freeport, Texas  
Attn: Finance  
200 W. 2nd Street  
Freeport, TX 77541

Dear Ms. Ezell:

This certification is executed on behalf of the City of Freeport, Texas (the Investor) and Hilltop Securities (the Business Organization), pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code, (the Act) in connection with investment transactions conducted between the Investor and Business Organization.

The undersigned Registered Principal of the Business Organization hereby certifies on behalf of the Business Organization that:

1. The undersigned is a Registered Principal of the Business Organization offering to enter an investment transaction with the Investor (Note: as such terms are used in the Public Funds Investment Act, chapter 2256, Texas Local Government Code) and;
2. The Registered Principal of the Business Organization has received and reviewed the Investment Policy furnished by the Investor and;
3. The Registered Principal of the Business Organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Business Organization and the Investor that are not authorized by the Investor's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the investor's entire portfolio or requires and interpretation of the subjective investment standards.

**Registered Principal**

Signed By: \_\_\_\_\_

Sean Ladley

Printed Name: Sean Ladley

Title: Co-Head of Generalist Fixed Income Sales

Date: 8/25/2023

**Broker Assigned to the Account**

Gilbert Ramon

Gilbert Ramon

Vice President

08/25/23



# **City of Freeport, Texas Investment Policy**

Revised  
September 7, 2021

# City Freeport Investment Policy

## Table of Contents

|                                                                            |    |
|----------------------------------------------------------------------------|----|
| I. Policy .....                                                            | 1  |
| II. Purpose.....                                                           | 1  |
| III. Scope .....                                                           | 1  |
| IV. General Objectives .....                                               | 1  |
| V. Standards of Care .....                                                 | 3  |
| VI. Safekeeping and Custody .....                                          | 4  |
| VII. Suitable and Authorized Investments .....                             | 5  |
| VIII. Investment Parameters.....                                           | 7  |
| IX. Investment Strategies.....                                             | 7  |
| X. Reporting .....                                                         | 7  |
| XI. Record Retention.....                                                  | 8  |
| Exhibits.....                                                              | 9  |
| List of Authorized Investment Officials .....                              | 10 |
| Statement of Ethics and Conflicts of Interest .....                        | 11 |
| Approved Broker/Dealers, Financial Institutions and Investment Pools ..... | 12 |
| Certification by Broker/Dealers and Financial Institutions .....           | 13 |
| Investment Strategy .....                                                  | 14 |



## **I. Policy**

It is the policy of the City Freeport (the “City”) to administer and invest its funds in a manner that will preserve the principal and maintain the liquidity while meeting the daily cash flow requirements of the City. The City will conform to all federal, state and local statutes, rules and regulations governing the investment of the City’s funds.

Not less than annually, City Council shall adopt a written instrument by resolution stating that it has reviewed the Investment Policy and investment strategies and that the written instrument so adopted shall record any changes made to the Investment Policy or investment strategies.

## **II. Purpose**

The purpose of this policy is to provide direction for investing the funds of the City of Freeport and to comply with Chapter 2256 of the Texas Government Code (“Public Funds Investment Act”), which requires each entity to adopt a written investment policy regarding the investment of its funds and any funds under its control. The investment policy addresses the methods, procedures and practices that must be exercised to ensure effective and judicious fiscal management of the City’s funds.

## **III. Scope**

This investment policy applies to the safekeeping and investing of all financial assets of the City. These funds are accounted for in the City's Annual Financial Report and include all financial assets of all funds managed by the City, including but not limited to tax revenues, charges for services, bond proceeds, interest income, loans and funds received by the City where the City performs a custodial function. However, this policy does not apply to the assets administered for the benefit of the City by outside agencies under deferred compensation programs or other retirement programs.

## **IV. General Objectives**

The primary objectives, in priority order, of the City’s investment activities shall be safety, liquidity, and yield:

- A. **Safety** – Safety of the principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to minimize credit risk and interest rate risk.
  - i. **Credit Risk and Concentration of Credit Risk** – The City will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, and concentration of credit risk, the

risk of loss attributed to the magnitude of investment in a single issuer, by:

- Limiting investments to the safest types of securities,
- Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business, and;
- Diversifying the investment portfolio so that potential losses on individual securities will be minimized.

ii. **Interest Rate Risk** – The City will manage the risk that the market value of securities in the portfolio will fail due to changes in general interest rates, by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity,
- Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools, and;
- Diversify maturities and stagger purchase dates to minimize the impact of market movements over time.

B. **Liquidity** – The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, a portion of the portfolio will be invested in money market mutual funds or local government investment pools that offer same-day liquidity for short-term funds. Additionally, securities held in the portfolio will have active secondary or resale markets.

C. **Public Trust** – All participants in the City’s investment process shall seek to act responsibly as custodians of the public trust. Investment officials shall avoid any transaction that might impair public confidence in the City’s ability to govern effectively.

D. **Yield** – The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is restricted to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

- E. **Investments held to Maturity** - Securities shall not be sold prior to maturity with the following exceptions:

- 1) A security with declining credit may be sold early to minimize loss of principal.
- 2) Liquidity needs of the portfolio require that the security be sold.

City Council will be informed promptly in the event that a security is sold prior to maturity.

**V. Standards of Care**

- F. **Prudence** – The standard of prudence to be used by investing officials shall be the "prudent person" rule. This rule states that "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." The determination of whether an investing official has exercised prudence with respect to an investment decision shall be applied in the context of managing an overall portfolio rather than a consideration as to the prudence of a single investment.

Investment officials acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectations are reported in a timely fashion and appropriate action is taken to control unfavorable developments.

- G. **Ethics and Conflicts of Interest** – Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution and management of the investment program, or that could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the City any material interests in financial institutions that conduct business with the City. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. (See Exhibit B.)

Furthermore, an investment official who has a personal business relationship with an organization seeking to sell an investment to the City shall file a statement disclosing that personal business interest. An investment official who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the City shall file a statement disclosing that relationship. A statement required

under this subsection must be filed with the Texas Ethics Commission and the City Council.

- H. **Delegation of Authority** – Authority to manage the City's investment program is granted to the Investment Officer (s) as listed in Exhibit A. Responsibility for the operation of the investment program is hereby delegated to the Investment Officer, who shall act in accordance with established procedures and internal controls for the operation of the investment program consistent with this investment policy. This policy includes explicit delegation of authority to persons responsible for investment transactions. (See Exhibit A) No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Investment Officer. The Investment Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate activities of subordinate officials.
- I. **Training** – Investment officials must complete at least 10 hours of investment training within 12 months of taking office or assuming duties and shall attend an investment training session not less than once in a two-year period and receive not less than 8 hours of instruction relating to investment responsibilities. The City shall provide the training through courses and seminars offered by professional organizations and associations to insure the quality and capability of the City's investment personnel making investment decisions in compliance with Public Funds Investment Act (PFIA). Professional organizations and associations that may provide investment training included the Government Treasurer's Organization of Texas, the University of North Texas, the Government Finance Officers Association of Texas, or the Texas Municipal League.
- J. **Internal Controls** – The Investment Officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (a) the cost of a control should not exceed the benefits likely to be derived and (b) the valuation of costs and benefits requires estimates and judgments by management.

## VI. Safekeeping and Custody

- A. **Authorized Broker/Dealers and Financial Institutions** – The Investment Officer will maintain a list of financial institutions and security broker/dealers authorized to provide investment services (Exhibit C) to the City. This list shall be reviewed, revised as necessary and adopted at least annually.

Any person or business entity wishing to be listed as authorized to provide investment services will be required to provide a certification stating the firm has received, read and understood the Entity's investment policy and agree to comply with the policy (Exhibit D). Authorized firms may include primary dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (Uniform Net Capital Rule), and qualified depositories. All investment providers, including financial institutions, banks, money market mutual funds, and local government investment pools, must sign a certification acknowledging that the organization has received and reviewed the Entity's investment policy and that reasonable procedures and controls have been implemented to preclude investment transactions that are not authorized by the Entity's policy. No security, even if otherwise authorized by this policy, may be acquired from an investment provider who has not complied with this requirement.

No securities may be acquired from entities not qualified under this section.

- B. Competitive Purchasing** – The City's policy requires competitive quotes for all individual security purchases and sales except for a) transactions with money market mutual funds and local government investment pools; b) treasury and agency securities purchased at issue through an approved broker/dealer or financial institution; and c) exceptions approved by the Investment Officer on a case by case basis. These exceptions will take into consideration the investment type, maturity date, amount to be invested, and disruption to the City's investment strategy.

Quotes may be accepted orally, in writing, electronically or in any combination of these methods.

- C. Delivery vs. Payment** – All trades apart from investment pools and mutual funds will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities and collateral will be held in the City's name by a third-party custodian as evidenced by safekeeping receipts of the institution with which the securities are deposited.

## **VII. Suitable and Authorized Investments**

- A. Eligible Investments** – Assets of the City may be invested in the following instruments described below. All these investments are authorized by the Public Funds Investment Act. Only those instruments listed in this section are authorized.

1. Obligations of the United States of America, its agencies and instrumentalities
  2. Certificates of Deposit issued by a depository institution. The certificate of deposit must be guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor and secured by obligations in a manner and amount as provided by law. In addition, certificates of deposit obtained through a depository institution which are fully collateralized under a pledge agreement approved by the City are authorized investments.
  3. No-load Money Market Mutual Funds that 1) are registered and regulated by the Securities and Exchange Commission, 2) have a dollar weighted average stated maturity of 90 days or less, 3) seek to maintain a net asset value of \$1.00 per share and 4) are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service.
  4. Local Government Investment Pools, authorized by a separate resolution, which meet the requirements of Chapter 2256.016 of the Public Funds Investment Act and are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service.
  5. Commercial paper as authorized by Chapter 2256.013 if the commercial paper: 1) has a stated maturity of 270 day or fewer from the date of issuance; and 2) is rated not less than A-1 or P-1 or an equivalent rating by at least: A) two nationally recognized credit rating agencies; or B) one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state.
- B. **Collateralization** – Collateralization will be required on all funds on deposit with a depository bank, other than investments. To anticipate market changes and provide a level of security for all funds, the collateralization level will be one hundred two percent (102%) of market value of principal and accrued interest on the deposits, less an amount insured by the FDIC.

Securities pledged as collateral will be held in the City's name by an independent third party with whom the City has a current custodial agreement. The Investment Officer is responsible for entering into collateralization agreements with third party custodians in compliance with this Policy. The agreements are to specify the acceptable investment securities for collateral, including provisions relation to possession of the collateral, the substitution or release of investment securities, ownership

of securities, and the method of valuation of securities. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City and retained. Collateral shall be reviewed at least quarterly to assure that the market value of the pledged securities is adequate.

**C. Existing Investments** – Any investment currently held that does not meet the guidelines of this policy, but were authorized investments at the time of purchase, is not required to be liquidated; however, the City shall take all prudent measures consistent with this Investment Policy to liquidate an investment that does not or no longer qualifies as an authorized investment.

## **VIII. Investment Parameters**

**D. Diversification** – The investments shall be diversified by security type and institution. Except for U.S. Treasury securities and authorized pools, the City will diversify the entire portfolio to comply with the investment strategy; however, in no case shall any single investment transaction be more than five-percent (5%) of the entire portfolio.

**E. Maximum Maturities** – To the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than three (3) years from the date of purchase. The composite portfolio will have a weighted average maturity of 365 days or less. This dollar weighted average maturity will be calculated using the stated final maturity dates of each security.

## **IX. Investment Strategies**

The City maintains separate portfolios for individual funds or groups of funds that are managed according to the terms of this Policy and the corresponding investment strategies listed in Exhibit E. The investment strategy for portfolios established after the annual Investment Policy review and adoption will be managed in accordance with the terms of this Policy and applicable agreements until the next annual review when a specific strategy will be adopted.

The City maintains a pooled fund group that is an aggregation of the majority of City funds including tax receipts, enterprise fund revenues, fine and fee revenues, as well as some, but not all, bond proceeds, and grants. This portfolio is maintained to meet anticipated daily cash needs for City operations, capital projects and debt service.

The objectives of this portfolio are to ensure safety of principal; ensure adequate investment liquidity; limit market and credit risk through

diversification; and attain the best feasible yield in accordance with the objectives and restrictions set for in this Policy.

## **X. Reporting**

- F. Methods** – The Investment Officer shall prepare an investment report at least quarterly, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner consistent with the requirements of Section 2256.023 (Internal Management Reports) of the PFIA, and that will allow the City to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report should be provided to the City Council.
- G. Annual Audit** - The City's external independent auditor shall formally review the quarterly reports, compliance with this policy, and internal management controls over investments in conjunction with the annual financial audit. The results of the review will be reported to the City Council.
- H. Performance Standards** – The investment portfolio shall be managed in accordance with the objectives specified in this policy (safety, liquidity, and yield). The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. The Investment Officer shall determine whether market yields are being achieved by comparing the portfolio market yield to the three (3) month U.S. Treasury Bill, the six (6) month U.S. Treasury Bill and the two (2) year U.S. Treasury Note.
- I. Marking to Market** – The market value of the portfolio shall be calculated at least monthly and a statement of the market value of the portfolio shall be issued at least quarterly. The market value of each investment shall be obtained from an independent source such as the Wall Street Journal, a reputable brokerage firm or security pricing service and reported on the investment reports.

## **XI. Record Retention**

Records related to the City's investment activities will be maintained as recommended by the *Texas State Library Municipal Records Manual*. The Investment Officer, in conjunction with the City Secretary is responsible for filing and storing records of investment activity.



## **Exhibits**

**EXHIBIT A**

**List of Authorized Investment Officers**

City of Freeport City Manager

City of Freeport Finance Director

City of Freeport Financial Analyst

**EXHIBIT B**

**Statement of Ethics and Conflicts of Interest**

Investment officials for the City Freeport shall refrain from personal business relationships with business organizations that could conflict with the proper execution of the investment program, or which could impair their ability to make partial investment decisions. This would only apply to personal business relationships with business organizations that have been approved by City Council to conduct investment transactions with the City.

An investment official is considered to have a personal business relationship with a business organization if:

- (1) The investment official owns 10 percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business.
- (2) Funds received by the investment official from the business organization exceed 10 percent of the investment official's gross income for the previous year.
- (3) The investment official has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the investment official.

I do hereby certify that I do not have a personal business relationship with any business organization approved to conduct investment transactions with the City Freeport, nor am I related within the second degree by affinity or consanguinity, as determined under Chapter 573, to an individual seeking to sell an investment to the Freeport as of the date of this statement.

City of Freeport  
Investment Official

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

## **EXHIBIT C**

### **Approved Broker/Dealers, Financial Institutions and Investment Pools**

#### **Broker/Dealers**

- a. Patrick Boyer, Duncan Williams
- b. Robert Phillips, Samco
- c. Russel Robnison, Bank of Oklahoma
- d. Luigi Mancini, Multi-Bank Securities
- e. Gilbert Ramon, Hilltop Securities

Dealers a-d communications as and pricing are handled by Anne Jenkins, AJ Capital.

#### **Financial Institutions**

Texas Gulf Bank, N.A. (Primary Depository)

U.S. Bank, N.A.

#### **Investment Pools**

TexPool  
Texas Class

**EXHIBIT D**

**Certification by Broker/Dealers and Financial Institutions**

(date)

City of Freeport, Texas  
*Attn: Finance*  
200 W. 2nd Street  
Freeport, TX 77541

Dear Ms. Russell:

This certification is executed on behalf of the City of Freeport, Texas (the Investor) and \_\_\_\_\_ (the Business Organization), pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code, (the Act) in connection with investment transactions conducted between the Investor and Business Organization.

The undersigned Registered Principal of the Business Organization hereby certifies on behalf of the Business Organization that:

1. The undersigned is a Registered Principal of the Business Organization offering to enter an investment transaction with the Investor (Note: as such terms are used in the Public Funds Investment Act, chapter 2256, Texas Local Government Code) and;
2. The Registered Principal of the Business Organization has received and reviewed the Investment Policy furnished by the Investor and;
3. The Registered Principal of the Business Organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Business Organization and the Investor that are not authorized by the Investor's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the investor's entire portfolio or requires and interpretation of the subjective investment standards.

**Registered Principal**

**Broker Assigned to the Account**

Signed By: \_\_\_\_\_

\_\_\_\_\_

Printed Name: \_\_\_\_\_

\_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_

## **EXHIBIT E**

### **Investment Strategy**

The City of Freeport's investment portfolio will be designed and managed to ensure that it will meet all the requirements established by the City's investment policy and the Public Funds Investment Act. The overall investment strategy outlined in the investment policy has been further refined in this investment strategy statement by the following fund types.

#### **Operating Funds:**

Operating Funds generally have greater cash flow needs than other funds types. The operating fund portfolio may consist of any approved investment type with the understanding that the financial requirements of the operating funds will dictate the maturity dates of the investment. At utmost importance is the preservation and safety of the investment principal.

Additionally each investment will be viewed for its liquidity and marketability of the investment if the need arises to liquidate the investment before maturity. The final determining factors for the investment strategy will be the diversification of the investment portfolio and the yield of the investment.

To achieve short-term needs of one (1) to one hundred and eighty (180) days, funds will be invested in approved investment pools. For longer-term needs of six (6) months to five (5) years, funds will be invested in approved investments with objectives prioritized as follows:

- 1) understanding the suitability of the investment to the financial requirements of the City of Freeport;
- 2) preservation and safety of principal;
- 3) liquidity;
- 4) marketability of the investment if the need arises to liquidate the investment before maturity;
- 5) diversification of the investment portfolio; and
- 6) yield.

### **Debt Service Funds:**

The debt service requirements are semi-annual, thus allowing the investment strategy to mirror debt obligation payment dates. The strategy for debt service funds allows greater flexibility since the actual requirements are known into the future. Investments will still meet the adopted policies; however, planning maturity dates to match debt requirement dates will be the primary objective.

The investment instruments will be primarily in approved investment types with maturities at six or twelve months established to match debt requirement dates. Shorter-term investment may be used to meet these objectives and longer-term investments may be used when fund balance reserves exceed one year's debt service requirements.

To achieve this strategy the following objectives are prioritized to evaluate investment opportunities:

- 1) understanding the suitability of the investment to the financial requirements of the City Freeport;
- 2) preservation and safety of principal;
- 3) yield;
- 4) marketability of the investment if the need arises to liquidate the investment before maturity;
- 5) diversification of the investment portfolio; and
- 6) liquidity.

### **Capital Improvement Funds:**

Bond proceeds can be invested over the life of the project; however, the exact disbursement of the funds is not always known. The investment objective of the capital improvement funds is to schedule maturities to maximize investment earnings while preserving principle. The key to an effective strategy is to be aware of the project needs and match maturities to the period funds are needed.

The investment objective for capital projects funds is still to match investment maturities with funding needs. As short-term needs are recognized investment maturities will be moved into approved investment pools to meet financial requirements. Longer-term needs will be invested with the following objectives as prioritized for capital improvement funds:

- 1) understanding the suitability of the investment to the financial requirements of the City of Freeport;
- 2) preservation and safety of principal;
- 3) diversification of the investment portfolio;
- 4) yield;
- 5) liquidity; and
- 6) marketability of the investment if the need arises to liquidate the investment before maturity.

**Reserve Funds:**

Certain reserve funds have been established as required by bond covenants. The investment objective is to invest reserve funds to the extent that maturities are established to the limit of the investment policy or to the end of the bond requirements whichever is shorter.

The overall investment strategy for reserve funds will not rely on investment pools; however, the use of pools is not prohibited. Longer-term investment objectives are prioritized as follows:

- 1) understanding the suitability of the investment to the financial requirements of the City of Freeport;
- 2) diversification of the investment portfolio;
- 3) preservation and safety of principal;
- 4) yield;
- 5) liquidity; and
- 6) marketability of the investment if the need arises to liquidate the investment before maturity.





## City Council Agenda Item #10.

**Title:** Consideration and possible action of approving Ordinance No. 2023-2707, vacating and selling a portion of the 20' alley right of way in Velasco Townsite, Block 19 adjacent to lots 11 and 12 and approving the City Manager to sign and the City Secretary to attest to a deed transferring real property.

**Date:** September 5, 2023

**From:** Laura Cramer, Special Projects Supervisor

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**Staff Recommendation:** Staff recommends approval of this item vacating and abandoning a portion of alley right of way located in Velasco, Block 19, north of Lots 11 & 12 at the value determined.

**Item Summary:** A portion of a privately owned building which was constructed in 1945, according to the Brazoria County Appraisal District, sits in our alley right of way just over 10'. The owner of lots 11 and 12 has contacted the city requesting that the City sell him this portion of the alley. This alley is undeveloped and has no access for public use. There is currently a sewer line that runs under the building and the adjoining concrete slab. Having a portion of the building in the right of way is hindering the property owners' ability to do anything with the property. This property sits in the alley between Avenue A and Avenue B adjacent to Velasco Boulevard.

**Background Information:** The building was constructed in 1945 and was built just over 10' into our alley right of way.

**Special Considerations:**

**Financial Impact:** A Broker's Opinion of Value has valued the property at \$2,575.00.

**Board or 3rd Party Recommendation:**

**Supporting Documentation:**

1. ordinance 083123

2. Broker's Opinion of Value
3. Survey

ORDINANCE NO.2023-2707

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS, ABANDONING A PORTION OF A 20-FOOT ALLEY THAT RUNS 304 FEET FROM VELASCO BOULEVARD TO CALDWELL STREET, BETWEEN LOTS 1-12 AND 13-24, BLOCK 19, VELASCO TOWNSITE; FINDING NO DUTY TO MAINTAIN; RETAINING ALL EXISTING UTILITY EASEMENTS IN THE ABANDONED ALLEY; AND AUTHORIZING RECORDATION IN THE DEED RECORDS OF BRAZORIA COUNTY.

WHEREAS, the City of Freeport has been asked to abandon an alley that runs from Velasco Boulevard to Caldwell Street that was dedicated to the public for use as a public alley; and

WHEREAS, the Freeport City Council has determined that the alley requested to be abandoned is not needed as a public alley and should be vacated, abandoned, and closed because it is no longer needed as a public alley by the City; now therefore;

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

Section 1. The facts and recitations set forth in the preamble of this Ordinance are hereby found to be true and correct and are incorporated herein for all purposes.

Section 2. The City Council of the City of Freeport, Texas, hereby finds and determines that public convenience and necessity no longer require the continued existence as a public alley.

Section 3. The City hereby abandons, vacates, and closes an 11' X 52' SECTION OF THE ALLEY THAT LAYS NORTH OF LOTS 11 AND 12, being more particularly described in Exhibit A attached hereto and incorporated herein for all purposes.

Section 4. That the City of Freeport shall not have the duty to maintain said alley described above after abandonment. The Freeport City Council further finds that the abandonment of said alley shall not constitute any liability or responsibility on the part of the City of Freeport in connection with access thereto.

Section 5. That all existing utility easements, in upon, or across said property, whether or not said utility easements are recorded, shall be retained.

Section 6. That it is the intent of the City of Freeport to abandon only the alley that is described in Section 3 above and this Ordinance does not abandon any other utility easements in, upon, or across said property, whether or not said utility easements are recorded in the deed records of Brazoria County.

Section 7. That an original of this Ordinance shall be filed and recorded with the appropriate office where deeds are recorded in Brazoria County.

PASSED AND ADOPTED this \_\_\_\_\_ day of September 2023.

\_\_\_\_\_  
Brooks Bass, Mayor

ATTEST:

\_\_\_\_\_  
Betty Wells, City Secretary

APPROVED AS TO FORM AND CONTENT:

\_\_\_\_\_  
David W. Olson, Interim City Attorney

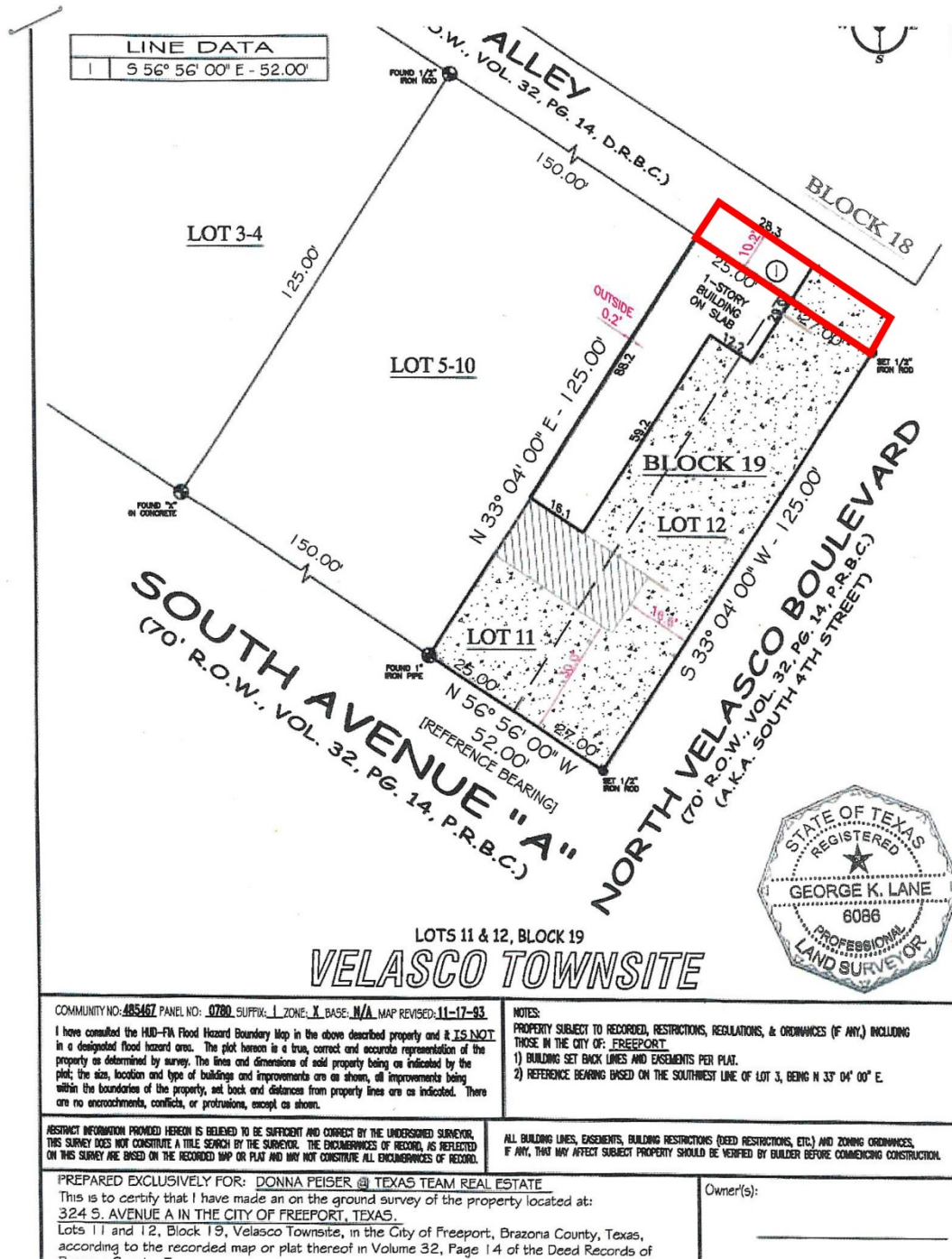
STATE OF TEXAS            §  
COUNTY OF BRAZORIA   §

This instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2023, by Brooks Bass as Mayor of the CITY OF FREEPORT, a Texas municipality.

Notary Public in and for the State of Texas

\_\_\_\_\_

# EXHIBIT A



August 14, 2023

Mr. Tim Kelty  
City Manager  
200 West 2<sup>nd</sup> Street  
Freeport, TX 77541

RE: A portion (52' X 11.0' or 572 SF), out of the Alley Right-of-Way between Lots 1-12 and 13- 24, Block 19, Velasco Townsite, City of Freeport. Please see attached survey for details.

Dear Mr. Kelty,

Complying with a request from Mr. Cory McMinn, a visual observation was made of the subject property on August 1<sup>st</sup>, 2023 to assist in determining a fair market value for a broker price opinion.

The subject property is a portion of the 20' R.O.W. that runs 304' from Velasco Boulevard to Caldwell Street. It is not developed with any hard surface, but is covered with grass. There are light poles running along the right-of- way. There is no evidence of any public use of the right-of-way by pedestrians or vehicles.

The improvements on Lots 11 & 12, Block 19, encroach on the alley right-of-way. The Brazoria County Appraisal District shows the improvements with a year built of 1945 and the land area of 6,250 SF with 2023 assessed value of \$24,380 or \$3.90 PSF. The encroachment onto an alley or street right-of-way is not that unusual and when it occurs the typical solution is to purchase the area from the government entity that controls the right-of-way.

My broker's price opinion of the 572 SF of area within the alley right-of-way, as of August 11, 2023 is:

**\$2,575.00**  
**(Twenty-Five Hundred, Seventy-Five Dollars)**

Respectfully submitted,

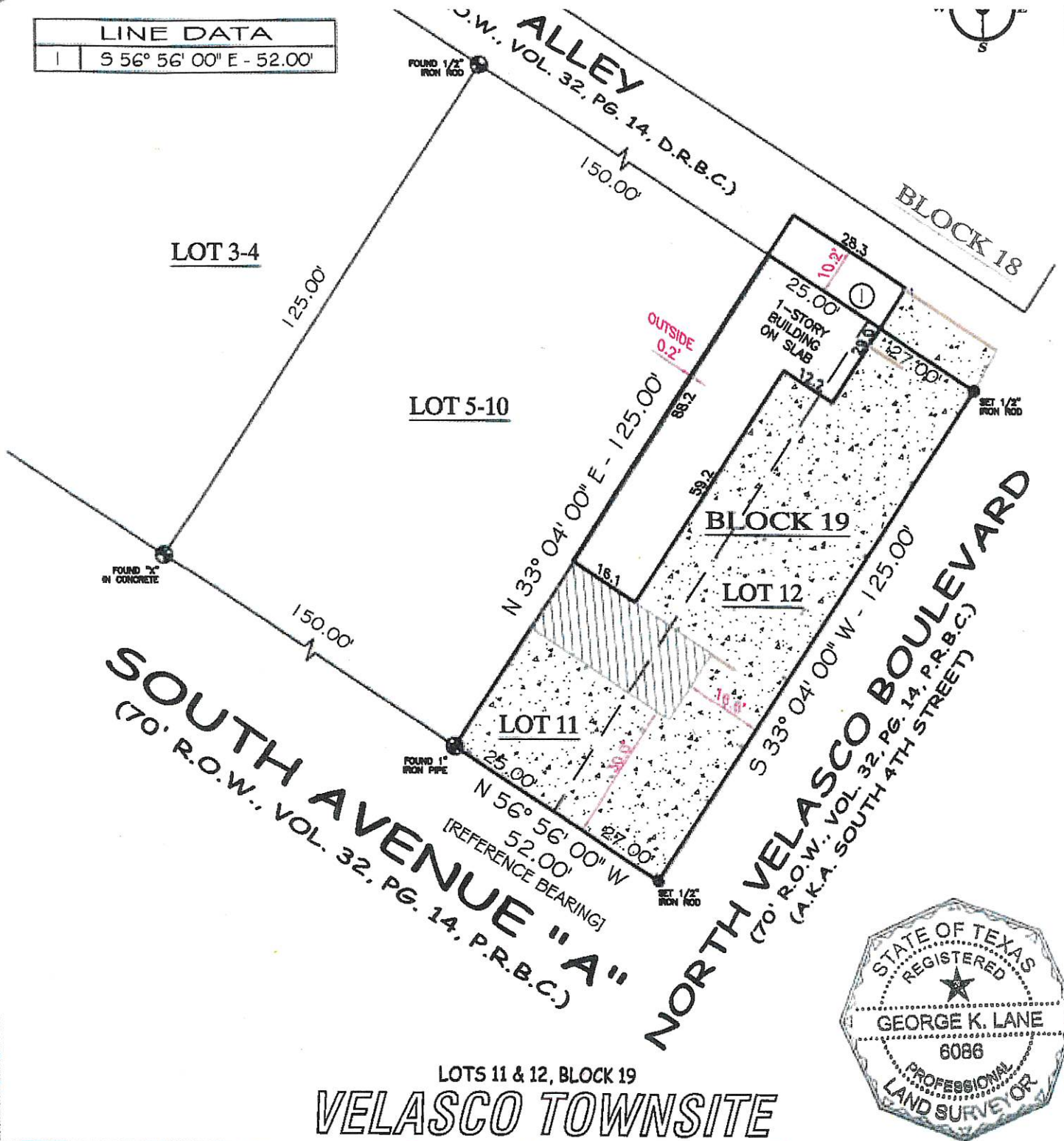


Greg Flaniken  
License No. 206691

**"THIS IS AN OPINION OF VALUE OR A COMPARATIVE MARKET ANALYSIS AND SHOULD NOT BE CONSIDERED AN APPRAISAL. In making any decision that relies upon my work, you should know that I have not followed the guidelines for development of an appraisal or analysis contained in the Uniform Appraisal Practice of the Appraisal Foundation."**



| LINE DATA |                          |
|-----------|--------------------------|
| 1         | S 56° 56' 00" E - 52.00' |



# LOTS 11 & 12, BLOCK 19 **VELASCO TOWNSITE**

COMMUNITY NO: 485467 PANEL NO: 0780 SUFFIX: 1 ZONE: X BASE: N/A MAP REVISED: 11-17-93

I have consulted the HUD-FIA Flood Hazard Boundary Map in the above described property and it IS NOT in a designated flood hazard area. The plot hereon is a true, correct and accurate representation of the property as determined by survey. The lines and dimensions of said property being as indicated by the plat; the size, location and type of buildings and improvements are as shown, all improvements being within the boundaries of the property, set back and distances from property lines are as indicated. There are no encroachments, conflicts, or protrusions, except as shown.

- NOTES:
- PROPERTY SUBJECT TO RECORDED, RESTRICTIONS, REGULATIONS, & ORDINANCES (IF ANY,) INCLUDING THOSE IN THE CITY OF: FREEPORT
  - 1) BUILDING SET BACK LINES AND EASEMENTS PER PLAT.
  - 2) REFERENCE BEARING BASED ON THE SOUTHWEST LINE OF LOT 3, BEING N 33° 04' 00" E.

ABSTRACT INFORMATION PROVIDED HEREON IS BELIEVED TO BE SUFFICIENT AND CORRECT BY THE UNDERSIGNED SURVEYOR, THIS SURVEY DOES NOT CONSTITUTE A TITLE SEARCH BY THE SURVEYOR. THE ENCUMBRANCES OF RECORD, AS REFLECTED ON THIS SURVEY ARE BASED ON THE RECORDED MAP OR PLAT AND MAY NOT CONSTITUTE ALL ENCUMBRANCES OF RECORD.

ALL BUILDING LINES, EASEMENTS, BUILDING RESTRICTIONS (DEED RESTRICTIONS, ETC.) AND ZONING ORDINANCES, IF ANY, THAT MAY AFFECT SUBJECT PROPERTY SHOULD BE VERIFIED BY BUILDER BEFORE COMMENCING CONSTRUCTION.

PREPARED EXCLUSIVELY FOR: DONNA PEISER TEXAS TEAM REAL ESTATE  
 This is to certify that I have made an on the ground survey of the property located at:  
324 S. AVENUE A IN THE CITY OF FREEPORT, TEXAS.  
 Lots 11 and 12, Block 19, Velasco Townsite, in the City of Freeport, Brazoria County, Texas,  
 according to the recorded map or plat thereof in Volume 32, Page 14 of the Deed Records of  
 Brazoria County, Texas.

Owner(s):  
 \_\_\_\_\_





## City Council Agenda Item #11.

**Title:** Consideration and possible action approving the sale of City owned levee property located at, and adjacent to, 104 Mystery Harbor Lane, to Chris Duncan

**Date:** September 5, 2023

**From:** Tim Kelty, City Manager

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**Staff Recommendation:** Staff recommends Council only consider the request by Chris Duncan to purchase property from the City along the levy between his property at 104 Mystery Harbor Lane and the water's edge. It is recommended that the sale be for the amount provided for in the appraisal secured by the City, and that it is contingent upon him demolishing the existing structure and building a new house on that property with a total value of at least \$350,000 within 3 years.

**Item Summary:** Mr. Duncan provided a survey of this property and an appraisal report. While the appraisal report is for the property he owns, it includes a paragraph additionally placing values on the requested properties. He has requested that the city consider selling him the Levee property both between his property 104 Mystery Harbor Lane and the river, and between his neighbor's property, to the west, and the river. While he has not made a formal offer to purchase either area, the documentation he provided suggests the value of the property is \$5,900 for the property immediately between his property, and \$24,000 for the entire parcel. Both values were based on approximately \$0.94/sf. This is significantly less per square foot than was identified in an appraisal the city completed last year, and authorized for the sale to Ms. Ware, one block west of Mr. Duncan's property.

This item was originally presented to City Council in July. Since that time, the city has secured its own appraisal of the property. The appraised value determined by that appraisal is \$30,000 for the property, between the property he owns and the water.

**Background Information:** In the past, the city has considered and approved the sale of levee property to property owners along the river for the fair market value, in exchange for the property owner's commitment to invest in development or redevelopment of the property within a certain time period. In this case, Mr. Duncan has indicated his intention to demolish the old brick house located on his property and redevelop the property.

However, since he does not own the neighboring property, he would not be able to make the commitment to develop that side of the requested levee.

**Special Considerations:** Last year the city council approved the sale of nearby levee property to Lucy Ware. That approval was based upon an appraisal for that property of \$23,300 for 4,661 square feet, or about \$5/sf. According to the paperwork submitted by Mr. Duncan, the entire requested area is 25,178 sf and the area immediately between his property and the river is 6,229 sf. Using the sf cost from the prior approved deal, the values for Mr. Duncan's requests are \$125,890 and \$31,145 respectively.

**Financial Impact:** The sale of this property would generate unbudgeted revenue

**Board or 3rd Party Recommendation:** None

**Supporting Documentation:**

1. Appraisal - Lot south of Mystery Harbor Lane, Freeport

**APPRAISAL  
OF A**

Tract of Vacant Land, south of the southwest line  
of Mystery Harbor Lane (Front Street), southwest  
of Groce Street,  
Freeport, Brazoria County, Texas 77541

**PREPARED FOR:**

Timothy Kelty  
City of Freeport  
200 W 2nd Street  
Freeport, Texas 77541

|                        |                 |
|------------------------|-----------------|
| Date of Value "As Is": | August 7, 2023  |
| Date of Report:        | August 30, 2023 |

**BY**

MB LANE & ASSOCIATES, INC.  
8990 Hempstead Highway, Suite 102  
Houston, Texas 77008  
(File No. 23167)

# MBLANE & ASSOCIATES

8990 Hempstead Highway, Suite 102 • Houston, TX 77008 • Office: 713.863.1414 • Website: mblane.com

August 30, 2023

Timothy Kelty  
City of Freeport  
200 W 2nd Street  
Freeport, Texas 77541

Reference: Appraisal of a Tract of Vacant Land, south of the southwest line of Mystery Harbor Lane (Front Street), southwest of Groce Street, Freeport, Brazoria County, Texas 77541.

Dear Mr. Kelty:

In compliance with your request, we visited the above-referenced property on August 7, 2023 and appraised it as of the same date. The purpose of this report is to provide an opinion of the “As Is” Market Value of the Fee Simple Estate of the above referenced property.

The property right appraised in this report is the Fee Simple Estate. The persons involved in preparing this appraisal report are Michael B. Lane, MAI and Lee Doehring. They are providing a value opinion based upon a one year exposure period. Please review our “Contingent and Limiting Conditions”, as our value is subject to these provisions.

The site is a vacant tract of land which contains approximately 0.1430 acres (6,229 square feet) of gross area. In our analysis, we have considered the Market Approach to Value - Land.

Based on the location of the subject “As Is,” as well as the current market conditions, it is the appraiser’s opinion that the value of the subject property is based on a 12 month exposure period. Therefore our opinion of the “As Is” market value as of August 7, 2023 of the subject property is as follows:

**\$30,000**

***There are no hypothetical conditions or extraordinary assumptions for this appraisal.***

Market Value, as further defined in this report, is the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeable, and assuming the price is not affected by undue stimulus.

Prior to accepting this assignment, the appraisers concluded that they have the necessary experience and/or knowledge to competently complete the appraisal, and during the preparation of the appraisal, the appraisers have not discovered any areas in the assignment requiring appraisal expertise in which we were lacking.

The above statements of appraiser competency applies to knowledge and/or experience for the real estate appraisal discipline and not other areas of trades, professions or disciplines such as engineering, surveyors, attorneys, etc.

Our site visit did not reveal, nor did we observe, or are we aware of any natural, cultural, recreational, environmental, or scientific value influences affecting the subject property. Additionally, we have not made a specific Americans with Disabilities Act (ADA) compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. The value estimate is predicated on the assumption that no such influences are present that would affect our value conclusions. We have no expertise in these fields and no responsibility is assumed for any such conditions or for any expertise, engineering or other special knowledge required to discover them. Such studies are required before these values can be relied on by readers of this report.

To the best of our understanding this report conforms to the appraisal guidelines of Professional Appraisal Practice adopted by the Appraisal Standards Board of the Appraisal Foundation.

Your attention is now directed to the following report which contains the data and analysis used in our final value opinion. If after reviewing this report, you have any questions, please do not hesitate to contact this office.

Yours truly,



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Michael B. Lane, MAI  
TX-1322609-G, Expires 9/30/2025  
Phone: (713) 863- 1414, ext. 1  
Email: michael@mblane.com



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Lee Doehring, Trainee  
TX - 1342044-T, Expires 8/31/2025  
Phone: (713) 863 - 1414, ext. 3  
Email: lee@mblane.com

## **TABLE OF CONTENTS**

|                                          |    |
|------------------------------------------|----|
| Title Page                               | 1. |
| Letter of Transmittal                    | 2. |
| Table of Contents                        | 3. |
| Certification                            | 4. |
| Summary of Salient Facts and Conclusions | 6. |
| Contingent and Limiting Conditions       | 8. |

### **INTRODUCTION**

|                                                  |     |
|--------------------------------------------------|-----|
| Scope of Appraisal                               | 11. |
| Purpose, Intended Use and Users of the Appraisal | 12. |
| Date of Valuation                                | 12. |
| Property Rights Appraised                        | 12. |
| Competency Statement                             | 12. |
| Definition of Market Value                       | 13. |

### **FACTUAL DESCRIPTIONS**

|                                |     |
|--------------------------------|-----|
| Identification of the Property | 16. |
| Property History               | 16. |
| Statement of Ownership         | 16. |
| Area/Neighborhood Analysis     | 17. |
| Assessment and Tax Analysis    | 26. |
| Site Data                      | 27. |
| Zoning                         | 31. |

### **ANALYSIS OF DATA AND OPINIONS OF THE APPRAISER**

|                                        |     |
|----------------------------------------|-----|
| Highest and Best Use                   | 32. |
| Market Approach to Value               | 33. |
| Reconciliation and Final Value Opinion | 37. |

### **ADDENDA**

|                      |  |
|----------------------|--|
| Qualifications       |  |
| Flood Map            |  |
| Land Sales Map       |  |
| Subject Photographs  |  |
| Letter of Engagement |  |

## **CERTIFICATION**

We certify that, to the best of our knowledge and belief:

- (1) The statements of facts contained in this report are true and correct.
- (2) The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- (3) We have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- (4) We have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
- (5) Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- (6) Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- (7) Our analyses, opinions, or conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and the Code of the Professional Ethics of the Appraisal Institute.
- (8) This report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- (9) Lee Doebling has made a personal site visit to the property that is the subject of this report. Michael B. Lane has not made a personal site visit to the property that is the subject of this report.
- (10) No one provided significant real property appraisal assistance to the persons signing this report in the form of data research.
- (11) As of the date of this report, Michael B. Lane, MAI, has completed the requirements of the continuing education program of the Appraisal Institute for designed members.
- (12) As of the date of this report, Michael B. Lane, MAI is Texas State Certified General Real Estate Appraiser and Lee Doebling is Texas State Certified Appraiser Trainee.

**CERTIFICATION - CONTINUED**

- (13) Michael B. Lane and Lee Doehring have performed no services, as an appraiser or in any other capacity relating to the subject property within the three-year period immediately preceding acceptance of this assignment.
- (14) This appraisal assignment was **NOT** based on a requested minimum value, a specified valuation, or the approval of a loan.
- (15) The “As Is” Market Value of the Fee Simple Estate of the subject property as of August 7, 2023, is as follows:

**\$30,000**

***There are no hypothetical conditions or extraordinary assumptions for this appraisal.***



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Michael B. Lane, MAI  
TX-1322609-G, Expires 9/30/2025  
Phone: (713) 863- 1414, ext. 1  
Email: michael@mblane.com

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Lee Doehring, Trainee  
TX - 1342044-T, Expires 8/31/2025  
Phone: (713) 863 - 1414, ext. 3  
Email: lee@mblane.com



## **SUMMARY OF SALIENT FACTS AND CONCLUSIONS**

|                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Identification</b>           | A Tract of vacant Land.                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Location</b>                 | The subject property is south of the southwest line of Mystery Harbor Lane (Front Street), southwest of Groce Street, Brazoria County, Texas 77541.                                                                                                                                                                                                                                                                                                              |
| <b>Purpose of the Appraisal</b> | The purpose of this appraisal is to provide an opinion of the “As Is” market value of the herein legally described property.                                                                                                                                                                                                                                                                                                                                     |
| <b>Property Right Appraised</b> | Fee Simple Estate.                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Subject Size:</b>            | 0.1430 acres (6,229 square feet)                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Highest and Best Use:</b>    | Assemblage for Residential Development.                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Zoning</b>                   | Single Family Residential (City of Freeport).                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Flood Plain Status</b>       | The subject property appears to be within shaded Zone A which is inside the 100 year flood hazard area, with base flood elevation determined per FIRM Panel no. 48039C0785K, dated December 30, 2020. The determination is made by graphic plotting only, and is not guaranteed. We recommend that a surveyor determine precise flood plain status for the subject site. A copy of a portion of the flood map is included in the addenda section of this report. |

### **OPINIONS OF VALUE:**

|                                         |                 |
|-----------------------------------------|-----------------|
| Market Approach, As if Vacant:          | \$30,000        |
| Final Opinion of Market Value “As Is”:  | \$30,000        |
| Exposure Time:                          | 12 Months       |
| Effective Date of Market Value “As Is”: | August 7, 2023  |
| Date of Report:                         | August 30, 2023 |

***There are no hypothetical conditions or extraordinary assumptions for this appraisal.***

## **CONTINGENT AND LIMITING CONDITIONS**

This appraisal is subject to the following limiting conditions.

The legal description furnished to us is assumed to be correct. We assume no responsibility for matters legal in character, nor do we render any opinion as to the title, which is assumed to be good. Any existing liens and encumbrances have been disregarded and the property appraised as though free and clear under responsible ownership and competent management, unless otherwise indicated.

We have made no survey and assume no responsibility in connection with such matters. We believe the information in this report furnished by others to be reliable, but we assume no responsibility for its accuracy. This includes, but is not limited to, information obtained in regard to flood plains, wetlands, geological fault lines, sufficiency of public utilities, and land or surface subsidence. The construction and condition of the improvements mentioned in the body of this report is based on observation and no engineering study has been made, unless previously noted, which would discover latent defects. No certification as to construction or any of the physical aspects could be given unless a proper engineering study were made.

No fault line, flood plain, or subsidence study has been made by the appraisal firm and could be under taken only by a qualified engineering firm.

The distribution of the total valuation between land and improvements in this report applies only under the existing program of utilization. The separate valuations for land and improvements must not be used in conjunction with any other appraisal, and are invalid if so used.

We are not required to give testimony or attendance in court by reason of this appraisal with reference to the property in question, unless arrangements have been made previously.

Possession of this report or a copy thereof does not carry with it the right of publication. It may not be used for any purpose by anyone other than the addressee without the previous written consent of the appraiser.

Neither all, nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media, without the consent and approval of the author, particularly as to valuation conclusions, and identity of the appraiser or firm with which he/she is connected, or any reference to the Appraisal Institute, or the MAI designation.

This report is written in conformity with the professional standards of practice and code of ethics of the Appraisal Institute, the Uniform Standards of Professional Appraisal Practice and the rules of the Texas Real Estate Commission.

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous

## **CONTINGENT AND LIMITING CONDITIONS - CONTINUED**

substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.

The appraiser represents that he/she is not an expert to appraise insulation or other products banned by the Consumer Products Safety Commission which might render the property more or less valuable. In connection with this appraisal, the appraiser has not inspected or tested for, nor taken into consideration in any respect the presence or absence of insulation or other said products increase or decrease in the value of the property from the value placed thereon by the opinion of the appraiser.

The Americans with Disabilities Act (ADA) became effective January 26, 1992. I (we) have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative impact upon the value of the property. Since I (we) have no direct evidence relating to this issue, I (we) did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

It is understood that this assignment and the payment of our fee is not dependent or contingent upon any loan commitment, sale, trial outcome, receipts of funds by you, or any other condition or contingency.

The liability of MB Lane and Associates, Inc., its owner and staff, is limited to the Client only and to the amount of the fee actually paid for the services rendered, as liquidated damages, if any related dispute arises. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than Client, the Client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The Appraiser is in no way to be responsible for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially, and/or legally. Client also agrees that in case of lawsuit (brought by lender, partner or part owner in any form of ownership, tenant or any party), Client will hold Appraiser(s) completely harmless from and against any liability, loss, cost or expense incurred or suffered by Appraiser(s) in any such action, regardless of its outcome.

“These reports may be relied upon by the CLIENT, in determining whether to make a loan evidenced by a note (“the Property Note”) which is further secured by the Property. These reports may be relied upon by the purchaser or assignee of the Property Note in determining whether to acquire the Property Note or Interest therein. In addition, these reports may be relied upon by any rating agency involved in rating the securities secured by, or representing an Interest in, the Property Note. These reports may be used in connection with materials offering for sale the Property Note, or an interest in the Property Note, and in presentations to any rating agency. With respect to the foregoing, these reports speak only as of the Origination date of these reports unless specifically updated through a supplemental report.”

## **INTRODUCTION**

## **SCOPE OF WORK**

**Extent To Which The Property Was Identified** We were provided with a survey of the subject site. Therefore we have relied upon the survey and the Brazoria County Appraisal District records and facet maps for the identification of the subject site. We did not perform a title search or survey of the subject property.

**Extent To Which Tangible Property Was Visited** In preparing this appraisal, we visited the subject property and viewed the site. We drove the immediate and general market area.

We visited the subject property in order to develop impressions of physical characteristics based on visual observations of apparent, not unapparent conditions. We are not engineers and are not qualified to the presence of wetlands and the like.

We are not qualified to detect or identify hazardous substances, which may, or may not, be present on, in, or near the subject property. The presence of hazardous materials may negatively affect market value. We have no reason to suspect the presence of hazardous substances, and we valued the subject **assuming that none are present**. No responsibility is assumed for any such conditions or for any expertise or engineering services of specialists for the purpose of conducting inspections, engineering studies, or environmental audits. While we refer to FEMA flood maps, we are not surveyors and not qualified to make flood plain determinations, and we recommend that a qualified party be consulted before any investment decision is made.

**The Type And Extent Of Data Researched** We conducted a search for sales of similar land tracts in the immediate and general market area. Our data sources were the local Realtors, county deed records and appraisal district records, LoopNet, MLS and Costar data services. Our search for data concentrated on the immediate market area. Due to the limited number of comparable Sales our search for data extended back to July 2018. We supplemented these sources with information from knowledgeable brokers, particularly those with listings in the immediate area.

Texas is a non-disclosure state. It is important that the intended users of this appraisal understand that in Texas, there is no legal requirement for grantors or grantees to disclose any information relative to a transfer of real property, other than the recording of the deed itself. In Texas, the deed contains no information about the transaction, including the purchase price. As a result, no data source provides absolute coverage of all transactions. It is possible that there are sales of which we are unaware. Our data sources provide all the data typically available to appraisers in the normal course of business.

**The Type And Extent Of Analysis Applied** The value set forth herein this Appraisal Report was determined after application and analysis by the Sales Comparison Approach - Land. The subject is a vacant former drainage easement and therefore, the sales comparison approach is considered the most applicable approach to value to this assignment.

**Significant Real Property Appraisal Assistance Provided** No one provided significant real property appraisal assistance to the persons signing this report.

## **SCOPE OF WORK - CONTINUED**

**General** This **Appraisal Report** has been prepared under Standards Rule 2-2(a) of an appraisal performed under Standards Rule 1 of USPAP. The level of reporting in this appraisal report is considered to be between the minimum and the maximum, wherein some of the reporting is in summary tables. Thus, some information may be maintained in the appraisal workfile. It has been our intention to prepare this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation, and the Code of Ethics and the Standards of Professional Practice of the Appraisal Institute. Engineering studies, ADA determinations, surveys, title reports, flood plain determinations, and environmental audits are *beyond* the scope of work of this appraisal.

**Purpose, Intended Use and Users of the Appraisal** The purpose of this appraisal is to provide an opinion as to market value of the herein legally described subject property. The intended use is for the evaluation associated with the purchase of the subject property. The client also represents that the report will be used only by representatives of City of Freeport for the intended use set forth above.

**Fee Simple Estate** Fee simple estate is defined by The Dictionary of Real Estate Appraisal, Seventh Edition, Page 73, copyright 2022, by the Appraisal Institute as being:

“Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.”

**Leased Fee Interest** Leased Fee Estate is defined by The Dictionary of Real Estate Appraisal, Seventh Edition, Page 105, copyright 2022, by the Appraisal Institute as being:

“The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary when the lease expires.”

**Property Rights Appraised** The property rights being appraised in this report consist of the Fee Simple Estate of the subject property.

**Date of the Appraisal Report** The preparation of this appraisal report was completed on August 30, 2023.

**Effective Date of the Appraisal** The descriptions, analyses, and conclusions of this report for the subject property are applicable as of the effective date of August 7, 2023.

**Type and Definition of Value** The type of value necessary to produce a credible result in this assignment is market value, whereby the value is to be the most probable price in terms of cash.

**Market Value** is defined by the Office of the Comptroller of the Currency (12 CFR Part 34) as follows:

## **SCOPE OF WORK - CONTINUED**

*“Market Value* means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. Dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”

**Market Rent** Market Rent is defined by The Dictionary of Real Estate Appraisal, Fifth Edition, copyright 2010, page 121 as:

“The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the specified lease agreement including term, rental adjustment and revaluation, permitted uses, use restrictions, and expense obligations; the lessee and lessor each acting prudently and knowledgeably, and assuming consummation of a lease contract as of a specified date and the passing of the leasehold from lessor to lessee under conditions whereby:

1. Lessee and lessor are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. The rent payment is made in terms of cash in U.S. Dollars, and is expressed as an amount per time period consistent with the payment schedule of the lease contract; and
5. The rental amount represents the normal consideration for the property leased unaffected by special fees or concessions granted by anyone associated with the transaction.”

**Estimate of Exposure Time** Exposure time may be defined as "the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal." Our value opinion is based upon a one year exposure period which is supported by the sale items included herein as well as discussions with a number of professionals involved in marketing and selling similar properties.

## **Economic Unit vs. Non-economic Unit:**

**Economic Unit** is defined by The Dictionary of Real Estate Appraisal, 6th edition, © 2015, page 72, by the Appraisal Institute as:

## **SCOPE OF WORK - CONTINUED**

A portion of a larger (parent) parcel, vacant or improved, that can be described and valued as a separate and independent parcel. Physical characteristics such as location, access, size, shape, existing improvements, and current use are considered when identifying an economic unit. The economic unit should reflect marketability characteristics similar to other properties in the market area. In appraisal, the identification of economic units is essential in highest and best use analysis of a property.

When a parcel is determined to be a non-economic unit (i.e., incapable of being self-sufficient), a common process of estimating its value is by utilizing the Across the Fence Method (hereinafter referred to as the ATF Method).

**Across the Fence Method** is defined by the Appraisal Institute in The Dictionary of Real Estate Appraisal, 6th edition, © 2015, page 3, by the Appraisal Institute as:

A land valuation method often used in the appraisal of corridors. The across-the-fence method is used to develop a value opinion based on comparison to abutting land.

**Corridor** is defined by the Appraisal Institute in The Dictionary of Real Estate Appraisal, The Dictionary of Real Estate Appraisal, 6th edition, © 2015, page 53, as:

A strip of land used for transportation or transmission purposes (e.g., rail, highway, power, information, slurries, liquids).

The ATF Method is effectively based upon the premise that the corridor land (e.g., street right-of-way, alley, utility easement) should be worth at least as much as the land through which it passes or is contiguous to (i.e., the parent tract). When applying this method, the comparable sales confirmed by the appraiser are compared to the parent tract, all of the measurable differences are considered with adjustments applied, and a fee simple unit value for the parent tract is determined. The unit value of the parent tract is then ascribed to the subject parcel's (non-economic unit) land area to arrive at an indication of market value for said parcel.

**Easement** is defined in The Dictionary of Real Estate Appraisal, 6th edition, © 2015, page 71, by the Appraisal Institute as: "The right to use another's land for a stated purpose."

If the subject parcel is a partial interest (e.g., utility easement, sanitary sewer easement), the total fee simple unit value of the larger parcel is determined, a partial interest discount is calculated based upon remaining utility, and the appropriate percentage of fee simple unit value is applied to the partial interest to determine an opinion of value of the partial interest being appraised. To this value, the depreciated cost of any improvements upon the subject parcel is added.

**Partial Interest** is defined by The Dictionary of Real Estate Appraisal, 6th edition, © 2015, page 168, by the Appraisal Institute as:



### **SCOPE OF WORK - CONTINUED**

Divided or undivided rights in real estate that represent less than the whole, i.e., a fractional interest such as a tenancy in common, easement, or life interest.

**Partial Interest Discount** is defined by The Dictionary of Real Estate Appraisal, 6th edition, © 2015, page 168, by the Appraisal Institute as:

A discount to the value of a full ownership interest in property often applicable to ownership of a partial interest resulting from the diminished marketability of a less than full interest, lack of control, or both. Often applicable in estate tax situations, in the dissolution of a limited partnership, and in the valuation of companies and businesses.

**FACTUAL DESCRIPTIONS OF THE PROPERTY**

### **IDENTIFICATION OF THE PROPERTY**

The subject property can legally be described as 0.1430 acres, Tract 2 & Levee Portion of Groce Street ROW, Brazoria County, Texas. The subject property is located south of the southwest line of Mystery Harbor Lane (Front Street), southwest of Groce Street. However it should be noted that the subject does not have roadway frontage along Mystery Harbor Lane (Front Street).

### **PROPERTY HISTORY**

According to the information provided, the subject tract is presently listed under the ownership of Velasco Drainage District (City of Freeport) who has owned the property in excess of three years. The ownership is currently in discussion with ZBA Freeport LLC, to purchase the subject 0.143 acres or 6,229 square feet. ZBA Freeport LLC, owns the adjacent parcel to the northeast and is looking to purchase the subject to gain river frontage. A price has not been determined as they are still in the negotiation process. We are not aware of any offers or listings involving the subject. Further, we are not aware of any other sales over the past three years.

### **STATEMENT OF OWNERSHIP**

According to information provided to us, as of the date of this appraisal, the subject property is owned by Velasco Drainage District (City of Freeport).

## AREA/NEIGHBORHOOD ANALYSIS

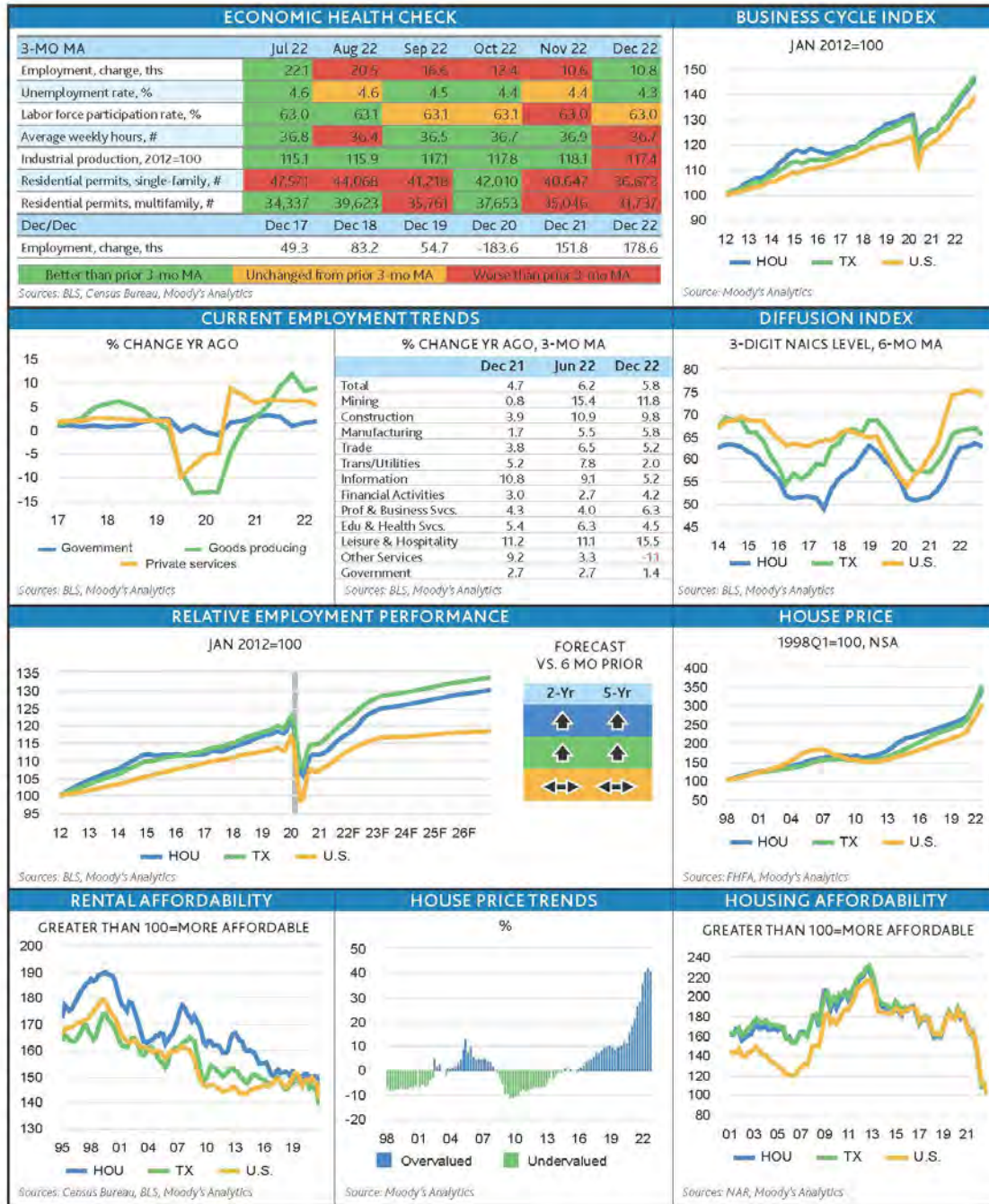
**Location.** The subject property is located approximately 57 miles southwest of the Central Business District of the City of Houston, Texas. On the following pages is the Moody's Analytics Houston-The Woodlands-Sugar Land February 2023 market report.



MOODY'S ANALYTICS / Issue# U.S. Metro / February 2023

## AREA/NEIGHBORHOOD ANALYSIS (CONTINUED)

PRÉCIS® U.S. METRO • Houston-The Woodlands-Sugar Land TX

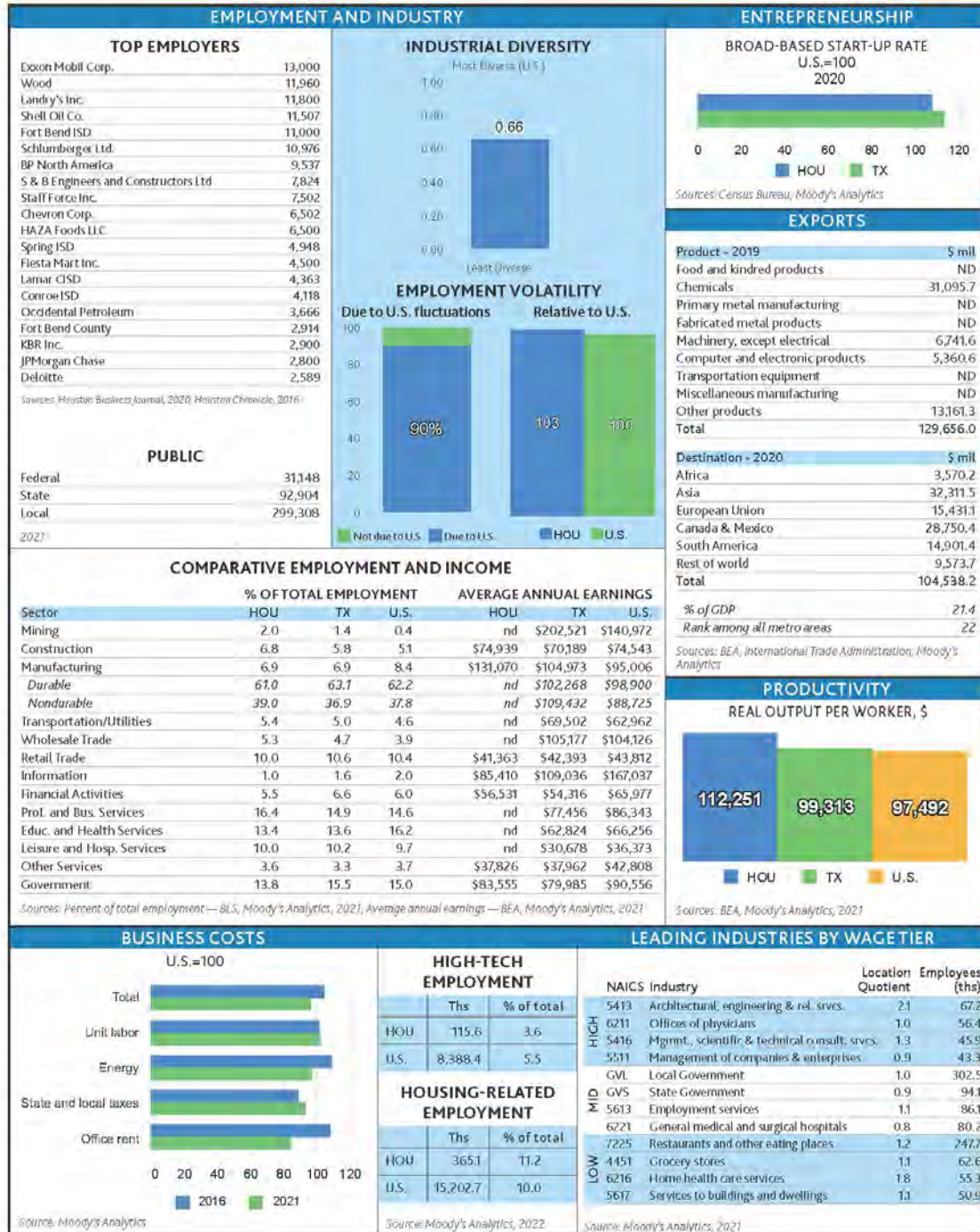


MOODY'S ANALYTICS / Précis® U.S. Metro / February 2023



## AREA/NEIGHBORHOOD ANALYSIS (CONTINUED)

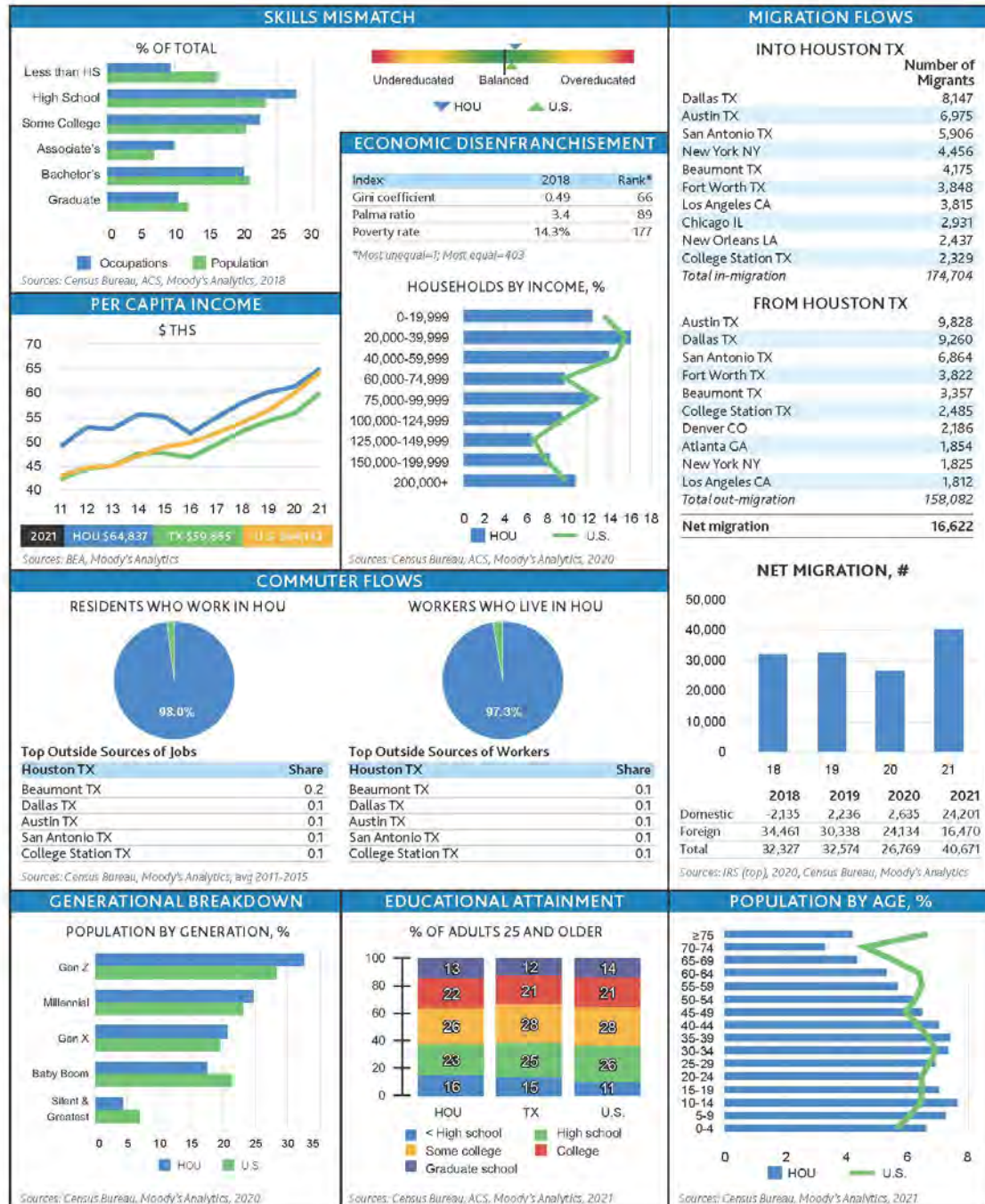
PRÉCIS® U.S. METRO • Houston-The Woodlands-Sugar Land TX



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## AREA/NEIGHBORHOOD ANALYSIS (CONTINUED)

PRÉCIS® U.S. METRO • Houston-The Woodlands-Sugar Land TX

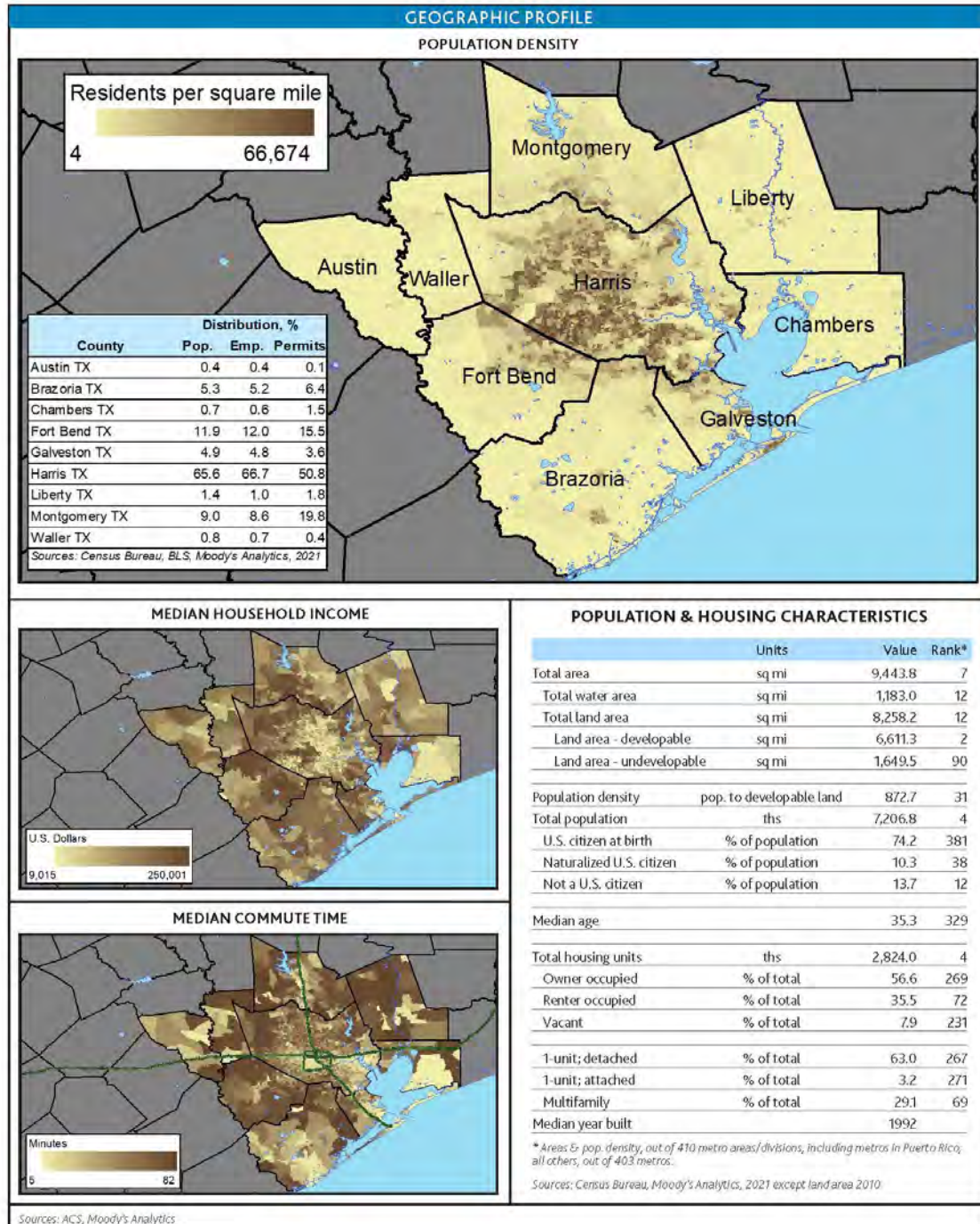


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## AREA/NEIGHBORHOOD ANALYSIS (CONTINUED)

PRÉCIS® U.S. METRO • Houston-The Woodlands-Sugar Land TX



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## **AREA/NEIGHBORHOOD ANALYSIS (CONTINUED)**

**Area Summary.** A contributing factor to the strengthening of the real estate market has been diversification of the economic base. One of Houston's strengths is that the city has historically encouraged entrepreneurial activity and risk taking.

Though Houston faces some challenges in the near term, the long-term outlook is bright. From 2005 to 2035, The Perryman Group sees Houston leading the state in population growth, adding 3.53 million residents and 1.325 million jobs and accounting for almost one-fourth of Texas job growth. The long-term outlook for the Houston metro area is positive, and a slower, but steady growth is expected in the near future. On the following pages is the Moody's Analytics Houston-The Woodlands-Sugar Land February 2021 market report. The Houston MSA is located on the flat coastal plains of southeast Texas (the upper Gulf Coast prairie), approximately 50 miles northwest of the Gulf of Mexico.

**Neighborhood Delineation.** The subject's neighborhood is located in the southwestern portion of the Brazoria County area, approximately 55 miles south of the Houston Central Business District (CBD). For the purpose of this analysis, the subject's neighborhood is generally defined as being the city limits of the City of Freeport. These boundaries have been defined because the properties within them tend to exhibit similar characteristics, physical features, price desirability, and they are affected by similar physical, economic, governmental and social forces.

### **Thoroughfares/Streets**

**East/West Arteries:** State Highway 36 and State Highway 332.

**North/South Arteries:** FM 523, State Highway 288, and State Highway 288B.

**Accessibility.** The subject's neighborhood is accessible from downtown Houston by heading south on State Highway 288 approximately 55 miles.

**Characteristics.** The subject neighborhood is located in the city of Freeport, and is basically suburban in nature. Single-family residences are located on secondary streets throughout the subject neighborhood. Commercial land uses, such as retail, office, and commercial services, are located along the above-mentioned thoroughfares. The neighborhood is a viable, heterogeneous area in the southwestern portion of Brazoria County, Texas.

**Utilities and Services.** Police and fire protection and other services are provided by the City of Freeport. Electricity and natural gas is provided by CenterPoint, and telephone service by AT&T. The area is served by the Brazosport Independent School District with schools of all level located throughout the area.

**Trends.** The neighborhood is heterogeneous area in the south central portion of Brazoria County. Commercial developments are found primarily along the major thoroughfares, such as the streets cited in the preceding paragraph. The neighborhood is generally known as a commercial area with a large amount of industrial and light industrial development servicing the petroleum industry of the

## **AREA/NEIGHBORHOOD ANALYSIS (CONTINUED)**

area. DOW Chemical is one of the primary employment forces in the area, with an reported current employment of more than 4,200. According to various reports, DOW is currently expanding one of its refineries, with an estimated 600 permanent jobs to be created by the 5 year project. During the construction, it is estimated that as many as 4,800 construction workers will be employed. Further, DOW has consolidated it's research division to Lake Jackson, with an ongoing office construction project planned to house the 5,000 employees. These employees will be relocating from across the world at the new campus which will be located near the intersection of Abner Jackson Parkway and SH 288. Several of the office buildings have been completed, with additional ones to come. In addition to DOW, there are several other petrochemical plants in the area building or expanding, as well as several pipelines that are under construction. All of these entities plan on bringing significant job creation to the market for the foreseeable future.

Freeport LNG Development and Talos Energy Inc. have announced that the companies have executed a letter of intent to develop a carbon capture and sequestration ("CCS") project, the Freeport LNG CCS project ("FLNG CCS"), immediately adjacent to Freeport LNG's natural gas pretreatment facilities located near Freeport, Texas, on the Gulf Coast, approximately 60 miles southwest of Houston, Texas. The companies anticipate first injection could occur by year-end 2024. Talos will be the project manager and operator and will be joined by its partner, Storegga Geotechnologies Limited ("Storegga"), the lead developer of the Acorn CCS project in the United Kingdom.

The FLNG CCS project will utilize a Freeport LNG-owned geological sequestration site located less than half a mile from point of capture with up to a 30-year injection term and will permanently sequester CO<sub>2</sub>. The FLNG CCS project benefits from a dedicated source of CO<sub>2</sub> and a secured injection site in close physical proximity and, therefore, has limited commercial barriers and a rapid execution time line assuming efficient regulatory approval processes. Additionally, the site is located within 25 miles of up to an additional 15 million metric tonnes per annum ("MTPA") of incremental CO<sub>2</sub> emissions from major industrial sources, which offers the potential for expansion in the future. The FLNG CCS project is still subject to execution of definitive agreements.

As one of the first liquified natural gas ("LNG") exporters in the United States, Freeport LNG operates one of the largest LNG liquefaction and export facilities in the world, representing one of the largest single natural gas demand points in the state of Texas. Freeport LNG is in the process of adding a fourth train to the facility that will expand their gas liquefaction capacity to over 20 MTPA.

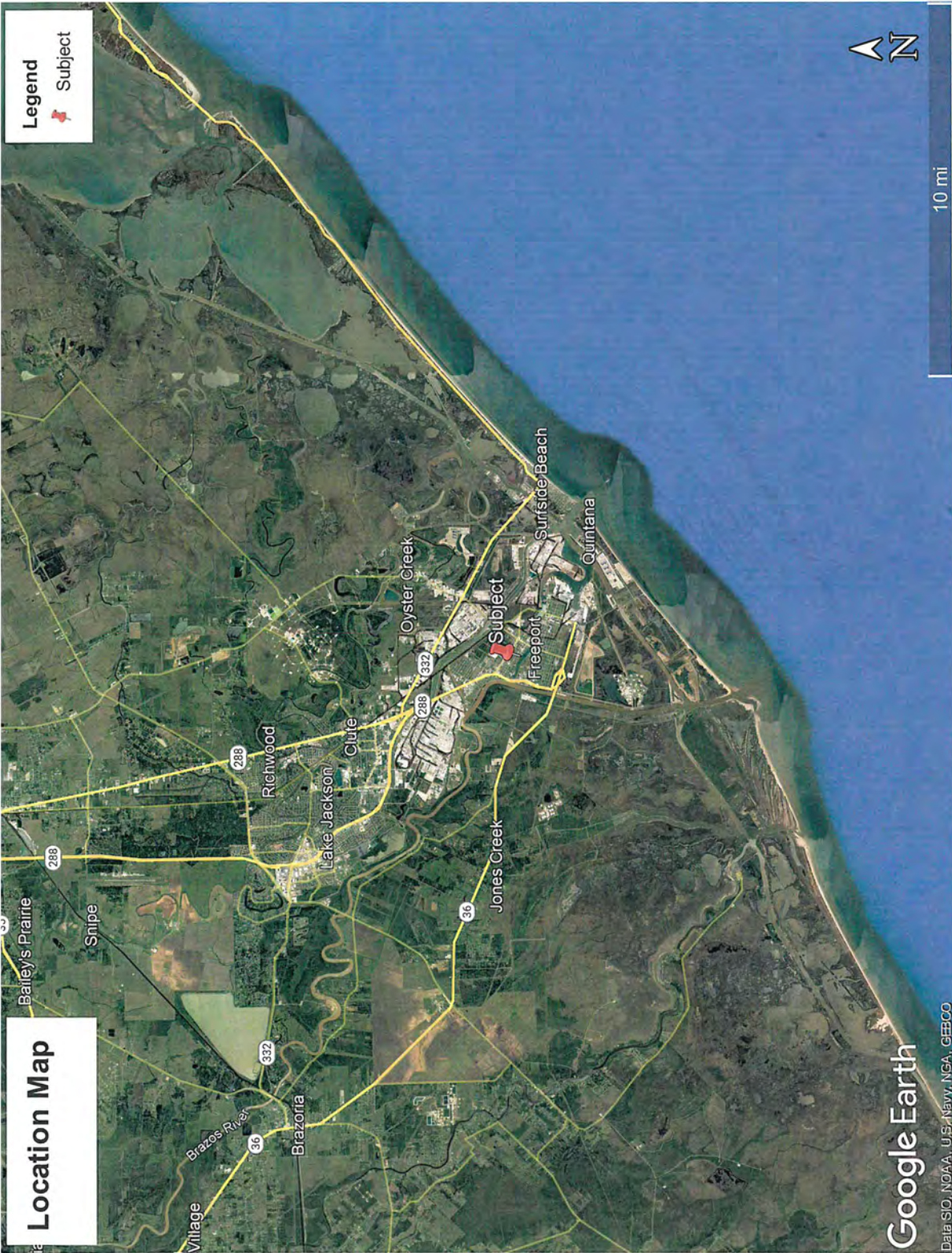
Port Freeport (formally Brazos Harbor Navigation District of Brazoria County) is the smallest (geographically) deep-water seaport along the U.S Gulf Coast. Located in Freeport, Texas (United States). It has rail access, represents both private and public facilities. It is ranked 10th in the nation for chemicals, 19th in the nation for total tonnage, 26th in the nation for container traffic, handles over 100,000 vehicles per year and has more than 1,000 ships per year.[2] Forbes magazine (2017) ranked Port Freeport as one of the top 10 fastest growing seaports for exports in the U.S.

Given the characteristics of the subject's neighborhood (including its development composition, adequate recreational, educational, and cultural facilities, and access to major transportation routes),

## **AREA/NEIGHBORHOOD ANALYSIS (CONTINUED)**

the outlook for the area is growth.

**Summary.** In conclusion, the neighborhood is well located with good accessibility to other communities in Brazoria County, major thoroughfares, and surrounding communities. The area is approximately 80% built-up, allowing ample opportunity for future growth. Commercial properties should remain stable as the area continues to develop. Additionally, well-maintained and well-managed properties are expected to have stabilized occupancy rates. The subject's neighborhood is considered to have a stable influence on the subject property being appraised. It appears that demand for commercial and industrial properties, including single and multi-tenant facilities has stabilized. Commercial properties should maintain stability, with some areas showing increases due continuing economic recovery.



## ASSESSMENT AND TAXES

The Brazoria County Appraisal District maintains the following account number for the subject property: 164238. The 2023 assessed value and 2022 applicable tax rates for the taxing jurisdictions, and the estimated tax liability are shown below.

| <b>2023 Assessed Property Value</b>    |                       |                      |
|----------------------------------------|-----------------------|----------------------|
| Land                                   |                       | \$132,180            |
| Improvements                           |                       | \$0                  |
| Total                                  |                       | \$132,180            |
| <b>Taxing Jurisdiction</b>             | <b>Tax Rate/\$100</b> | <b>Tax Liability</b> |
| City of Freeport                       | \$0.600000            | \$793                |
| Velasco Drainage District              | \$0.074490            | \$98                 |
| Brazoria County                        | \$0.291106            | \$385                |
| Brazosport College                     | \$0.285895            | \$378                |
| Port of Freeport                       | \$0.035000            | \$46                 |
| Road and Bridge Fund                   | \$0.050000            | \$66                 |
| Brazosport Independent School District | <u>\$1.133000</u>     | <u>\$1,498</u>       |
| <b>Total</b>                           | <b>\$2.469491</b>     | <b>\$3,264</b>       |

Based upon the above assessed value and tax rates, the ad valorem tax liability for the subject property is estimated to be approximately \$3,264. The tract is fully exempt as its ownership is the City of Freeport.

## **SITE DATA**

An analysis of a site is particularly important in determining its highest and best use. We were provided with a survey and legal description of the subject site. We have relied upon the survey and the Brazoria County Appraisal District records and facet maps for the identification of the subject site. The following is a discussion of the most important factors of the subject site.

Legal Descriptions. The subject property can legally be described as 0.1430 acres, Tract 2 & Levee Portion of Groce Street ROW, Brazoria County, Texas.

Location/Access. The subject is located south of the southwest line of Mystery Harbor Lane (Front Street), southwest of Groce Street. The subject property is currently land locked with only water frontage no street frontage. It should be noted that the subject is a former drainage easement that is currently under negotiations to be purchased by the adjacent land owner to combine with the current lot and gain frontage water frontage and for the subject to gain roadway frontage.

Physical Characteristics. The subject is a 0.143 acres or 6,229 square foot site formally encumbered by a drainage easement that is mostly rectangular in shape. However, the easement has been abandoned and is planned to be sold by the city.

Site Improvements. The subject property is currently a vacant tract of land.

Off-Site Improvements. At the subject site, Mystery Harbor Lane is a -lane, two-way, asphalt paved roadway, with open ditch drainage.

Adjacent Land Use. The subject tract is surrounded by vacant land to the south and the upper turn around basin for the Port of Freeport. To the north and west are single family homes.

Restrictions. The subject tract site is located within the City of Freeport which does utilize zoning to regulate development. The subject site appears to be zoned Residential (R1), which appears to limit development to residential development. Our value conclusions are subject to revision should any deed restrictions be present that are deemed detrimental to the subject property.

Easements. According to the information provided and our visual observation, there are typical utility easements located along the property's boundary lines. We are unaware of any adverse easements which would negatively affect the development of the site.

Utilities. The property has water and sanitary sewer available from the City of Freeport. Electricity is provided by NRG Energy and gas is provided by CenterPoint Energy. Telephone service is provided by AT&T.

## **SITE DATA (CONTINUED)**

Topography/Flood Plain. At the time of our site visit, the subject site slightly slope towards the water but is well-drained. There are no soil or subsoil conditions noted that would adversely affect construction as evidenced by the nearby improvements. The subject property appears to be within shaded Zone A which is inside the 100 year flood hazard area, with base flood elevation determined per FIRM Panel 48039C0785K, dated December 30, 2020. The determination is made by graphic plotting only, and is not guaranteed. We recommend that a surveyor determine precise flood plain status for the subject site. A copy of a portion of the flood map is included in the addenda section of this report..

Environmental. We were not furnished with an Environmental Assessment of the property. We did not observe any hazardous contaminants that would be of concern during our site visit to the property. It should be noted that we are not experts in recognition and identification of hazardous waste.

Political Jurisdiction. The site is served by the Brazosport Independent School District and Brazoria County, the City of Freeport and its related entities. Fire and police protection are supplied by City of Freeport and Brazoria County.

Conclusions/Analysis. The subject property contains a total of 0.1430 acre (6,229 square feet) of land. It has does have access to utilities but does not have roadway frontage and is located inside the 100 year flood hazard area. The subject tract although being landlocked has what is considered to be a usable configuration, with a level topography and flood plains location is typical of properties in this area and should not impact potential development along the property. On an overall basis, the economic unit is considered to be well suited for development is assemble with another site.

For further details as to the site configuration, please reference the following survey and aerial map subject photographs and flood plain map located in the addenda.







**SITE DATA (CONTINUED)**



## **ZONING**

The subject site is located within the City of Freeport which does utilize zoning to regulate development. The subject site appears to be zoned Residential (R1), which appears to limit development to residential development. Uses in this district include manufacturing, wholesale warehousing, transportation of goods and port, harbor and other marine related uses. We were not provided with a copy of any applicable deed restrictions for the subject property. Our value conclusions are subject to revision should any deed restrictions be present that are deemed detrimental to the subject property.

### **HIGHEST AND BEST USE**

The subject economic unit includes a total of 0.1430 acres, and is south of the southwest line of Mystery Harbor Lane (Front Street), southwest of Groce Street. It does have access to utilities and has what is considered to be a usable configuration with a generally level topography but does not have roadway frontage and is located inside the 100 year flood plain with base elevations determined. Additionally, as indicated in the Site Data section, the subject site is located within the city of Freeport which does enforce zoning. The subject is zoned Residential (R1). We were not provided with a copy of any applicable deed restrictions for the subject property. Our value conclusions are subject to revision should any deed restrictions be present that are deemed detrimental to the subject property.

Based on the surrounding development, we feel that of the possible uses, residential use is the most probable. At the present time, residential development appears to be physically possible, legally permissible, and is currently considered financially feasible. Accordingly, the maximally productive use of the subject site is likely residential assemblage with another site to allow street frontage. Therefore, we feel the highest and best use of the subject site would be assemblage for residential development.

### **MARKET APPROACH TO VALUE - LAND ONLY**

In reaching the land value opinion of the subject property by the market data approach, we searched the Brazoria County Deed Records for recent sales of comparable properties within this area. We also consulted real estate brokers and appraisers active in the area as to their knowledge of properties currently offered on the market for sale which would be in competition with the subject property.

We then investigated, analyzed and compared the available market data to the subject property, taking into prime consideration the various similar and dissimilar characteristics, including terms of sale, and made adjustments accordingly in reaching the value opinion of the subject property by the market approach.

## **LAND SALES ANALYSIS - CONTINUED**

The following summary table contains information of the land sales considered in our analysis of the subject property:

| <b><i>SALE</i></b> | <b><i>DATE</i></b> | <b><i>SIZE<br/>(SF)</i></b> | <b><i>PRICE<br/>(\$/SF)</i></b> | <b><i>LOCATION</i></b>                                                  |
|--------------------|--------------------|-----------------------------|---------------------------------|-------------------------------------------------------------------------|
| 1                  | 7/2/18             | 8,718                       | \$5.25                          | South of the south line of S Front Street, west of N Velasco Boulevard  |
| 2                  | 6/12/19            | 12,676                      | \$0.79                          | South of the south line of S Front Street, west of N Velasco Boulevard  |
| 3                  | 4/30/21            | 5,001                       | \$10.80                         | S/L of Shark Lane, east of King Lane                                    |
| 4                  | 10/26/21           | 12,037                      | \$4.98                          | North of the north line of 2 <sup>nd</sup> Street, west of Cedar Street |
| 5                  | 12/16/22           | 9,078                       | \$12.67                         | S/L of S Front Street, west of N Velasco Boulevard                      |

When comparing these sales to the subject parcel, the factors considered to be the most critical were conditions of sale, financing terms, date of sale, size, location and access, physical characteristics, and utility availability. Each of the sales were compared to the subject property and adjusted on that basis. Given the difference in location we have considered a qualitative analysis versus a qualitative analysis. Please see the attached sales map in the addenda section of this report. The following is a discussion of the comparisons used in our analysis when compared to the economic unit.

Conditions of Sale. Adjustments for conditions of sale usually reflect the motivations of the buyer and the seller. Buyers or sellers acting under duress may cause a sale to be less representative of the market. A financial, business, or family relationship between the parties may affect the price of a property. When non-market conditions of sale are detected in a transaction, the sale can be used as a comparable only with great care. The circumstances of the sale must be thoroughly researched before an adjustment is made. Although conditions of sale are often perceived as applying only to sales that are not arm's-length transactions, some arm's-length sales may reflect atypical motivations or sale conditions due to unusual tax considerations, sale at legal auction, lack of exposure on the open market, or eminent domain proceedings. If the sales used in the market approach reflect such situations, an appropriate adjustment must be made for motivation or conditions of sale. None of the sales included in this report required an adjustment for this factor.

Financing Terms. The transaction price of one property may differ from that of an identical property due to different financing arrangements. For example, a buyer may pay a higher price in a transaction which involves below market or favorable financing. Favorable financing can be in terms of a below market interest rate, a small down payment, an interest only loan, a non-recourse or limited liability loan, or a loan based upon the cash flow of the project. All of the sales in this report were cash to the seller, therefore no adjustments are deemed necessary.

Date of Sale. Changes in market conditions may be the result of inflation, deflation, fluctuations in supply and demand, changes in highest and best use, or other factors. Although this adjustment is often referred to as a "time" adjustment, time is not the cause of the adjustment, but a reflection of



## **LAND SALES ANALYSIS - CONTINUED**

shifts, or changes in market conditions. Therefore, if market conditions have not changed, no adjustment is deemed necessary, no matter how much time has elapsed.

The sales included in this report ranged in date of sale from July 2, 2018 to December 16, 2022. Generally, land value rise over time due to inflation and the decreasing supply of land. All of the Sales are judged equal given the somewhat recent nature.

Location. The location adjustments occur when the comparable sale is located in an area that is either more or less desirable than the subject, in relationship to absorption and new construction starts. Also, surrounding development and property use trends are given consideration. It should be noted that the subject does not have frontage along a primary roadway similar to most of the Sales. Sales 3 and 4 are felt to be in locations with superior surrounding development compared to the subject. All other Sales felt to be in a location with similar surrounding development as the subject and are not adjusted for this factor.

Size. The subject site contains 0.1430 acres or 6,229 square feet, whereas the comparable sales range from 5,001 to 12,676 square feet. In most areas of the Houston CMSA, smaller tracts of land sell for a higher price per unit than larger properties. This is due to the fact that purchases of large acreage tracts entail a much greater capital outlay. Pairing sales to determine a size adjustment was analyzed, however no correlation could be determined. In other areas of the Houston MSA, a size adjustment of 5% for each doubling/halving of size is fairly common. Sales 2 and 4 are inferior and the other Sales are felt to be similar.

Corner/Frontage Influence. Properties which enjoy a corner location or have frontage along more than one roadway typically sell at a higher per unit value due to increased exposure and accessibility. The subject property is a interior tract with no frontage along a public roadways. Sales 3 and 5 do have roadway frontage and are felt to be superior when compared to the subject. All of the other sales are interior tracts that did not have roadway frontage either and are felt to be similar to the subject.

Site Characteristics. Properties which have very irregular shapes, are located in flood hazard areas with undevelopable portions or have undesirable topography tend to have lower values. The subject property is located inside the flood hazard area and is rectangular in shape. All of the Sales are felt to be similar to the subject in regards to this factor.

Utility Availability. The availability of utilities is a major factor in the development of any property. If a site has no access to utility service and cannot acquire access, it is virtually impossible to develop. Therefore, the price paid for such a site would be affected due to its lack of utilities. In this case, an owner must make up the expense for acquiring the services and enhancing the site's value. The subject property does have utilities. All of the Sales had utilities at the time and are felt to be equal to the subject.

## LAND SALES ANALYSIS - CONTINUED

The land sales adjustment grid below shows our adjustments as they pertain to the subject property:

**LAND SALES ADJUSTMENT GRID**

| <b>SALE</b>                   | <b>1</b>      | <b>2</b>      | <b>3</b>       | <b>4</b>      | <b>5</b>       |
|-------------------------------|---------------|---------------|----------------|---------------|----------------|
| Price/SF                      | \$5.25        | \$0.79        | \$10.80        | \$4.98        | \$12.67        |
| DATE                          | 7/2/18        | 6/12/19       | 4/30/21        | 10/26/21      | 12/16/22       |
| CONDITIONS OF SALE            | E             | E             | E              | E             | E              |
| TIME ADJUSTMENT               | E             | E             | E              | E             | E              |
| TOTAL ADJUSTMENT              | E             | E             | E              | E             | E              |
| <b>ADJUSTED \$/SF</b>         | <b>\$5.25</b> | <b>\$0.79</b> | <b>\$10.80</b> | <b>\$4.98</b> | <b>\$12.67</b> |
| SIZE (SF)                     | 8,718         | 12,676        | 5,001          | 12,037        | 9,078          |
| LOCATION                      | E             | E             | S              | S             | E              |
| SIZE                          | E             | S             | E              | S             | E              |
| CORNER INFLUENCE/<br>FRONTAGE | E             | E             | S              | E             | S              |
| SITE CHARACTERISTICS          | E             | E             | E              | E             | E              |
| UTILITIES                     | E             | E             | E              | E             | E              |
| TOTAL PHYSICAL ADJ.           | S             | S             | S              | S             | S              |
| <b>FINAL ADJ. \$/SF</b>       | <b>\$5.25</b> | <b>\$0.79</b> | <b>\$10.80</b> | <b>\$4.98</b> | <b>\$12.67</b> |

The sales within the Adjustment Grid have an adjusted sales price ranging from \$0.79 per square foot to \$12.67 per square foot with an average adjusted price per square foot of \$6.90. Sales 1, 2 and 4 are of other river frontage tracts similar to the subject that did not include roadway frontage. These Sales range from \$0.79 per square foot to \$5.25 per square foot with an average of 3.67 per square foot. We have placed primary emphasis on sale 4 given its more recent nature and similarity to the subject being landlocked as well. Therefore, based on the above land sales analysis, and considering the subject's highest and best use and location, it is our opinion that the market value of the subject economic unit is as follows:

$$\begin{array}{rclclcl}
 6,229 & \text{Square Feet} & @ & \$5.00 & \text{Per Square Foot} & = & \$31,145 \\
 & \text{Rounded} & & & & & \$30,000
 \end{array}$$

## **RECONCILIATION AND FINAL VALUE OPINION**

The Market Approach was used in this appraisal to provide an opinion of the value of the subject parent site or easement tract. The strength of the sales comparison approach in any appraisal is that if comparable market data is available, it should accurately reflect the attitudes of typical buyers and sellers in the market place. In other words, sales of comparable properties can be analyzed and compared to the subject with adjustments being made for various different characteristics.

**Final Value Opinion.** The Market Approach to Value was utilized. The final opinion of value must be based upon that confirmation of the available market data and analysis which is most appropriate. In our opinion, the Market Approach is well documented and supported by good market data. Thus, we have placed emphasis on this approach. It is our opinion the subject property, if properly marketed, could be sold within a 12-month exposure period. The effective date of our “As Is” value opinion is August 7, 2023. Our opinion of the market value of the subject property is as follows:

**\$30,000**

***There are no hypothetical conditions or extraordinary assumptions for this appraisal.***



## **ADDENDA**

## **QUALIFICATIONS**

## **QUALIFICATIONS OF: MICHAEL B. LANE, MAI**

### **Business**

MB LANE & ASSOCIATES, INC.  
8990 Hempstead Highway, Suite 102  
Houston, Texas 77008

Telephone: (713) 863-1414  
Fax: (713) 863-8822  
Email: michael@mblane.com

### **Employment History**

|                 |                                   |                  |             |
|-----------------|-----------------------------------|------------------|-------------|
| 1999 to Present | MBLane & Associates, Inc          | President        | Houston, TX |
| 1997 to 1999    | First Union Capital Markets Group | Vice President   | Houston, TX |
| 1994 to 1997    | Banc One Capital Markets Group    | Underwriter      | Houston, TX |
| 1986 to 1994    | Edward B. Schutlz & Company       | Senior Appraiser | Houston, TX |

### **Education**

|                        |                                     |                              |      |
|------------------------|-------------------------------------|------------------------------|------|
| University of Arkansas | Bachelor of Business Administration | Major: Finance & Real Estate | 1985 |
|------------------------|-------------------------------------|------------------------------|------|

### **Certifications**

General Real Estate Appraiser in the State of Texas  
Licensed Real Estate Broker in the State of Texas  
Member - Appraisal Institute (MAI)

Certification Number: TX-1322609-G  
Licence Number: 0373554  
Current - 9/30/25

### **Training (1989 to Present)**

Appraisal Reporting  
Basic Valuation Procedures  
Capitalization Theory & Techniques, Part A  
Capitalization Theory & Techniques, Part B  
Case Studies in Real Estate Valuation  
Defensible Appraisal  
Demonstration Report Writing  
Fundamentals of Separating Real Property, Personal Property & Intangible Business Assets  
General Market Analysis and Highest & Best Use  
Interagency Rules of Banks & Credit Unions  
National USPAP Update  
Property Tax  
Real Estate Appraisal Principles  
Report Writing and Valuation Analysis  
Sales Comparison-Adjustment Process  
Standards of Professional Practice, Part A  
Standards of Professional Practice, Part B  
Write It Up

## QUALIFICATIONS OF: MICHAEL B. LANE, MAI - CONTINUED

### Types of Real Estate Appraised & Consulting Assignments

Assisted Living Facilities  
Automobile Dealership  
Automotive Repair Facilities  
Business Parks  
Churches  
Condemnation  
Convenience Stores  
Fast-Food Franchises  
Garden Apartments  
Greenhouse/Nurseries  
Industrial & Manufacturing  
Leasehold Valuation  
Manual & Full Service Car Washes  
Medical Office Buildings  
Mini-Warehouses  
Mobile Home Parks  
Motels & Hotels  
Nursing Homes  
Office Buildings  
Recreational Vehicle Park  
Resort and Recreational Development  
Restaurants/Bars  
Service Stations  
Shopping Centers  
Single-Family Subdivisions  
Special Purpose Properties  
Time Share Project  
Townhouse Developments  
Vacant Land

### Partial List of Representative Clients

|                              |                                   |
|------------------------------|-----------------------------------|
| Allegiance Bank              | Lowery Bank                       |
| Alliance Bank                | Members Choice Credit Union       |
| Bancorp South                | Moody National Bank               |
| BB&T                         | Patriot Bank                      |
| BBVA Compass                 | Plains State Bank                 |
| Beal Bank                    | Post Oak Bank                     |
| CBB Bank                     | Prosperity Bank                   |
| Chase/JP Morgan              | Q10 Kinghorn, Driver, Hough & Co. |
| Citizens State Bank          | Regions Bank                      |
| City Bank Texas              | Smart Financial Credit Union      |
| Coamerica Bank               | StanCorp Mortgage Investors       |
| Community First Bank & Trust | Stearns Bank                      |
| East West Bank               | Symetra Financial                 |
| Evolve Bank & Trust          | Synergy Bank                      |
| Fidelity Bank                | Texas Advantage Community Bank    |
| GE Capital                   | Texas Gulf Bank                   |
| Guaranty Bank & Trust        | Tradition Bank                    |
| Heritage Bank                | Trustmark Bank                    |
| IBC Bank                     | US Bank                           |
| Independence Bank            | ValueBank Texas                   |
| Independent Bank of Texas    | Wells Fargo Bank                  |
| Iron Stone Bank              | Wilshire State Bank               |

### Various Types of Studies

Environmental Impact Studies  
Feasibility Studies  
Highest and Best Use Studies  
Market Studies



## QUALIFICATIONS OF LEE DOEHRING

### Business Address

**MB LANE & ASSOCIATES, INC.**  
8990 Hempstead Highway, Suite 102  
Houston, Texas 77008

Telephone (713) 863-1414  
Fax (713) 863-8822  
Email: lee@mblane.com

### Appraisal Employment History

|              |                           |                   |                |
|--------------|---------------------------|-------------------|----------------|
| 2018-Present | MBLane & Associates, Inc. | Appraiser Trainee | Houston, TX    |
| 2012-2015    | Hogg Appraisal Company    | Internship        | Fort Worth, TX |

### Education

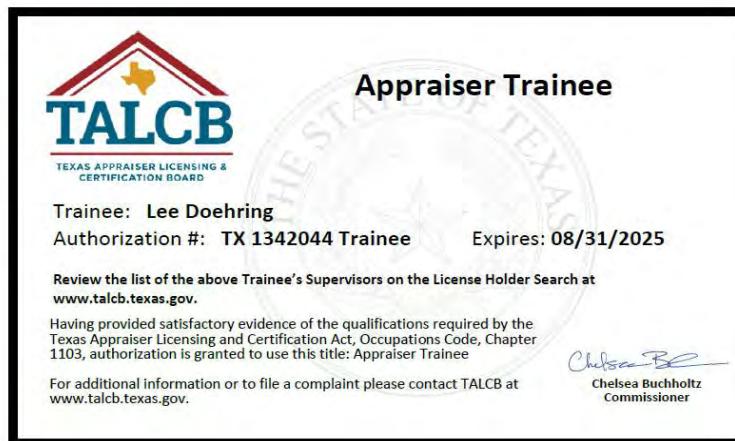
|                       |                     |                                                 |
|-----------------------|---------------------|-------------------------------------------------|
| Texas Tech University | Bachelor of Science | Major: Agricultural<br>and Applied<br>Economics |
|-----------------------|---------------------|-------------------------------------------------|

### Certification

Trainee Certification - #TX1342044 expires August 31, 2025

### Types of Real Estate Appraisal Assignments

|                          |                                      |
|--------------------------|--------------------------------------|
| Retail Centers           | Garden Apartments                    |
| Office Buildings         | Warehouses                           |
| Single Family            | Freestanding Retail Buildings        |
| Vacant Land              | Convenience Stores                   |
| Condo                    | Self-Storage Facilities              |
| Medical Office Buildings | Automotive Sales & Repair Facilities |



## **FLOOD MAP**

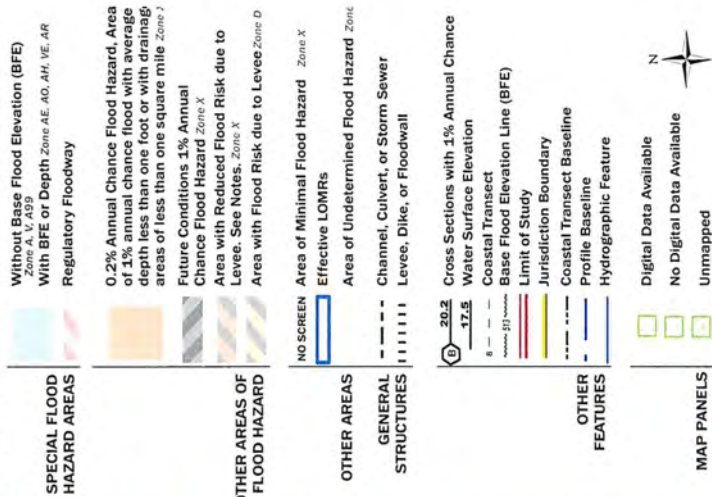


# National Flood Hazard Layer FIRMette



## Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT



The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

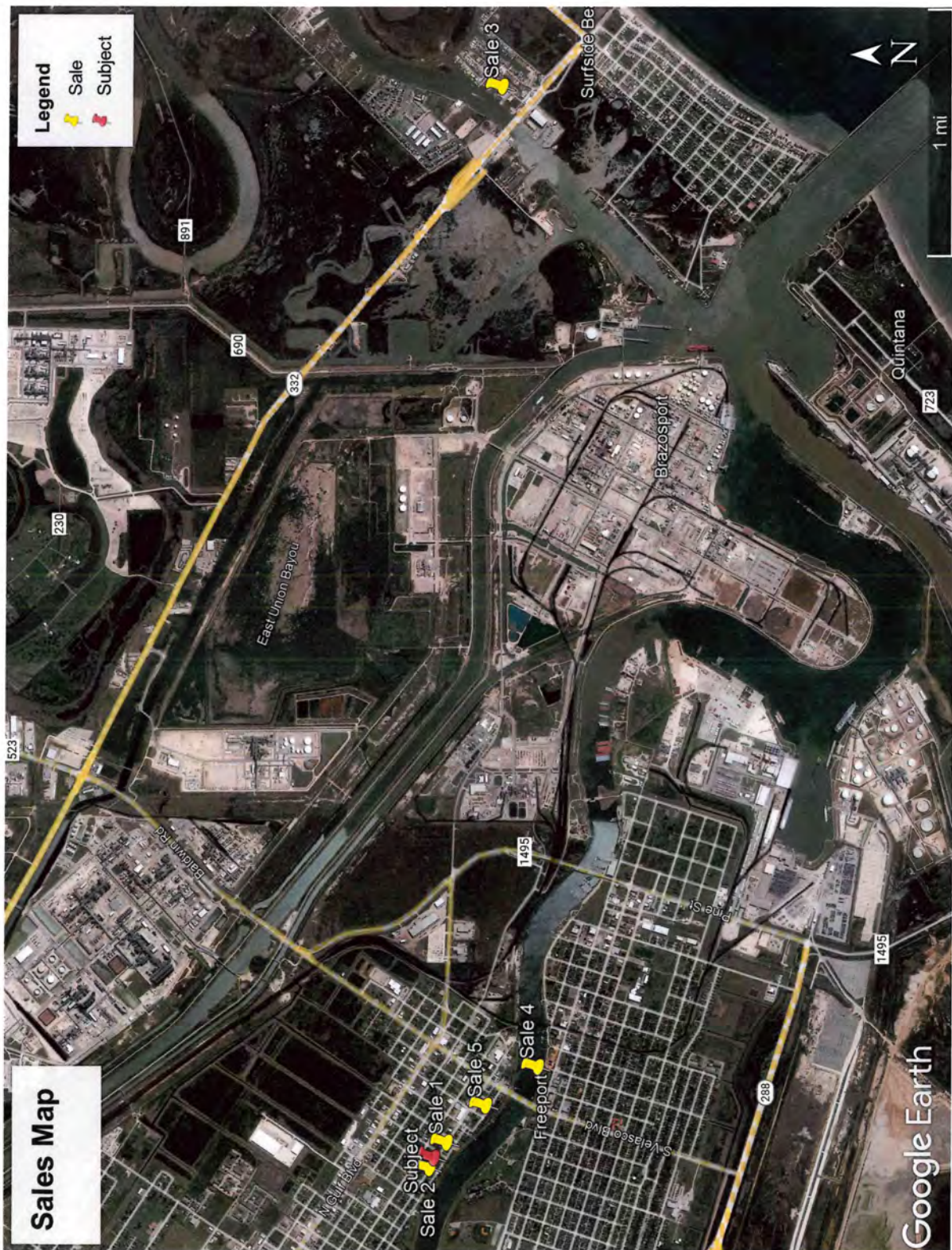
This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 8/10/2023 at 4:54 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

## **LAND SALES MAP**





## **SUBJECT PHOTOGRAPHS**





**Subject Property**



**Alternate View of Subject Property**





**Street View Looking North Down Mystery Harbor Lane**



**Street View Looking South Down Mystery Harbor Lane**

## **ENGAGEMENT LETTER**

**Chrissy Sebesta**

---

**From:** Michael Lane  
**Sent:** Tuesday, July 25, 2023 2:41 PM  
**To:** Chrissy Sebesta  
**Cc:** Lee Doeiring  
**Subject:** FW: Proposal for Appraisal

Use this email for an engagement

Michael B. Lane, MAI  
**MBLane & Associates, Inc.**  
8990 Hempstead Hwy., Suite 102  
Houston, Texas 77008  
Phone - 713-863-1414  
Fax - 713-863-8822  
Cell - 713-306-4041  
Email – [Michael@Mblane.com](mailto:Michael@Mblane.com)  
Website – Mblane.com

**MBLANE  
& ASSOCIATES**

**From:** Tim Kelty <tkelty@freeport.tx.us>  
**Sent:** Tuesday, July 25, 2023 8:09 AM  
**To:** Michael Lane <michael@mblane.com>  
**Subject:** Re: Proposal for Appraisal

**\*\*This message is from an EXTERNAL SENDER - be CAUTIOUS, particularly with links and attachments\*\***

Thank you Michael. Please proceed.

Tim

Sent from my iPhone

On Jul 24, 2023, at 2:29 PM, Michael Lane <[michael@mblane.com](mailto:michael@mblane.com)> wrote:

Tim,

The fee would be \$800 and timing of 2 weeks.

Let me know if you would like to proceed.

Thanks,

Michael

Michael B. Lane, MAI  
**MBLane & Associates, Inc.**  
8990 Hempstead Hwy., Suite 102  
Houston, Texas 77008  
Phone - 713-863-1414  
Fax - 713-863-8822  
Cell - 713-306-4041  
Email - [Michael@Mblane.com](mailto:Michael@Mblane.com)  
Website - Mblane.com

<image002.png>

**From:** Tim Kelty <[tkelty@freeport.tx.us](mailto:tkelty@freeport.tx.us)>  
**Sent:** Friday, July 21, 2023 2:09 PM  
**To:** Michael Lane <[michael@mblane.com](mailto:michael@mblane.com)>  
**Subject:** Proposal for Appraisal

**\*\*This message is from an EXTERNAL SENDER - be CAUTIOUS, particularly with links and attachments\*\***

Good afternoon Michael,

Will you provide me a proposal for another appraisal?

I need an appraisal for a 0.143 acre tract along the Old Brazos River, through which the levy runs, between the water and 104 W. Mystery Harbor Lane (AKA Front Street). The property owner of 104 desires to purchase the property and redevelop in to a single lot with river frontage. I have included a copy of a survey he has provided. If you need a cleaner copy let me know.

Last year we had Barry Colman of Angleton Real Estate Appraisal do a similar appraisal on the next block west at 6 Front Street(attached) That appraisal was approved by the city council and the property owner for the sale of the property.

Thanks,

Tim

Timothy Kelty  
City Manager  
City of Freeport  
972-217-6225  
<image003.jpg>





## City Council Agenda Item #12.

**Title:** Consideration and possible action of approving Resolution for the EDC Project 2023-2024 Local Business Improvement Grant Program, after second reading of the Resolution.

**Date:** September 5, 2023

**From:** Robert Johnson, Economic Development Director

---

**Staff Recommendation:** **Staff Recommendation:** Staff recommends City Council discuss the Resolution for the requested EDC Economic Development project.

**Item Summary:** The EDC has identified the Business Improvement Grant Program as an economic development project it would like to consider for funding in the 2023-2024 fiscal year. Because of its nature, it is required to have City Council approval following two readings. This is the second of two required readings.

**Background Information: 1.      2023 LOCAL BUSINESS IMPROVEMENT GRANT PROGRAM**

The local business improvement grant program provides grant funding from the EDC under several categories including Façade Improvements, Sign Improvements, General Property Improvements, Landscaping Improvements and Fire Suppression Improvements. Applications for these categories are accepted anytime and considered individually as they are received. Funding for these categories is available up to \$10,000. There is also a single Mega Grant of up to \$30,000 which will be competitively offered with one awarded per year in May. Businesses that receive the grant are reimbursed 50% of their documented and qualified expenses up to the maximum grant amount. The EDC is requesting council approval of up to \$150,000 in the 2023-2024 fiscal year for this program.

The purpose of this program is to promote the development and expansion of new and existing business enterprises within the city of Freeport, and enhance the economic welfare of the citizens of the city by securing and retaining business enterprises and maintain a higher level of employment, economic activity and stability.

**Special Considerations:** The EDC conducted a required public hearing with no opposition to this proposed project.



**Financial Impact:** Funding for these projects would come out of the \$1.125 million Special Project line included in the EDC fiscal year budget for projects.

**Board or 3rd Party Recommendation:** Following a public hearing on the issue, EDC voted to recommend approval of this project at the mentioned dollar limits.

**Supporting Documentation:**

1. Resolution No. 2023-2815
2. Grant Packet

**RESOLUTION NO. 2023-2815**

**A RESOLUTION OF THE CITY OF FREEPORT, TEXAS, CONTAINING A PREAMBLE; APPROVING AN ECONOMIC DEVELOPMENT PROJECT TO BE ENACTED BY THE FREEPORT ECONOMIC DEVELOPMENT CORPORATION; AND PROVIDING THAT THIS RESOLUTION SHALL TAKE EFFECT AND BE IN FORCE FROM AND AFTER ITS PASSAGE AND ADOPTION.**

**WHEREAS**, the City of Freeport, Texas is a "Home Rule City" and a "Home Rule Municipality" lying and situated in Brazoria County, Texas, as described in and defined by Section 5, Article XI of the Constitution of Texas and Section 1.005 of the Local Government Code of Texas, respectively; and,

**WHEREAS**, the Freeport Economic Development Corporation (the "EDC") is a "type B" nonprofit economic development corporation, authorized under Texas Development Corporations Act, Title 12, Section 501.001 et. seq. specifically Chapter 505 of said Act; and,

**WHEREAS**, the EDC's specific purpose is to sustain economic development efforts and promote business development in the City; and,

**WHEREAS**, the City and the EDC have made the specific findings that the EDC may pursue the development project set forth below, that said project is authorized by the Texas Development Corporation Act, and that the project promotes economic development within the City of Freeport and satisfies the requirement of serving a public purpose; and,

**WHEREAS**, prior to passage of this resolution, the City Council conducted two (2) public readings of this resolution, in open session of duly noticed and posted council meetings, and further finds that a duly noticed and posted public hearing was previously held by the EDC on the projects contained herein.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS:**

**FIRST**, the City Council of the City of Freeport finds that the facts recited in the preamble hereof are true.

**SECOND**, the City Council of the City of Freeport hereby approves the following economic development project: 2023-2024 Local Business Improvement Grant Program";

**THIRD**, the funds to fund the above project have been budgeted and no further authorization is required from the City Council for the EDC to implement the above project.

**FOURTH**, this resolution shall take effect and be in force from and after its passage and adoption.

READ, PASSED AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

APPROVED:

---

Brooks Bass, Mayor  
City of Freeport, Texas

ATTEST:

---

Betty Wells, City Clerk  
City of Freeport, Texas

APPROVED AS TO FORM ONLY:

---

David Olson, City Attorney  
City of Freeport, Texas



# **FREEPORT**

**ECONOMIC DEVELOPMENT CORPORATION**

## **Business Improvement Grant Program Guidelines and Criteria**

### **Section 1. Purpose**

The purpose of this program is to promote the development and expansion of new and existing business enterprises within the City limits of Freeport, Texas and enhance the economic welfare of the citizens of the City by securing and retaining business enterprises and maintaining a higher level of employment, economic activity, and stability.

### **Section 2. Type and amount of grants**

#### **A. Façade Improvement:**

Exterior front façade enhancements. Improvements may be considered if located on a corner or paralleling an internal public space such as a park, parking lot, pedestrian way, or visible from a public right-of-way.

Improvements to store facade including, but not limited to:

Exterior painting that incorporates a major visual change  
(Maintenance painting does not apply.);

Significant masonry cleaning and/or restoration;

Addition of awnings (business logo & letters on awnings are acceptable);

Enhanced exterior building lighting that creates a noticeably enhanced appearance  
(Replacement of current lighting that is simply repair does not enhance the appearance of the building, such as replacement of inoperable fixtures and is not included.);

Store front entry systems and individual windows and door replacement or modification (if part of an overall design restoration; general building maintenance repairs are not included);

New or restored façade elements, such as cornices, soffits, canopies, and other detail elements.

The grant amount may be up to 50% of the cost of such improvement, up to a maximum of \$10,000

**B. Sign Improvement:**

New signs and/or major renovations or removal of existing signs. Typically LED Signs are not approved but may be reviewed on a case-by-case basis if integrated into an overall sign.

The grant amount may be up to \$3,500 for both new and existing business.

**C. Property Improvement:**

Items such as, but not limited to, parking lot resurfacing, striping, driveway improvement, lighting, decorative fencing, pedestrian oriented/streetscape amenities, including street furniture, new curb and sidewalk, and related amenities, demolition and/or removal of a dilapidated structure

The grant amount may be up to 50% of the cost of such improvement, up to a maximum of \$10,000.

**D. Landscaping Improvement:**

Material such as, but not limited to, grass, ground covers, shrubs, vines, hedges, trees or palms, landscape lighting and non-living durable materials that are commonly used in landscaping such as, but not limited to, rocks, pebbles, sand, but excluding paving. (All living materials will be reviewed at 25% of the cost if irrigation is not present or will be applied)

The grant amount may be up to 50% of the cost of such improvement, up to a maximum of \$10,000.

**E. Fire Suppression System Grant:**

The purpose of this grant is to assist payment for purchase and installation of a sprinkler/fire suppression system as required by the Freeport Fire Marshall. The grant application must contain documentation from the applicant and the Freeport Fire Marshall containing a floorplan, a diagram of the proposed system, and the specific occupancy and use that was submitted to the Freeport Fire Marshall. If this grant is provided to a leased space, the landlord and tenant are jointly responsible to pay back the grant if the applicant fails to complete the performance requirements. Further, this grant will only be made for an active commercial business or a business that has signed a lease to begin operation of a commercial business.

The grant amount may be up to 50% of the cost of such improvement, up to a maximum of \$25,000.

**F. MEGA Grant:**

Can be a combination of Grant Type A, C, or D or can stand alone as either. This grant will be reserved for those business that are within the defined Downtown boundaries as laid out by our Community Comprehensive Plans or at the discretion of the FEDC Board of Directors. Must provide 1 additional Job with this grant. This grant will be awarded to one (1) applicant per a fiscal year (October 1<sup>st</sup>– September 30<sup>th</sup>). Grant applications will be accepted starting October 1<sup>st</sup> and will close February 28<sup>th</sup>. Review will be held in March and notification of grant recipient will be announced by May 15<sup>th</sup>. The grant amount may be up to 50% of the cost of such improvement up to a maximum of \$30,000.

**Section 3. Eligibility**

- A. All business buildings and facilities located within the City at the time of adoption of these guidelines shall be eligible for this program.
- B. Any new business planning to locate within the City, or any business currently located within the city limits, shall be eligible for this program.
- C. A *business* is defined as an occupation, profession, or trade in the purchase or sale of goods or services in an attempt to make a profit.
- D. The proposed project must comply with applicable regulations, city- approved planning studies, comprehensive plan designations, City Ordinances, Building Codes, and Americans with Disabilities Act Guidelines.
- E. All applicants must be current and provide FEDC with documentation providing they are current with all Ad Valorem Taxes.
- F. Grants may not be used for refinancing existing loans, working capital, inventory, permits, inspections, security fencing or gates, home occupations, interior remodeling, new construction, and routine maintenance of landscaping and signage (with the exception of letters/logos on new awnings).

**Section 4. Guidelines**

- A. Proof of the applicant's ownership of the subject facility or facilities, or proof that the owner of such facility has approved the application for such grant funds, shall be required.

- B. The owner of a business to be operated within a leased facility, and the owner of such lease facility, must apply jointly for the program. Copies of a lease agreement and proof of ownership of the leased facility shall be required.
- C. A business or property owner may apply for one (1) or more of the four (4) types of grants per physical location (address) set forth herein within any fiscal year (October 1 to September 30). A business that receives grant funding during a fiscal year shall not be precluded from making subsequent applications for funding in following years.
- D. The maximum amount of funding available to any one applicant, business establishment or property owner at one physical location (address) shall be \$50,000.00 per fiscal year unless applying for the mega grant.
- E. All grants are reimbursement grants and will only be funded after completion of the project in accordance with drawings and specifications approved by the Freeport Economic Development Corporation Board of Directors and after the applicant submits to the FEDC proof of paid receipts for all applicable labor, materials, and permits. Digital photographs of the completed work shall also be required.
- F. Reimbursement grants are a cash payment of up to the approved percentage of funds expended by the applicant on the improvements and are not to exceed the limits set forth in Section 2(A), (B), (C), (D), and (E) hereof. In-kind contributions to the improvements by the applicant will not be considered as an expenditure by the applicant. Only cash expenditures by the applicant may be used in calculating the cost of improvements.
- G. The applicant shall be obligated to make the improvements in accordance with the application submitted to and approved by the FEDC Board of Directors. Thereafter, any modifications must first receive written approval by either the FEDC Board or the FEDC Executive Director. Failure to obtain such written approval prior to making any such modifications shall render the applicant ineligible to receive grant funding.
- H. The applicant shall be responsible for obtaining all applicable permits related to the improvement project, and failure to do so will render the applicant ineligible to receive grant funding.
- I. The improvements, as presented in the application, must be completed in their entirety. Failure to complete all of the stated improvements shall render the applicant ineligible to receive grant funding.
- J. Upon approval of a grant application, and during the construction of the improvements, a representative or representatives of the FEDC shall have the right, at all reasonable times, to have access to and inspect the work in progress.
- K. The applicant shall not begin any improvements prior to receiving written approval of grant funding from the FEDC.

- L. The applicant must complete the improvement project within six (6) months of receiving written approval from the FEDC. Failure to complete the improvements within the required time period shall result in the loss of the grant funds allocated for the project. Time extensions may be granted at the discretion of the FEDC Board of Directors.
- M. Approval of all applications shall be with the understanding and agreement that, in the event the business (applicant) fails to remain open, or the business or property is sold or transferred and subsequently closes, within twelve (12) months after the funding of the grant, the applicant shall be considered in default of its obligations under the grant, and shall be required to reimburse the FEDC the grant money received.
- N. The applicant must agree that, in the event of default of its obligations, the applicant shall repay to the FEDC the amount of grant funds it has received, with interest, at the rate of 10% per annum, within thirty (30) days after the FEDC notifies the applicant of the default. The form of such payment shall be a cashier's check or money order, made payable to the Freeport Economic Development Corporation.
- O. The applicant must certify that the applicant does not employ nor will it employ any undocumented workers (an individual who, at the time of employment, is not lawfully admitted for permanent residence to the United States or authorized under law to be employed in that manner in the United States). The applicant must agree that if, after receiving grant funds, it is convicted of a violation under 8 U.S.C. Section 1324a(f), the applicant shall repay the amount of the grant funds received by the applicant, with interest, at the rate of 10% per annum, within thirty (30) days after the FEDC notifies the applicant of the violation.
- P. The FEDC shall have the authority to bring a civil action to recover any amounts that the applicant must repay to the FEDC under paragraphs M, N, and O of this Section, and in such action may recover court costs and reasonable attorney's fees.

## **Section 5. Application and Approval**

- A. Applications must be made on a form provided by the FEDC, which form shall be made available at the FEDC offices located at 200 West Second Street, Freeport, TX 77541 and on the FEDC website at [www.freeport.tx.us](http://www.freeport.tx.us).
- B. The grant application must include:
- Request Letter describing proposed project and the need for grant funds
  - Establishment of business entity name (Copy of Article of Incorporation, dba, etc.)
  - Copy of business plan
  - Copy of Lease Agreement (if facility is leased)
  - Legal description of subject property
  - Vicinity map of subject property



- Estimates of proposed improvements. This quote shall be utilized only for the purpose of determining the amount of grant needed for the project and any costs incurred in obtaining the quote shall be the responsibility of the applicant, not the FEDC.
  - Itemized work estimates which include details and information such as color samples of paint, fabric, sign material
  - Digital Picture of Property and the area to be improved
  - Written statement from Code Enforcement stating approval of the work to be performed.
  - Notarized Seal on Application
  - Acknowledge that a sign will be placed at your property stating FEDC – Business Improvement Grant Recipient
- C. All applications must be approved by the FEDC Board of Directors
- D. An applicant shall be notified, in writing or email, within (10) ten business days of the FEDC Board’s decision to approve or disapprove its application.
- E. The FEDC may award grant funds to an applicant, with certain provisions, conditions, or other requirements that the FEDC deems necessary or appropriate.
- F. The FEDC Board of Directors shall have sole discretion to accept or reject an application. Applications are submitted on a competitive basis and will be graded on but not limited to:
1. Those applicants that best match our Community Comprehensive Plans
  2. Needs of the City of Freeport and FEDC
  3. Best match for our Downtown Specific Plan
  4. Those that will be beneficial for the growth of our Freeport’s Economic Development

## **Section 6. Funding**

- A. Upon notification to the FEDC by the applicant that a project has been completed, an inspection by a FEDC representative or representatives shall be made to confirm that such project has been completed in accordance with the application or any approved modifications thereto. Such notification shall include, but not be limited to, documentation of paid receipts for materials, labor, permits, inspection reports, an affidavit stating that all contractors and subcontractors providing work and/or materials in the construction of the project improvements have been paid and any and all liens and claims regarding such work have been released, or any other item that the FEDC may reasonably deem necessary for determining the project’s completion.

- B. The FEDC agrees to distribute such funds to the applicant within thirty (30) days following the inspection required in paragraph (A) hereof, and confirmation of completion of the project in accordance with the application or any approved modifications thereto. The Executive Director of the FEDC shall issue a letter to the FEDC Board of Directors notifying them of the funding action to be taken. A copy of such letter shall also be provided to the applicant.
- C. Within ten (10) business days following an inspection and the presentation of the receipts as provided in Section 6(A) above, and after a determination is made by the FEDC's representative that the project has not been completed in accordance with the application, or any approved modifications thereof, the Executive Director shall issue a letter to the applicant indicating any and all areas of non-compliance. The applicant shall then have sixty (60) days, from the date of such letter, to make the modifications necessary to bring the project into compliance. Failure to complete such modifications within said sixty-day period shall be deemed a default of applicant's obligations under the grant, and the applicant shall be ineligible to receive grant funding.
- D. Available funding: The FEDC has budgeted \$150,000 per the current fiscal year (October 1 to September 30) to fund improvement grants. Grant applications received after the available funding has been exhausted may be accepted and held until the following fiscal year. The FEDC retains sole discretion to accept or reject applications received after the available funding has been exhausted.

## **Section 7. Miscellaneous**

- A. THE FREEPORT ECONOMIC DEVELOPMENT CORPORATION SHALL DELIVER A COPY OF THESE GUIDELINES TO ANY APPLICANT FOR HIS/HER REVIEW AND THE DELIVERY HEREOF DOES NOT CONSTITUTE AN OFFER OF A BUSINESS IMPROVEMENT GRANT TO THE APPLICANT.
- B. THE LAWS OF THE STATE OF TEXAS SHALL GOVERN THE INTERPRETATION, VALIDITY, PERFORMANCE, AND ENFORCEMENT OF THIS BUSINESS IMPROVEMENT GRANT PROGRAM. IF ANY PROVISION OF THIS BUSINESS IMPROVEMENT GRANT PROGRAM IS HELD TO BE INVALID OR UNENFORCEABLE, THE VALIDITY AND ENFORCEABILITY OF THE REMAINING PROVISIONS SHALL NOT BE AFFECTED THERE.

## **ACKNOWLEDGMENT OF RECEIPT OF AND AGREE TO COMPLY WITH THE GUIDELINES AND CRITERIA FOR BUSINESS IMPROVEMENT GRANT PROGRAM BY THE FREEPORT ECONOMIC DEVELOPMENT CORPORATION**

Applicant: \_\_\_\_\_

Address: \_\_\_\_\_

Phone No.: \_\_\_\_\_

*Signature:* \_\_\_\_\_

Property Owner/Landlord: \_\_\_\_\_

Address: \_\_\_\_\_

Phone No.: \_\_\_\_\_

*Signature:* \_\_\_\_\_

This acknowledgement page must be signed and returned to the Executive Director of Freeport Economic Development Corporation. Please retain the Guidelines and Criteria for your records.

**Applicants are strongly encouraged to shop local Brazoria County businesses for products and services.**



## **Application for Business Improvement Grant**

### **DOCUMENTATION CHECKLIST** **Business Improvement Grant Program**

As a part of this application, the following documentation is being provided by the applicant:

- \_\_\_\_\_ 1. Request Letter describing proposed project and the need for grant funds
- \_\_\_\_\_ 2. Establishment of business entity name  
(Copy of Articles of Incorporation, dba, etc.)
- \_\_\_\_\_ 3. Copy of lease agreement (if facility is leased)
- \_\_\_\_\_ 4. Copy of business plan
- \_\_\_\_\_ 5. Legal description of subject property (Exhibit A)
- \_\_\_\_\_ 6. Vicinity map of subject property (Exhibit B)
- \_\_\_\_\_ 7. Estimates of proposed improvements (Exhibit C)  
Itemized work estimates which include details and information such as color  
samples of paint, fabric, and sign material
- \_\_\_\_\_ 8. Digital Pictures of Property and area to be improved (Exhibit D)
- \_\_\_\_\_ 9. Acknowledge that a sign will be placed at your property stating  
FEDC-Business Improvement Grant Recipient
- \_\_\_\_\_ 10. Signed statement from Code Enforcement stating project is in compliance  
with City Ordinance

I (We), referred to as “APPLICANT”, on behalf of the identified entity, submit to the Freeport Economic Development Corporation, referred to as “FEDC”, this application for consideration of a Business Improvement Grant under the provisions of the FEDC’s Business Improvement Grant Program.

As part of this application, APPLICANT represents to FEDC the following:

1. APPLICANT has received a copy of the FEDC’s Guidelines and Criteria for the Business Improvement Grant Program. APPLICANT acknowledges to FEDC that in making this application, APPLICANT understands the terms and provisions, and all questions relating to any needed interpretation have been answered by authorized representatives of FEDC prior to the submission of this application.
2. APPLICANT has secured such legal, accounting, and/or other advice that may be necessary for APPLICANT to determine the desirability of making this application and/or accurately and correctly answering any questions as set out. APPLICANT acknowledges that it has completely relied on the advice and counsel of experts and/or appropriate persons retained, employed, or compensated by APPLICANT, and that it has not relied upon, nor is APPLICANT now attempting to rely upon, the advice and counsel of FEDC, its servants, agents, employees and/or elected or appointed officers.
3. By signing this document, “Application for Business Improvement Grant” either in an individual capacity, jointly, or in a representative capacity. APPLICANT acknowledges and verifies that all of the facts, information, and allegations as set out are true, correct and accurate, and that FEDC may rely on as if the same had been signed by APPLICANT or APPLICANT’S agent before a Notary Public or other authorized officer permitted by law to administer oaths and to take acknowledgements. APPLICANT further acknowledges and understands that any materially false or misleading statements of fact may be considered a violation of the criminal laws of the State of Texas.
4. The APPLICANT, whether a corporate entity, partnership, or other legal type business entity, or an individual, acknowledges and verifies that it is current on all current tax obligations, assessments, or other governmental levies and assessments, and that the same have been paid when due and payable, and that no delinquencies exist at this time. The APPLICANT swears and affirms that the APPLICANT is fully authorized to transact business in the State of Texas and in the state of incorporation if different from the State of Texas.
5. The APPLICANT hereby certifies that the APPLICANT does not and will not knowingly employ an undocumented worker. An “undocumented worker” shall mean an individual who, at the time of employment, is not (a) lawfully admitted for permanent residence to the United States; or (b) authorized under the law to be employed in that manner in the United States. APPLICANT understands and agrees that if, after receiving a Business Improvement Grant, APPLICANT is convicted of a violation under 8 U.S.C. Section 1324a(f), the APPLICANT shall be required to reimburse to the FEDC the grant amount received. Payments must be paid in full within thirty (30) days after the date of written notification by the FEDC. The form of such payment shall be a cashier’s check or money order, made payable to the Freeport Economic Development Corporation. The FEDC has the right to recover court costs and reasonable attorney’s fees as a result of any civil action required to recover such repayment.

Business Entity Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Location in the City of Freeport for which the improvement is being requested

Street Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Other companies and locations owned and/or operated by the APPLICANT

Company Name: \_\_\_\_\_

Street Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

6. Please attach a separate document providing a legal description of the property upon which the contemplated improvements will be located as *Exhibit A*.
7. Please attach a vicinity map locating the property within the City of Freeport as *Exhibit B*.
8. Please furnish detailed drawings, plans, specifications, color schemes, or any other available supporting documents for the proposed improvements and cost estimates as *Exhibit C*.
9. Please attach a letter addressing the need for the project as well as need for the FEDC grant funds.
10. Description of proposed improvements:

| DESCRIPTION | ESTIMATED REPAIR | ESTIMATED START DATE | COMPLETION DATE |
|-------------|------------------|----------------------|-----------------|
|             |                  |                      |                 |
|             |                  |                      |                 |
|             |                  |                      |                 |

11. New or existing business: \_\_\_\_\_ New \_\_\_\_\_ Existing

\_\_\_\_\_ has been in operation for \_\_\_\_\_ years.

Existing number of jobs: \_\_\_\_\_ (if applicable) FT \_\_\_\_\_ PT \_\_\_\_\_

New jobs (FT): \_\_\_\_\_

New jobs (PT): \_\_\_\_\_

12. If leased facility, provide the following information (*attach copy of current lease*):

Current Landlord: \_\_\_\_\_

Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

13. Prior to APPLICANT'S execution of this application, APPLICANT has had this reviewed by an Attorney of the APPLICANT, or has had the opportunity to do so, and the parties agree that based on the foregoing, this application for the business improvement grant program shall not be construed in favor of one party over the other based on the drafting of this application.
14. APPLICANT and owner/landlord indemnify, defend, and hold FEDC harmless from any liability, injury, claim, expenses, and attorney's fees arising out of a contractor, builder, or contract for performance of improvements, or repair to buildings and facilities.
15. FEDC has delivered a copy of the guidelines and criteria for a business improvement grant program to applicant for review, and the delivery does not constitute an offer of an improvement grant.
16. The laws of the State of Texas shall govern the interpretation, validity, performance, and enforcement of the application for the business improvement grant program. The Business Improvement Grant Program shall be performable in the County of Brazoria. If any provision of this application for business improvement grant program should be held to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this application shall not be affected.
17. Before submitting an application to the FEDC, the APPLICANT must meet with the Planning/Building Department of the City of Freeport for any code requirements.

## VERIFICATION

I (We), the undersigned APPLICANT(S), certify that all the information furnished to FEDC has been furnished freely by the APPLICANT(S), and further acknowledge that no rights or privileges may be relied on as a part of any application. In addition, it is acknowledged that the Freeport Economic Development Corporation may or may not grant a Business Improvement Grant based upon application or request purely as a matter of discretion, and that there is no legal right to rely on any previous actions taken in same or similar applications, or previous actions taken on other applications concerning the same or similar property.

Signed and submitted to Freeport Economic Development Corporation on this, the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

Applicant: \_\_\_\_\_ Applicant: \_\_\_\_\_

Signature: \_\_\_\_\_ Signature: \_\_\_\_\_

Address: \_\_\_\_\_ Address: \_\_\_\_\_  
\_\_\_\_\_

Phone No.: \_\_\_\_\_ Phone No.: \_\_\_\_\_

Property \_\_\_\_\_  
Owner/Landlord: \_\_\_\_\_

Signature: \_\_\_\_\_

Address: \_\_\_\_\_

Phone No.: \_\_\_\_\_

The State of Texas  
County of Brazoria

Before me, the undersigned authority, on this day personally appeared \_\_\_\_\_, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me and that they executed the same for the purposes therein expressed.

\_\_\_\_\_  
Notary Public in and for the State of Texas  
My Commission Expires: \_\_\_\_\_



The State of Texas  
County of Brazoria

Before me, the undersigned authority, on this day personally appeared \_\_\_\_\_, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me and that they executed the same for the purposes therein expressed.

\_\_\_\_\_  
Notary Public in and for the State of Texas  
My Commission Expires: \_\_\_\_\_

The State of Texas  
County of Brazoria

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\_\_\_\_\_  
Notary Public in and for the State of Texas  
My Commission Expires: \_\_\_\_\_



## City Council Agenda Item #13.

**Title:** Consideration and possible action approving emergency road repair at Quintana and Ave D intersection not to exceed \$30,000.00.

**Date:** September 5, 2023

**From:** Lance Petty, Public Works Director

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**Staff Recommendation:** Staff recommends approval of funding not to exceed \$30,000.00 for the emergency reconstruction of the intersection located at Quintana and Avenue D.

**Item Summary:** With approval of funding, staff will seek two additional quotes and move forward with emergency repairs upon receiving final quotes.

**Background Information:** On 8/25/2023 at approximately 4:30 p.m., the Freeport Police Department responded to a vehicle incident located at Quintana and Avenue D. Upon arrival, a vehicle traveling east bound struck a wastewater manhole cover in the intersection, causing damage to the vehicle's oil pan. The Public Works Department installed a barricade in place to protect from further incidents. After reviewing the paving, it was determined the intersection needed to be addressed to correct deficiencies. The Public Works Department has contacted (3) three contractors to receive cost estimates for the necessary repairs. The City has received one (1) quote in the amount of \$30,000.00, and is expecting the two (2) additional quotes soon. This is an emergency repair that needs to be addressed to correct the failing intersection.

**Special Considerations:** If approved, the completion of the proposed repairs will correct and improve the roadway infrastructure and eliminate further issues at this intersection.

**Financial Impact:** The proposed costs of this project will be in this year's fiscal budget (streets/drainage). The requested amount for approval of the project is \$30,000.00

**Board or 3rd Party Recommendation:** City staff will select the most reputable, cost effective contractor to complete the project proposed.

**Supporting Documentation:**

1. IMG\_7091
2. IMG\_7092

3. IMG\_7087
4. IMG\_7088
5. IMG\_7089
6. IMG\_7090























