

April 14, 2020
City Council
Regular Meeting
7:00 p.m.



SUPPLEMENTAL NOTICE OF MEETING BY TELEPHONE CONFERENCE:

In accordance with order of the Office of the Governor issued March 16, 2020, the City Council of the City of Dickinson, Texas will conduct the regular meeting scheduled at 7:00 p.m. on Tuesday, April 14, 2020 at 4403 Highway 3, Dickinson, Texas 77539 by telephone conference in order to advance the public health goal of limiting face-to-face meetings (also called “social distancing”) to slow the spread of the Coronavirus (COVID-19). [There will be no public access to the location described above.]

This supplemental written notice, the meeting agenda, and the agenda packet, are posted online at <http://www.ci.dickinson.tx.us/agendacenter>.

The public toll-free dial-in number to participate in the telephonic meeting is 833-403-1228, Conference ID: 758 023 656#.

The public will be permitted to offer public comments telephonically as provided by the agenda and as permitted by the presiding officer during the meeting.

A recording of the telephonic meeting will be made, and will be available to the public in accordance with the Open Meetings Act upon written request.



Alun W. Thomas, City Secretary



Julie Masters, Mayor
Charles Suderman, Mayor Pro Tem
Sean Skipworth
Walter Wilson

AGENDA
City of Dickinson
CITY COUNCIL
REGULAR MEETING

Wally Deats
Louis Decker
William H. King III
Chris Heard, City Administrator

April 14, 2020

NOTICE is hereby given of a **REGULAR MEETING** of the City Council for the City of Dickinson, County of Galveston, State of Texas, to be held on **Tuesday, April 14, 2020**, at **7:00 p.m.** at: 4403 Highway 3, Dickinson, Texas 77539 for the purpose of considering the following numbered items.

In accordance with order of the Office of the Governor issued March 16, 2020, the City Council of the City of Dickinson, Texas will **conduct the meeting by telephone conference** in order to advance the public health goal of limiting face-to-face meetings (also called "social distancing") to slow the spread of the Coronavirus (COVID-19). **The public toll-free dial-in number to participate in the telephonic meeting is 833-403-1228, Conference ID: 758 023 656#.**

The City Council of the City of Dickinson, Texas, reserves the right to meet in a closed session on any of the below items should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

ITEM 1.) CALL TO ORDER AND CERTIFICATION OF A QUORUM

ITEM 2.) INVOCATION

ITEM 3.) PLEDGE OF ALLEGIANCE

ITEM 4.) PROCLAMATIONS

- A. Child Abuse Prevention and Awareness Month.
- B. Fair Housing Month.

ITEM 5.) ANNOUNCEMENTS AND PRESENTATIONS:

- A. Council Comments.

ITEM 6.) REPORTS:

- A. Summary of the Economic Impact Analyses/Reports on Both Potential Sites for the Gulf Coast Public Market Project (Dickinson Economic Development Corporation Chief Executive Officer Scott Jones).

ITEM 7.) PUBLIC COMMENTS: At this time, any person with city-related business may speak to the Council. In compliance with the Texas Open Meetings Act, The City Council may not deliberate. **Comments from the public**

should be limited to a maximum of three (3) minutes per individual speaker.

ITEM 8.) CONSENT AGENDA: CONSIDERATION AND POSSIBLE ACTION:

The following items are considered routine by the City Council and will be enacted by one motion. There will not be a separate discussion on these items unless a Council member requests, in which event, the item will be removed from the consent agenda and discussed after the consent agenda.

- A. Approval of the Minutes of the Regular Council Meeting of March 24, 2020.
- B. Approval of the Minutes of the Special Council Meeting of April 13, 2020.
- C. Resolution Number XXX-2020 – **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DICKINSON, TEXAS, APPROVING AND ADOPTING AN AMENDED INVESTMENT POLICY FOR THE CITY OF DICKINSON AND A LIST OF QUALIFIED BROKERS THAT ARE AUTHORIZED TO ENGAGE IN INVESTMENT TRANSACTIONS WITH THE CITY; PROVIDING FOR INCORPORATION OF PREAMBLE AND AN EFFECTIVE DATE.**

ITEM 9.) CONSIDERATION AND POSSIBLE ACTION CONCERNING:

Consideration of the Dickinson Economic Development Corporation's Vote to Take No Further Action and Expend No Further Resources on the Gulf Coast Public Market Project Due to the Estimated Impact Analysis Results, and a Request by the Dickinson Economic Development Corporation Board for Council Action in Support of its Vote and Directive.

ITEM 10.) CONSIDERATION AND POSSIBLE ACTION CONCERNING:

Resolution Number XXX-2020 – **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DICKINSON, TEXAS, APPROVING AND AUTHORIZING THE DICKINSON ECONOMIC DEVELOPMENT CORPORATION'S EMERGENCY BUSINESS RECOVERY AND EXPANSION GRANT PROGRAM FOR THE RECOVERY AND EXPANSION OF DICKINSON BUSINESSES THAT HAVE SUFFERED DUE TO THE STATE OF EMERGENCY CAUSED BY THE COVID-19 PANDEMIC; PROVIDING FOR THE INCORPORATION OF THE PREAMBLE; MAKING CERTAIN FINDINGS AND CONTAINING CERTAIN PROVISIONS RELATING TO THE SUBJECT.** (Second of Two Readings)

ITEM 11.) CONSIDERATION AND POSSIBLE ACTION CONCERNING:

Resolution Number XXX-2020 – **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DICKINSON, TEXAS, APPROVING AND ADOPTING BUDGET AMENDMENT NO. 1 FOR THE DICKINSON ECONOMIC DEVELOPMENT CORPORATION FOR FISCAL YEAR 2019-2020; MAKING APPROPRIATIONS FOR THE CITY FOR SUCH FISCAL YEAR AS**

REFLECTED IN SAID BUDGET AMENDMENT NO. 1; PROVIDING FOR THE INCORPORATION OF THE PREAMBLE; MAKING CERTAIN FINDINGS AND CONTAINING CERTAIN PROVISIONS RELATING TO THE SUBJECT; AND PROVIDING AN EFFECTIVE DATE.

ITEM 12.) CONSIDERATION AND POSSIBLE ACTION CONCERNING: Resolution Number XXX-2020 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DICKINSON, TEXAS, APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH ANDREWS KURTH LLP FOR BOND COUNSEL SERVICES FOR CERTIFICATES OF OBLIGATION, BONDS, AND OTHER DEBT OBLIGATIONS THAT THE CITY OF DICKINSON INTENDS TO ISSUE; AUTHORIZING THE MAYOR TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY TO EFFECTUATE AN AGREEMENT FOR SUCH SERVICES; PROVIDING FOR THE INCORPORATION OF PREAMBLE; AND PROVIDING AN EFFECTIVE DATE.

ITEM 13.) CONSIDERATION AND POSSIBLE ACTION CONCERNING: Resolution Number XXX-2020 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DICKINSON, TEXAS, AUTHORIZING THE CITY ADMINISTRATOR TO ISSUE AN ORDER FOR TASK WORK AUTHORIZATION NUMBER 1B FOR ADDITIONAL WORK ALONG HANSEN, BAYOU CREST CIRCLE AND RAU DRIVE, AND TO ISSUE TASK WORK AUTHORIZATION NUMBER 4 FOR DRAINAGE REPAIR, CULVERT REPAIR, AND SOD INSTALLATION AT THE ANIMAL SHELTER, LOVERS LANE, BAYOU CREST AND SHADY OAK NEIGHBORHOODS; PROVIDING FOR INCORPORATION OF PREAMBLE; AND PROVIDING AN EFFECTIVE DATE.

ITEM 14.) CONSIDERATION AND POSSIBLE ACTION CONCERNING: Resolution Number XXX-2020 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DICKINSON, TEXAS, APPROVING AND ADOPTING A POLICY FOR EMERGENCY OPERATING PROCEDURES DURING A PANDEMIC; PROVIDING FOR INCORPORATION OF PREAMBLE AND AN EFFECTIVE DATE.

ITEM 15.) EXECUTIVE SESSION: The City Council will now hold a closed executive meeting pursuant to the provision of Chapter 551, Government Code, Vernon's Texas Codes annotated, in accordance with the authority contained in:

A. Section 551.071 – Consultation with Attorney regarding pending litigation and matters in which the duty of the City Attorney requires to be discussed in closed meeting.

ITEM 16.) RECONVENE

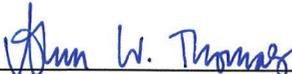
ITEM 17.) CONSIDERATION AND POSSIBLE ACTION CONCERNING: Approval of the Dickinson Economic Development Corporation Chief Executive Officer (“CEO”) and Executive Director’s Employment Agreement and the Funding Thereof, and Authorizing the Mayor to Sign the Agreement Acknowledging that the CEO Will be Receiving City Benefits.

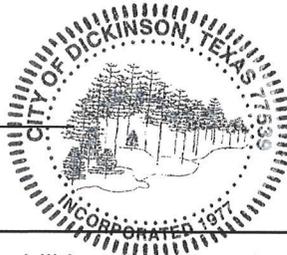
ITEM 18.) CONSIDERATION AND POSSIBLE ACTION CONCERNING: Matters Discussed in Executive Session.

ITEM 19.) ADJOURN

CERTIFICATION

This is to certify that a copy of the Notice of the Regular City Council meeting for **Tuesday, April 14, 2020**, was posted on the bulletin board at City Hall, 4403 Highway 3, Dickinson, Texas, on this the 9th day of April, 2020, prior to 7:00 p.m.


Alun W. Thomas, City Secretary



In compliance with the Americans with Disabilities Act, the City of Dickinson will provide reasonable accommodations for disabled persons attending City Council Meetings. Requests should be received at least 24 hours prior to the scheduled meeting, by contacting the City Secretary’s office at 281-337-6217, or by FAX at 281-337-6190.

ITEM 1

**Call to Order and
Certification of a
Quorum**

**CITY OF DICKINSON, TEXAS
CITY COUNCIL MEETING
ATTENDANCE LIST**

**MEETING DATE: April 14, 2020
Regular Meeting**

<u>MAYOR/COUNCIL</u>	<u>PRESENT</u>	<u>ABSENT</u>
MAYOR JULIE MASTERS	_____	_____
POS. 1: COUNCILMEMBER CHARLES SUDERMAN	_____	_____
POS. 2: COUNCILMEMBER SEAN SKIPWORTH	_____	_____
POS. 3: COUNCILMEMBER WALTER WILSON	_____	_____
POS. 4: COUNCILMEMBER WALLY DEATS	_____	_____
POS. 5: COUNCILMEMBER LOUIS DECKER	_____	_____
POS. 6: COUNCILMEMBER WILLIAM KING	_____	_____
<u>ALSO IN ATTENDANCE:</u>		
City Attorney David W. Olson	_____	_____
City Administrator Chris Heard	_____	_____
Finance Director Kristen Woolley	_____	_____
City Secretary Alun W. Thomas	_____	_____
Interim Dir. of Community Dev. S. R. Burgess	_____	_____
Interim Public Works Director _____	_____	_____
Police Chief Ron Morales	_____	_____
EMS Director Derek Hunt	_____	_____
Fire Marshal Burt Heddles	_____	_____
Court Administrator Irma Rivera	_____	_____
Library Director Julianne Lane	_____	_____
Bayou Animal Services Manager Sarah Haywood	_____	_____
Assistant to the City Administrator Kerilyn Bascle	_____	_____

ITEM 2

Invocation

ITEM 3

Pledge of Allegiance

ITEM 4

Proclamations

ITEM 5

Announcements and Presentations

ITEM 5A

Council Comments

ITEM 6

Reports

ITEM 6A

Gulf Coast Public Market Economic Impact Reports

A Report of the Economic Impact of Gulf Coast Public Market in Dickinson, Texas

Highway 3

March 6, 2020

Prepared for:

Dickinson Economic Development Corporation
218 FM 517 Rd. West
Dickinson, TX 77539

Prepared by:

Impact DataSource, LLC
4709 Cap Rock Drive
Austin, Texas 78735
(512) 892-0205
Fax (512) 892-2569
www.impactdatasource.com



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A Report of the Projected Economic Impact from Gulf Coast Public Market

Introduction

This report presents the results of an economic impact analysis performed by Impact DataSource, Austin, Texas. The analysis was to determine the impact that Gulf Coast Public Market in Dickinson, Texas, will have on the economy of the Dickinson area and the costs and benefits for local taxing districts during construction and over the first twenty-five years of operations.

Conclusion of the Analysis

DEDC is considering constructing a \$10 million, 30,000 square foot public market and financing the project by issuing 20 year bonds that will be repaid by DEDC. Revenues for DEDC will consist of (1) rents to tenants of the facility, along with (2) some sales taxes that it receive from tenant sales, (3) a possible \$3 million EDA Harvey grant and (4) value of the facility that DEDC will own outright once bonds financing the facility are retired.

Conclusion: Because estimated revenues from market rents on the space, likely to be paid by tenants, are much less than debt service that DEDC must pay on the bonds, the facility will not cash flow for DEDC the first 20 years. It will lose an estimated \$7.62 million, as shown below, during this period -- funds that DEDC will need to inject in the operations of the project from other sources.

DEDC's Net Loss on the Operations of the Facility		
	Over 20 Years	Over 25 Years of this Analysis
Revenues/benefits:		
Net rent revenues	\$3,292,473	\$4,839,059
Sales taxes	\$555,885	\$752,159
EDA grant	\$3,000,000	\$3,000,000
Value of building to be owned after bonds are retired		\$5,943,790
Subtotal of revenues/benefits	\$6,848,358	\$14,535,008
Costs:		
Debt service costs	\$14,470,938	\$14,470,938
Net income/(loss) on the operations of the facility	(\$7,622,580)	\$64,070

Description of the Facility

Gulf Coast Public Market is a planned 30,000 square foot \$10 million facility in Dickinson.

A planned downtown site being considered is approximately 3.5 acres zoned general commercial located at 4512 Hwy. 3, north of Dickinson Bayou and south of Dickinson City Hall; site is primarily cleared and was the former location of the DISD Administration building; daily traffic count on TX 3 is 15,959; portions of the site are located within the 100 year FEMA floodplain zone AE and will require significant fill to achieve a finished floor elevation of 15.5'.

The planned facility will include the following square footage:

The Facility's Square Footage		
Total		30,000
Common space	0.25	7,500
Storage	0.05	1,500
Office/Mgmt.		1,000
Net rentable space		20,000

Two fast casual/fast food restaurants and 25 retail shops will be tenants in this facility.

Other characteristics of the facility are shown below.

Some Other Characteristics of the Facility	
Number of direct jobs to be created	65
Average annual salaries for these direct workers	\$29,120
Real property on which tenants will pay property taxes	\$0
Tenants' business personal property to be added to tax rolls	\$445,000
Average annual rents on tenant space per square foot	\$10

Land for the facility is owned by DEDC and the cost of constructing the facility will be financed with bonds to be issued by DEDC. In addition, DEDC has been awarded a \$3 million EDA reimbursement grant for Harvey for this project. Therefore, these funds will be used to reduce the bond balance after the project is completed.

How the economy of the area will be impacted during construction is discussed next.

The Estimated Economic Impact during the Facility's Construction

Economic Impact During Construction

Direct Impact

The project's construction and tenant improvements costs are expected to be \$10 million of which an estimated 70% or \$7 million are estimated to be local costs.

Therefore, the project will generate \$7 million in direct revenues for area construction companies, architects, engineers, and others in the construction industry. In addition, an estimated 40 direct construction and related workers will work on the project each year during construction. The estimated direct construction payroll will be \$2.8 million.

Direct and Indirect Impact

This construction activity and direct construction jobs and salaries will, in turn, create and support revenues in other businesses in the area and indirect jobs and salaries during the time that the project is being constructed. In total, the project may support an estimated \$12.6 million in gross area product or economic activity in area during its construction, an estimated 65 total jobs each year during construction of the project, and total salaries estimated to be \$4.04 million, as shown below.

Economic Impact During Construction of the Project	
Revenues for area businesses:	
Direct	\$7,000,000
Indirect	\$5,653,200
Total revenues	\$12,653,200
Jobs:	
Direct	40
Indirect	25
Total jobs	65
Salaries:	
Direct	\$2,800,000
Indirect	\$1,241,800
Total salaries	\$4,041,800

Multipliers used in the above calculations of indirect economic outputs, jobs and salaries are discussed later in this report.

Sales Taxes to be Collected by the City During Construction of the Project

Taxable Sales

The following estimated taxable sales will be generated during construction of the project:

Taxable Sales During Construction of the Project	
Local costs of constructing the project	\$7,000,000
Percent of costs for materials	60%
Percent of costs for labor	40%
Total cost of materials	\$4,200,000
Estimated percent of construction materials that will be taxable in Dickinson	0%
Total taxable construction materials	\$0
Total direct construction labor	\$2,800,000
Percent of construction salaries to be spent on taxable goods and services	26%
Percent of construction salaries to be spent in Dickinson	25%
Total taxable spending by construction workers in Dickinson	\$182,000
Indirect salaries (salaries to be paid to workers supported in indirect jobs in the community)	\$1,241,800
Percent of construction salaries to be spent on taxable goods and services	26%
Percent of construction salaries to be spent in Dickinson	25%
Total taxable spending by construction workers in Dickinson	\$80,717
Estimated taxable spending in Dickinson by indirect businesses (spending excluding payments for salaries)	\$565,320
Estimated FF&E to be purchased for the facility	\$445,000
Percent to be taxable in Dickson	20%
Total FF&E to be taxable in Dickinson	\$89,000
Summary of taxable spending in Dickinson:	
Purchases of construction materials for the project	\$0
Taxable spending by direct and indirect workers	\$262,717
Taxable spending by indirect businesses	\$565,320
Taxable FF&E	\$89,000
Total taxable spending during construction	\$917,037

Sales Tax Collections

The following sales taxes will be collected by local taxing districts during construction of the project:

Estimated Taxable Sales and Sales Tax Collections During Construction	
Taxable Sales:	
Purchases of construction materials	\$0
Taxable spending by workers:	
Construction workers	\$182,000
Indirect workers	\$80,717
Taxable spending by indirect businesses	\$565,320
Taxable purchases of FF&E	\$89,000
Total taxable sales	\$654,320
Sales tax collections:	
Sales tax rate:	
City of Dickinson	1.5%
Dickinson Management District No. 1	0.5%
Sales tax collections during construction:	
City of Dickinson	\$9,815
Dickinson Management District No. 1	\$3,272
Total	\$13,086

Building Permits and Fees to be Collected by the City During Construction of the Project

The City will collect the following estimated building permits and fees during development and construction:

City Building Permits and Fees During Construction of the Project	
Building permits and fees	\$70,000

Total City Revenues During Construction of the Project

During construction, the project will generate the following revenues for the City:

City and DMD # 1 Revenues During Construction of the Project			
	City	DMD # 1	Total
Sales taxes	\$9,815	\$3,272	\$13,086
Building permits and fees	\$70,000		\$70,000
Total	\$79,815	\$3,272	\$83,086

How the facility will impact the economy of the area during its first twenty-five years of operations is discussed next.

The Estimated Economic Impact of the Facility's Operations over the First Twenty-Five Years

The facility will have the following economic impact on the Dickinson area over the first twenty-five years of operations:

Economic Impact over the First Twenty-Five Years of Operations of the Facility	
Total number of permanent direct and indirect jobs to be created	95
Number of direct and indirect workers who will move to the City	9
Number of new residents in the City	27
Number of new residential properties to be built in the City	2
Number of new students expected in Dickinson ISD	7
Salaries to be paid to direct and indirect workers	\$83,299,976
Taxable sales and purchases expected in the City	\$150,431,892
The value of new residential property to be built for direct and indirect workers who move to the City by Year 10	\$591,571
The facility's assets added to local tax rolls by tenants	\$800,000

How this economic activity translates into additional costs and benefits for local taxing districts is discussed next.

Costs and Benefits for Local Taxing Districts over the First Twenty-Five Years of the Operations of the Facility

Local taxing districts can expect costs and benefits over the first twenty-five years of the operations of the facility, as scheduled below, beginning with the additional revenues to be received.

Additional Revenues During the First Twenty-Five Years of Operations for Local Taxing Districts

Local taxing districts can expect to receive the following revenues over the first twenty-five years from the facility, its employees and workers in indirect jobs created in the community:

Additional Revenues For Local Taxing Districts Over the First Twenty-Five Years of the Facility's Operation					
	Sales Taxes	Property Taxes	Utilities	Utility Franchise Fees	Rents Collected from Tenants
City of Dickinson	\$2,256,478	\$137,736	\$3,293,390	\$205,732	
Galveston County	\$0	\$156,532			
Dickinson ISD		\$449,987			
College of the Mainland		\$63,389			
Galveston Road & Flood		\$3,644			
Water Control & Improvement District No. 1		\$37,699			
Dickinson Management District No. 1	\$752,159	\$0			\$4,839,059
Total	\$3,008,638	\$848,986	\$3,293,390	\$205,732	\$4,839,059

	Hotel Occupancy Taxes	Other Taxes and User Fees	Additional State and Federal School Funding	EDA Grant and Value of the Facility to be Owned by DEDC	Total Additional Revenues
City of Dickinson	\$0	\$43,241			\$5,936,577
Galveston County		\$36,034			\$192,566
Dickinson ISD			\$1,230,500		\$1,680,487
College of the Mainland					\$63,389
Galveston Road & Flood					\$3,644
Water Control & Improvement District No. 1					\$37,699
Dickinson Management District No. 1				\$8,943,790	\$14,535,008
Total	\$0	\$79,275	\$1,230,500	\$8,943,790	\$22,449,369

Additional Costs During the First Twenty-Five Years of Operations for Local Taxing Districts

Local taxing districts will incur the following costs over the first twenty-five years of the operations of the facility -- to provide services to the facility and to workers who will move to the community:

Costs for Local Taxing Districts Over the First Twenty-Five Years of the Facility's Operation						
	Costs of Services to New Residents	Costs of Providing Monthly Utility Services	Costs of Educating New Students	Reduction in State School Funding as a Result of Property being Added to Local Tax Rolls	Debt Service Payments on Bonds*	Total
City of Dickinson	\$129,723	\$4,235,606				\$4,365,328
Galveston County	\$43,241					\$43,241
Dickinson ISD			\$1,168,975	\$301,026		\$1,470,001
College of the Mainland						\$0
Galveston Road & Flood						\$0
Water Control & Improvement District No. 1						\$0
Dickinson Management District No. 1					\$14,470,938	\$14,470,938
Total	\$172,964	\$4,235,606	\$1,168,975	\$301,026	\$14,470,938	\$20,349,508

**Debt services payments include of principal and interest and a \$3 million lump sum payment to reduce principal using a \$3 million EDA grant to the DEDC.*

Additional Net Benefits During the First Twenty-Five Years of Operations for Local Taxing Districts

The additional public benefits less additional public costs will result in the following net benefits for the City, County and other local taxing districts over the first twenty-five years of the facility's operation:

Net Benefits for Local Taxing Districts Over the First Twenty-Five Years of the Facility's Operation			
	Benefits	Costs	Net Benefits
City of Dickinson	\$5,936,577	\$4,365,328	\$1,571,249
Galveston County	\$192,566	\$43,241	\$149,325
Dickinson ISD	\$1,680,487	\$1,470,001	\$210,486
College of the Mainland	\$63,389	\$0	\$63,389
Galveston Road & Flood	\$3,644	\$0	\$3,644
Water Control & Imp. Dist. No. 1	\$37,699	\$0	\$37,699
Dickinson Management District No. 1	\$14,535,008	\$14,470,938	\$64,070
Total	\$22,449,369	\$20,349,508	\$2,099,861

Discounted Cash Flow for Local Taxing Districts During the First Twenty-Five Years of the Facility's Operations

The discounted cash flow over the first twenty-five years for each local taxing district from the operations of the facility is shown below.

Discounted Cash Flow Over the First Twenty-Five Years from the Operations of the Facility	
City of Dickinson	\$1,415,389
Galveston County	\$77,676
Dickinson ISD	\$107,843
College of the Mainland	\$32,939
Galveston Road & Flood	\$1,642
Water Control & Imp. Dist. No. 1	\$19,590
Dickinson Management District No. 1	(\$2,421,063)
Total	(\$765,985)

The above discounted cash flow or present value of net benefits is a way of expressing in today's dollars, dollars to be paid or received in the future. Today's dollar and a dollar to be received or paid at differing times in the future are not comparable because of the time value of money. The time value of money is

the interest rate or each taxing entity's discount rate. This analysis uses a discount rate of 6% to make the dollars comparable -- by expressing them in today's dollars or in present value.

Bonds to be Issued by DEDC to Finance the Facility

DEDC will finance construction of the facility by issuing bonds.

The terms of the bonds to be issued and annual debt service payments may be as following:

Estimated Terms of Bonds to be Issued	
Amount needed for construction costs	\$10,000,000
Term in years	20
Interest rate	4.50%
Bond issuing cost as a percent	2%
Estimated bonds to be issued	\$10,200,000
Estimated annual debt service payments	\$774,363

If a \$3 million EDC grant is used to reduce the principal amount of the bonds in year 3, for example, the payments beginning in year 3 could be as follows:

Estimated Debt Service Payments Beginning in Year 3	
Estimated annual debt service payments	\$551,234

If this is the case, DEDC will make estimated annual debt service payments on the bonds over twenty years as shown on the following page:

Estimated Debt Service Payments	
Year 1	\$774,363
Year 2	\$774,363
Year 3	\$3,551,234 *
Year 4	\$551,234
Year 5	\$551,234
Year 6	\$551,234
Year 7	\$551,234
Year 8	\$551,234
Year 9	\$551,234
Year 10	\$551,234
Year 11	\$551,234
Year 12	\$551,234
Year 13	\$551,234
Year 14	\$551,234
Year 15	\$551,234
Year 16	\$551,234
Year 17	\$551,234
Year 18	\$551,234
Year 19	\$551,234
Year 20	\$551,234
Total	\$14,470,938

**Annual debt service plus \$3 million EDA grant to be used by DEDC to reduce bond principal*

Rent Revenues to be Collected from Tenants in the Facility

DEDC will build and own the facility and collect rents from tenants in the facility. In addition, DEDC may provide some rent subsidies. The estimated annual rents per square foot, total annual rents, rent subsidies and net rent collections are shown below.

Rent Revenues for DEDC over Twenty-Five Years					
Initial average annual rents per square foot					\$10
Estimated annual increase					2%
Rent subsidies in three time periods					
Percent					50%
Length of subsidies in years				First five years	
Percent					33%
Length of subsidies in years				Next five years	
Percent					25%
Length of subsidies in years				Next ten years	
	Net Rentable SF	Average Annual Rents Per SF	Total Rents	Rent Subsidy	Net Rent Revenues
Year 1	20,000	\$10.00	\$200,000	\$100,000	\$100,000
Year 2	20,000	\$10.20	\$204,000	\$102,000	\$102,000
Year 3	20,000	\$10.40	\$208,080	\$104,040	\$104,040
Year 4	20,000	\$10.61	\$212,242	\$106,121	\$106,121
Year 5	20,000	\$10.82	\$216,486	\$108,243	\$108,243
Year 6	20,000	\$11.04	\$220,816	\$72,869	\$147,947
Year 7	20,000	\$11.26	\$225,232	\$74,327	\$150,906
Year 8	20,000	\$11.49	\$229,737	\$75,813	\$153,924
Year 9	20,000	\$11.72	\$234,332	\$77,330	\$157,002
Year 10	20,000	\$11.95	\$239,019	\$78,876	\$160,142
Year 11	20,000	\$12.19	\$243,799	\$60,950	\$182,849
Year 12	20,000	\$12.43	\$248,675	\$62,169	\$186,506
Year 13	20,000	\$12.68	\$253,648	\$63,412	\$190,236
Year 14	20,000	\$12.94	\$258,721	\$64,680	\$194,041
Year 15	20,000	\$13.19	\$263,896	\$65,974	\$197,922
Year 16	20,000	\$13.46	\$269,174	\$67,293	\$201,880
Year 17	20,000	\$13.73	\$274,557	\$68,639	\$205,918
Year 18	20,000	\$14.00	\$280,048	\$70,012	\$210,036
Year 19	20,000	\$14.28	\$285,649	\$71,412	\$214,237
Year 20	20,000	\$14.57	\$291,362	\$72,841	\$218,522
Year 21	20,000	\$14.86	\$297,189	\$0	\$297,189
Year 22	20,000	\$15.16	\$303,133	\$0	\$303,133
Year 23	20,000	\$15.46	\$309,196	\$0	\$309,196
Year 24	20,000	\$15.77	\$315,380	\$0	\$315,380
Year 25	20,000	\$16.08	\$321,687	\$0	\$321,687
Total			\$6,406,060	\$1,567,001	\$4,839,059

Estimated Market Value of the Facility to DEDC When Bonds are Paid Off in Twenty Years

When bonds to construct the facility are paid off in twenty years and DEDC owns the facility with out debt the minimum value of the facility may be its market value based on a capitalization rate. A possible minimum value using this approach could be as follows:

Estimated Minimum Market Value of the Facility in Twenty-Five Years Using a Cap Rate	
Estimated annual rents in Year 21	\$297,189
Estimated capitalization rate as a percent	5%
Estimated minimum market value	\$5,943,790

However, using a replacement value of the facility or comparable values of similar facilities in the area the value of the facility to DEDC and its balance sheet could be much higher.

An analysis of DEDC incentives and investments in the facility is next.

Analysis of Possible DEDC Incentives and Investment in the Facility

DEDC is considering incentives and investing the following amounts in the facility:

DEDC Incentives and Investments in the Facility	
Net investment in the facility:	
Debt service on bonds to finance the facility	\$14,470,938
Market value of the facility to be owned by DEDC once bonds are retired	\$5,943,790
Net investment	\$8,527,148
Rent subsidies to tenants over twenty years	\$1,567,001
Total DEDC investment and rent subsidies	\$10,094,150

If the above other financial incentives are offered to the facility, the incentives may be considered as investments that the City through DEDC is making in the facility.

Four calculations analyzing this possible investment were made -- net benefits, discounted cash flow, rate of return on investment and payback period. Net benefits and discounted cash flow for the City and DEDC

are scheduled on previous pages. Rate of return on investment and payback period are discussed and scheduled below.

Rate of return on investment is the City/DEDC's average annual rate of return from additional revenues that the City/DEDC will receive on the investment and incentive that the DEDC may make in the facility.

Payback period is the number of years that it will take the City/DEDC to recover the costs of investments and incentives from revenues that they will receive from the facility and its workers.

Average annual rates of return on investment each year over the first twenty-five years of operations and payback periods for the possible levels of incentives are shown below.

Rates of Return and Payback Period for Possible DEDC Investments and Incentives		
Investment and Incentives	Annual Rate of Return	Payback Period (In years)
\$10,094,150	1.1%	36.8

Discussion of State Aid for the School District

This analysis seeks to calculate the impact on the school district's finances from the facility by generally, and at a summary level, mimicking the district's state school funding formula.

According to the Texas Education Agency, any property added to local tax rolls and local taxes that this generates reduces state funding equivalent to local taxes collected for maintenance and operations. The school district retains local taxes received for debt services and corresponding state funding is not reduced.

However, according to the Texas Education Agency, the school district will receive state aid for each new child that moves to the District. The additional net revenues for the school district are calculated in this analysis.

Conduct of the Analysis

This analysis was conducted by Impact DataSource using information supplied by the firm along with local tax rates and some Impact DataSource estimates and assumptions.

Using this data, the economic impact from the facility and the costs and benefits for the City of Dickinson, Galveston County, Dickinson ISD, College of the Mainland, Galveston Road & Flood, Water Control & Improvement District No. 1, and Dickinson Management District No. 1 were calculated during construction and during the first twenty-five years of operations.

In addition to the direct economic impact of the facility and its employees, spin-off or indirect and induced benefits were also calculated. Indirect revenues, jobs and salaries are created in new or existing area firms, such as maintenance companies, supply and service firms, that may supply goods and services to the facility. In addition, induced revenues, jobs and salaries are created in new or existing local businesses, such as retail stores, gas stations, banks, restaurants, and service companies that may supply goods and services to new workers and their families.

To estimate the indirect and induced economic impact of the facility and its employees on the Dickinson area, regional economic multipliers were used. Regional economic multipliers for Texas and areas of the state are included in the US Department of Commerce’s Regional Input-Output Modeling System (RIMS II).

Three types of regional economic multipliers were used in this analysis: economic out, employment and workers' earnings.

An output multiplier was used to estimate the indirect and induced output generated in the area for each dollar of construction costs.

An employment multiplier was used to estimate the number of indirect and induced jobs created and supported in the Dickinson area. An earnings multiplier was used to estimate the amount of salaries to be paid to workers in these new indirect and induced jobs. These multipliers show the estimated number of indirect and induced jobs created for every one direct job at the facility and the amount of salaries paid to these workers for every dollar paid to a direct worker at the facility. The multipliers used in this analysis are below:

Indirect Multipliers Used in the Analysis During the Development Construction and Operations		
	Construction	Operations
Output	0.8076	0.6691
Employment	0.6355	0.2884
Earnings	0.4435	0.4655

About Impact DataSource

Impact DataSource is a 26-year-old Austin economic consulting, research and analysis firm. The firm has conducted economic impact analyses of numerous projects in Texas and 39 other states. In addition, the firm has developed economic impact analysis computer programs for several clients, including the New Mexico Economic Development Department.

The firm's principal, Jerry Walker, performed this economic impact analysis. He is an economist and has Bachelor of Science and Master of Business Administration degrees in accounting and economics from Nicholls State University, Thibodaux, Louisiana.

Data used in the analysis, along with schedules of the results of calculations, are on the following pages.

Data and Rates Used in this Analysis

Local Tax Rates:

Local sales tax rates:

City of Dickinson	1.5%
Dickinson Management District No. 1	0.5%
Galveston County	0.0%

Property tax rates, per \$100 of valuation:

City of Dickinson	\$0.443830
Galveston County	\$0.504396
Dickinson ISD:	
M&O	\$0.970000
I&S	\$0.480000
Total	\$1.450000
College of the Mainland	\$0.204258
Galveston Road & Flood	\$0.011741
Water Control & Improvement District No. 1	\$0.121479

Some Estimated City Rates:

Estimated annual marginal cost of providing municipal services, excluding utilities, each new household \$450

Estimated annual other taxes and user fees to be collected by the city from each new household -- those revenues that are in addition to sales and property taxes, utilities and utility franchise fees \$150

Annual increase expected in the city's other revenues and marginal costs 2%

The city's estimated annual water, wastewater and garbage collection billings per household \$1,200

Utility Service	Estimated Monthly Billing	Estimated Annual Billing (Monthly billing x 12)
Water	\$40	\$480
Wastewater	\$35	\$420
Solid waste	\$25	\$300

The city's cost of providing water, wastewater and solid waste services, as a percent of utility billings 95%

Annual increase expected in city-owned utility billings 2%

The city's estimated utility franchise fee percentages:

Electricity	4%
Natural gas	4%
Cable	4%
Telephone monthly line access charge:	
Residential	\$0.90
Non-residential	\$2.04

Annual utility franchise fees collected from utility providers for each household in the city as detailed below \$80.82

Utility Service	Estimated Monthly Billing	Utility Franchise Fee Percentage	Monthly Utility Franchise Fee Collections	Estimated Annual Utility Franchise Fee Collections <i>(Monthly collections x 12)</i>
Electricity	\$85	4%	\$3.40	\$40.80
Natural gas	\$40	4%	\$1.60	\$19.20
Cable	\$40	4%	\$1.60	\$19.20
Telephone	.15 lines	\$0.90	\$0.14	\$1.62

Some County Rates:

Annual marginal cost of providing county services to each new household \$150

Annual miscellaneous taxes and user fees to be collected from each new household, those county revenues other than property and sales taxes \$125

Annual increase expected in other county revenues and marginal costs 2%

Some Estimated School District Rates:

Estimated annual state, federal and other funding received by the district for each child enrolled	\$5,000
Average annual cost of providing services to each child in the district	\$9,500
Average annual cost for each new child, as a percent of average annual cost	50%
Annual marginal cost of providing services to each new child	\$4,750

Other Community Rates:

Expected inflation rate over the first twenty-five years	3.0%
Discount rate used in analysis to compute discounted cash flows	6%
Percent of a typical worker's salary that will be spent on taxable goods and services	26%
Estimated average taxable value of a new single family residence in the community that will be built for some individuals moving to the city	\$220,000
Percent annual increase in the taxable value of residential property and commercial real property on local tax rolls over the first twenty-five years	2%

Depreciation rates:

To estimate the annual taxable or depreciable value of furniture, fixtures and equipment at the facility being analyzed in this analysis, this analysis uses straight line depreciation, an ten year life and a 20% residual value. Therefore, property taxes on the facility's furniture, fixtures and equipment are calculated on the following percentages of the costs of such equipment purchased each year:

Year 1	90%
Year 2	80%
Year 3	70%
Year 4	60%
Year 5	50%
Year 6	40%
Year 7	30%
Year 8	20%
Year 9	20%
Year 10	20%

The investments to be added to local tax rolls at the facility each year:

	Buildings and Other Real Property Land improvements	Business Personal Property	Total
Year 1	\$0	\$0	\$445,000
Year 2	\$0	\$0	\$0
Year 3	\$0	\$0	\$0
Year 4	\$0	\$0	\$0
Year 5	\$0	\$0	\$0
Year 6	\$0	\$0	\$0
Year 7	\$0	\$0	\$0
Year 8	\$0	\$0	\$0
Year 9	\$0	\$0	\$0
Year 10	\$0	\$0	\$0
Total	\$0	\$0	\$445,000

The facility's taxable inventories:

Year 1	\$355,000
Year 2	\$362,100
Year 3	\$369,342
Year 4	\$376,729
Year 5	\$384,263
Year 6	\$391,949
Year 7	\$399,788
Year 8	\$407,783
Year 9	\$415,939
Year 10	\$424,258

Estimated annual increase in the volume and value of inventories 2%

Activities During the Facility's Operations:

The facility's taxable sales subject to sales tax in the city:

Year 1	\$3,650,000
Year 2	\$3,759,500
Year 3	\$3,872,285
Year 4	\$3,988,454
Year 5	\$4,108,107
Year 6	\$4,231,350
Year 7	\$4,358,291
Year 8	\$4,489,040
Year 9	\$4,623,711
Year 10	\$4,762,422

Expected annual increase in taxable sales after the first year 3%

Estimated annual utilities at the facility:

	Water	Wastewater	Solid Waste	Electricity	Natural Gas	Cable
Year 1	\$36,000	\$28,800	\$48,000	\$546,000	\$110,400	\$2,400
Year 2	\$37,080	\$29,664	\$49,440	\$562,380	\$113,712	\$2,472
Year 3	\$38,192	\$30,554	\$50,923	\$103,482	\$117,123	\$2,546
Year 4	\$39,338	\$31,471	\$52,451	\$105,551	\$120,637	\$2,623
Year 5	\$40,518	\$32,415	\$54,024	\$107,662	\$124,256	\$2,701
Year 6	\$41,734	\$33,387	\$55,645	\$109,815	\$127,984	\$2,782
Year 7	\$42,986	\$34,389	\$57,315	\$112,012	\$131,823	\$2,866
Year 8	\$44,275	\$35,420	\$59,034	\$114,252	\$135,778	\$2,952
Year 9	\$45,604	\$36,483	\$60,805	\$116,537	\$139,851	\$3,040
Year 10	\$46,972	\$37,577	\$62,629	\$118,868	\$144,047	\$3,131
Annual increase	3%	3%	3%	3%	3%	3%

Estimated number of telephone lines at the facility 83

The facility's estimated local taxable purchases of materials, supplies and services for its operations:

Year 1	\$97,500
Year 2	\$100,425
Year 3	\$103,438
Year 4	\$106,541
Year 5	\$109,737
Year 6	\$113,029
Year 7	\$116,420
Year 8	\$119,913
Year 9	\$123,510
Year 10	\$127,215

Expected annual increase in taxable purchases after the first year 3%

The facility's total taxable purchases and taxable utilities:

	Taxable Purchases of Supplies, Materials and Services	Utilities Subject to Sales Tax			Total
		Utilities Subject to Sales Tax	Percent Taxable	Taxable Utilities	
Year 1	\$97,500	\$658,800	100%	\$658,800	\$756,300
Year 2	\$100,425	\$678,564	100%	\$678,564	\$778,989
Year 3	\$103,438	\$223,152	100%	\$223,152	\$326,589
Year 4	\$106,541	\$228,811	100%	\$228,811	\$335,352
Year 5	\$109,737	\$234,620	100%	\$234,620	\$344,357
Year 6	\$113,029	\$240,582	100%	\$240,582	\$353,611
Year 7	\$116,420	\$246,701	100%	\$246,701	\$363,121
Year 8	\$119,913	\$252,982	100%	\$252,982	\$372,894
Year 9	\$123,510	\$259,429	100%	\$259,429	\$382,939
Year 10	\$127,215	\$266,046	100%	\$266,046	\$393,262

Number of workers hired at the facility each year:

Year 1	65
Year 2	0
Year 3	0
Year 4	0
Year 5	0
Year 6	0
Year 7	0
Year 8	0
Year 9	0
Year 10	0
Total	65

Number of new workers who will move to the city to take job at the facility:

Estimated percent of total new workers moving to the city 10%

Year 1	7
Year 2	0
Year 3	0
Year 4	0
Year 5	0
Year 6	0
Year 7	0
Year 8	0
Year 9	0
Year 10	0
Total	7

Average annual salaries \$29,120

Percent of expected increase in employee salaries after year 1 2.5%

Percent employees to be hired in spin-off jobs created at the facility who will move to the city to take a job 8%

Percent of workers who move to the community that will buy a new home or require that new residential property be built for them 25%

The number of people in a typical worker's household 3

The number of school children in a typical worker's household	0.75
Percent of retail shopping by a typical worker other businesses in the city	25%

Schedules Showing the Results of Economic Impact Calculations

Number of local jobs added each year and worker salaries to be paid:

Year	Direct Jobs	Indirect Jobs	Total Jobs	Direct Salaries	Indirect Salaries	Total Salaries
1	65	30	95	\$1,892,800	\$545,884	\$2,438,684
2	0	0	0	\$1,940,120	\$559,531	\$2,499,651
3	0	0	0	\$1,988,623	\$573,519	\$2,562,142
4	0	0	0	\$2,038,339	\$587,857	\$2,626,195
5	0	0	0	\$2,089,297	\$602,553	\$2,691,850
6	0	0	0	\$2,141,529	\$617,617	\$2,759,147
7	0	0	0	\$2,195,068	\$633,058	\$2,828,125
8	0	0	0	\$2,249,944	\$648,884	\$2,898,828
9	0	0	0	\$2,306,193	\$665,106	\$2,971,299
10	0	0	0	\$2,363,848	\$681,734	\$3,045,582
11	0	0	0	\$2,422,944	\$698,777	\$3,121,721
12	0	0	0	\$2,483,518	\$716,246	\$3,199,764
13	0	0	0	\$2,545,606	\$734,153	\$3,279,758
14	0	0	0	\$2,609,246	\$752,506	\$3,361,752
15	0	0	0	\$2,674,477	\$771,319	\$3,445,796
16	0	0	0	\$2,741,339	\$790,602	\$3,531,941
17	0	0	0	\$2,809,872	\$810,367	\$3,620,239
18	0	0	0	\$2,880,119	\$830,626	\$3,710,745
19	0	0	0	\$2,952,122	\$851,392	\$3,803,514
20	0	0	0	\$3,025,925	\$872,677	\$3,898,602
21	0	0	0	\$3,101,573	\$894,494	\$3,996,067
22	0	0	0	\$3,179,113	\$916,856	\$4,095,969
23	0	0	0	\$3,258,590	\$939,777	\$4,198,368
24	0	0	0	\$3,340,055	\$963,272	\$4,303,327
25	0	0	0	\$3,423,556	\$987,354	\$4,410,910
Total	65	30	95	\$64,653,816	\$18,646,160	\$83,299,976

Number of direct and indirect workers and their families who will move to the area and their children who will attend local public schools:

Year	New Workers Moving to the Area	Total New Residents	Total New Students
1	9	27	7
2	0	0	0
3	0	0	0
4	0	0	0
5	0	0	0
6	0	0	0
7	0	0	0
8	0	0	0
9	0	0	0
10	0	0	0
11	0	0	0
12	0	0	0
13	0	0	0
14	0	0	0
15	0	0	0
16	0	0	0
17	0	0	0
18	0	0	0
19	0	0	0
20	0	0	0
21	0	0	0
22	0	0	0
23	0	0	0
24	0	0	0
25	0	0	0
Total	9	27	7

Number of new residential properties that may be built in the city for direct and indirect workers who will move to the community:

Year	New Residential Properties
1	2
2	0
3	0
4	0
5	0
6	0
7	0
8	0
9	0
10	0
11	0
12	0
13	0
14	0
15	0
16	0
17	0
18	0
19	0
20	0
21	0
22	0
23	0
24	0
25	0
Total	2

Local taxable spending on which sales taxes will be collected:

Year	Direct and Indirect Workers' Spending	Visitors' Spending	Taxable Sales at the Facility	The Facility's Local Purchases and Taxable Utilities	Total
1	\$158,514	\$0	\$3,650,000	\$756,300	\$4,564,814
2	\$162,477	\$0	\$3,759,500	\$778,989	\$4,700,966
3	\$166,539	\$0	\$3,872,285	\$326,589	\$4,365,413
4	\$170,703	\$0	\$3,988,454	\$335,352	\$4,494,508
5	\$174,970	\$0	\$4,108,107	\$344,357	\$4,627,434
6	\$179,345	\$0	\$4,231,350	\$353,611	\$4,764,306
7	\$183,828	\$0	\$4,358,291	\$363,121	\$4,905,240
8	\$188,424	\$0	\$4,489,040	\$372,894	\$5,050,358
9	\$193,134	\$0	\$4,623,711	\$382,939	\$5,199,784
10	\$197,963	\$0	\$4,762,422	\$393,262	\$5,353,646
11	\$202,912	\$0	\$4,905,295	\$405,059	\$5,513,266
12	\$207,985	\$0	\$5,052,454	\$417,211	\$5,677,649
13	\$213,184	\$0	\$5,204,027	\$429,728	\$5,846,939
14	\$218,514	\$0	\$5,360,148	\$442,619	\$6,021,281
15	\$223,977	\$0	\$5,520,952	\$455,898	\$6,200,827
16	\$229,576	\$0	\$5,686,581	\$469,575	\$6,385,732
17	\$235,316	\$0	\$5,857,179	\$483,662	\$6,576,156
18	\$241,198	\$0	\$6,032,894	\$498,172	\$6,772,264
19	\$247,228	\$0	\$6,213,881	\$513,117	\$6,974,226
20	\$253,409	\$0	\$6,400,297	\$528,511	\$7,182,217
21	\$259,744	\$0	\$6,592,306	\$544,366	\$7,396,416
22	\$266,238	\$0	\$6,790,075	\$560,697	\$7,617,010
23	\$272,894	\$0	\$6,993,777	\$577,518	\$7,844,189
24	\$279,716	\$0	\$7,203,591	\$594,843	\$8,078,150
25	\$286,709	\$0	\$7,419,698	\$612,689	\$8,319,096
Total	\$5,414,498	\$0	\$133,076,315	\$11,941,079	\$150,431,892

Local spending by visitors on lodging by out-of-town visitors:

<u>Year</u>	<u>Spending on Lodging</u>
1	\$0
2	\$0
3	\$0
4	\$0
5	\$0
6	\$0
7	\$0
8	\$0
9	\$0
10	\$0
11	\$0
12	\$0
13	\$0
14	\$0
15	\$0
16	\$0
17	\$0
18	\$0
19	\$0
20	\$0
21	\$0
22	\$0
23	\$0
24	\$0
25	\$0
<u>Total</u>	<u>\$0</u>

community and the value of the facility's property on local tax rolls:

Year	New Residential Property	Value of the Facility on Local Tax Rolls	Total Taxable Property
1	\$495,000	\$755,500	\$1,250,500
2	\$504,900	\$682,500	\$1,187,400
3	\$514,998	\$649,692	\$1,164,690
4	\$525,298	\$617,029	\$1,142,327
5	\$535,804	\$584,513	\$1,120,317
6	\$546,520	\$552,149	\$1,098,669
7	\$557,450	\$519,938	\$1,077,388
8	\$568,599	\$487,883	\$1,056,483
9	\$579,971	\$496,039	\$1,076,010
10	\$591,571	\$504,358	\$1,095,929
11	\$603,402	\$517,086	\$1,120,488
12	\$615,470	\$530,195	\$1,145,665
13	\$627,780	\$543,698	\$1,171,478
14	\$640,335	\$557,606	\$1,197,941
15	\$653,142	\$571,931	\$1,225,073
16	\$666,205	\$586,686	\$1,252,891
17	\$679,529	\$601,884	\$1,281,413
18	\$693,120	\$617,537	\$1,310,657
19	\$706,982	\$633,660	\$1,340,642
20	\$721,122	\$650,267	\$1,371,389
21	\$735,544	\$667,372	\$1,402,916
22	\$750,255	\$684,990	\$1,435,245
23	\$765,260	\$703,137	\$1,468,397
24	\$780,565	\$721,828	\$1,502,393
25	\$796,176	\$741,080	\$1,537,256

Schedules Showing the Results of Costs and Benefits Calculations

Costs and Benefits for the City of Dickinson:

Benefits:

Sales tax collections:

Year	On Direct and Indirect Workers' Spending	On Visitors' Spending	Taxable Sales at the Facility	The Facility's Local Purchases and Taxable Utilities	Total
1	\$2,378	\$0	\$54,750	\$11,345	\$68,472
2	\$2,437	\$0	\$56,393	\$11,685	\$70,514
3	\$2,498	\$0	\$58,084	\$4,899	\$65,481
4	\$2,561	\$0	\$59,827	\$5,030	\$67,418
5	\$2,625	\$0	\$61,622	\$5,165	\$69,412
6	\$2,690	\$0	\$63,470	\$5,304	\$71,465
7	\$2,757	\$0	\$65,374	\$5,447	\$73,579
8	\$2,826	\$0	\$67,336	\$5,593	\$75,755
9	\$2,897	\$0	\$69,356	\$5,744	\$77,997
10	\$2,969	\$0	\$71,436	\$5,899	\$80,305
11	\$3,044	\$0	\$73,579	\$6,076	\$82,699
12	\$3,120	\$0	\$75,787	\$6,258	\$85,165
13	\$3,198	\$0	\$78,060	\$6,446	\$87,704
14	\$3,278	\$0	\$80,402	\$6,639	\$90,319
15	\$3,360	\$0	\$82,814	\$6,838	\$93,012
16	\$3,444	\$0	\$85,299	\$7,044	\$95,786
17	\$3,530	\$0	\$87,858	\$7,255	\$98,642
18	\$3,618	\$0	\$90,493	\$7,473	\$101,584
19	\$3,708	\$0	\$93,208	\$7,697	\$104,613
20	\$3,801	\$0	\$96,004	\$7,928	\$107,733
21	\$3,896	\$0	\$98,885	\$8,165	\$110,946
22	\$3,994	\$0	\$101,851	\$8,410	\$114,255
23	\$4,093	\$0	\$104,907	\$8,663	\$117,663
24	\$4,196	\$0	\$108,054	\$8,923	\$121,172
25	\$4,301	\$0	\$111,295	\$9,190	\$124,786
Total	\$81,217	\$0	\$1,996,145	\$179,116	\$2,256,478

Property tax collections on:

Year	Property at the Facility			Total Taxes After Abatement	Total
	New Residential Property	Taxes Collected	Taxes Abated		
1	\$2,197	\$3,353	\$0	\$3,353	\$5,550
2	\$2,241	\$3,029	\$0	\$3,029	\$5,270
3	\$2,286	\$2,884	\$0	\$2,884	\$5,169
4	\$2,331	\$2,739	\$0	\$2,739	\$5,070
5	\$2,378	\$2,594	\$0	\$2,594	\$4,972
6	\$2,426	\$2,451	\$0	\$2,451	\$4,876
7	\$2,474	\$2,308	\$0	\$2,308	\$4,782
8	\$2,524	\$2,165	\$0	\$2,165	\$4,689
9	\$2,574	\$2,202	\$0	\$2,202	\$4,776
10	\$2,626	\$2,238	\$0	\$2,238	\$4,864
11	\$2,678	\$2,295	\$0	\$2,295	\$4,973
12	\$2,732	\$2,353	\$0	\$2,353	\$5,085
13	\$2,786	\$2,413	\$0	\$2,413	\$5,199
14	\$2,842	\$2,475	\$0	\$2,475	\$5,317
15	\$2,899	\$2,538	\$0	\$2,538	\$5,437
16	\$2,957	\$2,604	\$0	\$2,604	\$5,561
17	\$3,016	\$2,671	\$0	\$2,671	\$5,687
18	\$3,076	\$2,741	\$0	\$2,741	\$5,817
19	\$3,138	\$2,812	\$0	\$2,812	\$5,950
20	\$3,201	\$2,886	\$0	\$2,886	\$6,087
21	\$3,265	\$2,962	\$0	\$2,962	\$6,227
22	\$3,330	\$3,040	\$0	\$3,040	\$6,370
23	\$3,396	\$3,121	\$0	\$3,121	\$6,517
24	\$3,464	\$3,204	\$0	\$3,204	\$6,668
25	\$3,534	\$3,289	\$0	\$3,289	\$6,823
Total	\$70,369	\$67,367	\$0	\$67,367	\$137,736

Utilities and utility franchise fees collected by the city from new residents and from the facility:

Year	Utilities	Utility Franchise Fees	Total
1	\$123,600	\$29,111	\$152,711
2	\$127,200	\$29,985	\$157,185
3	\$130,906	\$11,853	\$142,759
4	\$134,721	\$12,168	\$146,888
5	\$138,648	\$12,490	\$151,138
6	\$142,690	\$12,822	\$155,512
7	\$146,852	\$13,163	\$160,014
8	\$151,136	\$13,513	\$164,648
9	\$155,546	\$13,872	\$169,418
10	\$160,085	\$14,242	\$174,327
11	\$164,759	\$3,708	\$168,467
12	\$169,570	\$3,819	\$173,389
13	\$174,523	\$3,934	\$178,457
14	\$179,622	\$4,052	\$183,674
15	\$184,870	\$4,177	\$189,047
16	\$190,274	\$4,299	\$194,573
17	\$195,837	\$4,428	\$200,265
18	\$201,564	\$4,561	\$206,124
19	\$207,460	\$4,697	\$212,157
20	\$213,529	\$4,838	\$218,367
21	\$219,778	\$4,983	\$224,761
22	\$226,210	\$5,133	\$231,343
23	\$232,833	\$5,287	\$238,120
24	\$239,651	\$5,446	\$245,097
25	\$246,670	\$5,609	\$252,279
Total	\$3,293,390	\$205,732	\$3,499,122

Other city revenues, including hotel occupancy taxes, other taxes and user fees collected from new residents and building permits on construction at the facility:

Year	Hotel Occupancy Taxes	Other Taxes and User Fees	Building Permits and Fees	Total Other Revenues
1	\$0	\$1,350	\$0	\$1,350
2	\$0	\$1,377	\$0	\$1,377
3	\$0	\$1,405	\$0	\$1,405
4	\$0	\$1,433	\$0	\$1,433
5	\$0	\$1,461	\$0	\$1,461
6	\$0	\$1,491	\$0	\$1,491
7	\$0	\$1,520	\$0	\$1,520
8	\$0	\$1,551	\$0	\$1,551
9	\$0	\$1,582	\$0	\$1,582
10	\$0	\$1,613	\$0	\$1,613
11	\$0	\$1,646	\$0	\$1,646
12	\$0	\$1,679	\$0	\$1,679
13	\$0	\$1,712	\$0	\$1,712
14	\$0	\$1,746	\$0	\$1,746
15	\$0	\$1,781	\$0	\$1,781
16	\$0	\$1,817	\$0	\$1,817
17	\$0	\$1,853	\$0	\$1,853
18	\$0	\$1,890	\$0	\$1,890
19	\$0	\$1,928	\$0	\$1,928
20	\$0	\$1,967	\$0	\$1,967
21	\$0	\$2,006	\$0	\$2,006
22	\$0	\$2,046	\$0	\$2,046
23	\$0	\$2,087	\$0	\$2,087
24	\$0	\$2,129	\$0	\$2,129
25	\$0	\$2,171	\$0	\$2,171
Total	\$0	\$43,241	\$0	\$43,241

Costs:

The costs of providing municipal services and utility services to new residents:

Year	Cost of Services to New Residents	Costs of Utilities	Total Costs
1	\$4,050	\$117,420	\$121,470
2	\$4,131	\$120,840	\$124,971
3	\$4,214	\$124,361	\$128,574
4	\$4,298	\$127,985	\$132,283
5	\$4,384	\$131,715	\$136,099
6	\$4,472	\$135,556	\$140,027
7	\$4,561	\$139,509	\$144,070
8	\$4,652	\$143,579	\$148,231
9	\$4,745	\$147,768	\$152,514
10	\$4,840	\$152,081	\$156,921
11	\$4,937	\$156,521	\$161,458
12	\$5,036	\$161,092	\$166,127
13	\$5,136	\$165,797	\$170,933
14	\$5,239	\$170,640	\$175,880
15	\$5,344	\$175,627	\$180,971
16	\$5,451	\$180,760	\$186,211
17	\$5,560	\$186,045	\$191,605
18	\$5,671	\$191,486	\$197,157
19	\$5,784	\$197,087	\$202,871
20	\$5,900	\$202,853	\$208,753
21	\$6,018	\$208,789	\$214,807
22	\$6,138	\$214,900	\$221,038
23	\$6,261	\$221,191	\$227,453
24	\$6,386	\$227,669	\$234,055
25	\$6,514	\$234,337	\$240,851
Total	\$129,723	\$4,235,606	\$4,365,328

Net Benefits for the City of Dickinson:

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$228,084	\$121,470	\$106,614	\$106,614
2	\$234,346	\$124,971	\$109,375	\$215,989
3	\$214,814	\$128,574	\$86,240	\$302,229
4	\$220,808	\$132,283	\$88,526	\$390,754
5	\$226,983	\$136,099	\$90,884	\$481,638
6	\$233,343	\$140,027	\$93,316	\$574,955
7	\$239,895	\$144,070	\$95,825	\$670,780
8	\$246,643	\$148,231	\$98,412	\$769,192
9	\$253,772	\$152,514	\$101,259	\$870,451
10	\$261,110	\$156,921	\$104,188	\$974,639
11	\$257,785	\$161,458	\$96,327	\$1,070,966
12	\$265,318	\$166,127	\$99,190	\$1,170,156
13	\$273,072	\$170,933	\$102,139	\$1,272,296
14	\$281,056	\$175,880	\$105,176	\$1,377,472
15	\$289,278	\$180,971	\$108,307	\$1,485,779
16	\$297,736	\$186,211	\$111,525	\$1,597,305
17	\$306,448	\$191,605	\$114,843	\$1,712,148
18	\$315,416	\$197,157	\$118,259	\$1,830,407
19	\$324,649	\$202,871	\$121,778	\$1,952,184
20	\$334,154	\$208,753	\$125,401	\$2,077,586
21	\$343,940	\$214,807	\$129,133	\$2,206,719
22	\$354,015	\$221,038	\$132,976	\$2,339,695
23	\$364,387	\$227,453	\$136,934	\$2,476,630
24	\$375,066	\$234,055	\$141,011	\$2,617,640
25	\$386,060	\$240,851	\$145,209	\$2,762,849
Total	\$7,128,178	\$4,365,328	\$2,762,849	

Benefits for Galveston County:

Sales tax collections on spending:

Year	On Direct and Indirect Workers' Spending	On Visitors' Spending	Taxable Sales at the Facility	The Facility's Local Purchases and Taxable Utilities	Sales Total
1	\$0	\$0	\$0	\$0	\$0
2	\$0	\$0	\$0	\$0	\$0
3	\$0	\$0	\$0	\$0	\$0
4	\$0	\$0	\$0	\$0	\$0
5	\$0	\$0	\$0	\$0	\$0
6	\$0	\$0	\$0	\$0	\$0
7	\$0	\$0	\$0	\$0	\$0
8	\$0	\$0	\$0	\$0	\$0
9	\$0	\$0	\$0	\$0	\$0
10	\$0	\$0	\$0	\$0	\$0
11	\$0	\$0	\$0	\$0	\$0
12	\$0	\$0	\$0	\$0	\$0
13	\$0	\$0	\$0	\$0	\$0
14	\$0	\$0	\$0	\$0	\$0
15	\$0	\$0	\$0	\$0	\$0
16	\$0	\$0	\$0	\$0	\$0
17	\$0	\$0	\$0	\$0	\$0
18	\$0	\$0	\$0	\$0	\$0
19	\$0	\$0	\$0	\$0	\$0
20	\$0	\$0	\$0	\$0	\$0
21	\$0	\$0	\$0	\$0	\$0
22	\$0	\$0	\$0	\$0	\$0
23	\$0	\$0	\$0	\$0	\$0
24	\$0	\$0	\$0	\$0	\$0
25	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$0	\$0	\$0

Miscellaneous taxes and user fees to be collected from new residents:

Year	Misc. Taxes and User Fees
1	\$1,125
2	\$1,148
3	\$1,170
4	\$1,194
5	\$1,218
6	\$1,242
7	\$1,267
8	\$1,292
9	\$1,318
10	\$1,344
11	\$1,371
12	\$1,399
13	\$1,427
14	\$1,455
15	\$1,484
16	\$1,514
17	\$1,544
18	\$1,575
19	\$1,607
20	\$1,639
21	\$1,672
22	\$1,705
23	\$1,739
24	\$1,774
25	\$1,809
Total	\$36,034

Property tax collections on:

Year	Property at the Facility			Total Taxes After Abatement	Total
	New Residential Property	Taxes Collected	Taxes Abated		
1	\$2,497	\$3,811	\$0	\$3,811	\$6,307
2	\$2,547	\$3,443	\$0	\$3,443	\$5,989
3	\$2,598	\$3,277	\$0	\$3,277	\$5,875
4	\$2,650	\$3,112	\$0	\$3,112	\$5,762
5	\$2,703	\$2,948	\$0	\$2,948	\$5,651
6	\$2,757	\$2,785	\$0	\$2,785	\$5,542
7	\$2,812	\$2,623	\$0	\$2,623	\$5,434
8	\$2,868	\$2,461	\$0	\$2,461	\$5,329
9	\$2,925	\$2,502	\$0	\$2,502	\$5,427
10	\$2,984	\$2,544	\$0	\$2,544	\$5,528
11	\$3,044	\$2,608	\$0	\$2,608	\$5,652
12	\$3,104	\$2,674	\$0	\$2,674	\$5,779
13	\$3,166	\$2,742	\$0	\$2,742	\$5,909
14	\$3,230	\$2,813	\$0	\$2,813	\$6,042
15	\$3,294	\$2,885	\$0	\$2,885	\$6,179
16	\$3,360	\$2,959	\$0	\$2,959	\$6,320
17	\$3,428	\$3,036	\$0	\$3,036	\$6,463
18	\$3,496	\$3,115	\$0	\$3,115	\$6,611
19	\$3,566	\$3,196	\$0	\$3,196	\$6,762
20	\$3,637	\$3,280	\$0	\$3,280	\$6,917
21	\$3,710	\$3,366	\$0	\$3,366	\$7,076
22	\$3,784	\$3,455	\$0	\$3,455	\$7,239
23	\$3,860	\$3,547	\$0	\$3,547	\$7,407
24	\$3,937	\$3,641	\$0	\$3,641	\$7,578
25	\$4,016	\$3,738	\$0	\$3,738	\$7,754
Total	\$79,972	\$76,560	\$0	\$76,560	\$156,532

Costs of providing county services to new residents:

Year	Costs of County Services
1	\$1,350
2	\$1,377
3	\$1,405
4	\$1,433
5	\$1,461
6	\$1,491
7	\$1,520
8	\$1,551
9	\$1,582
10	\$1,613
11	\$1,646
12	\$1,679
13	\$1,712
14	\$1,746
15	\$1,781
16	\$1,817
17	\$1,853
18	\$1,890
19	\$1,928
20	\$1,967
21	\$2,006
22	\$2,046
23	\$2,087
24	\$2,129
25	\$2,171
Total	\$43,241

Total Benefits for the County:

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$7,432	\$1,350	\$6,082	\$6,082
2	\$7,137	\$1,377	\$5,760	\$11,842
3	\$7,045	\$1,405	\$5,641	\$17,483
4	\$6,956	\$1,433	\$5,523	\$23,006
5	\$6,869	\$1,461	\$5,407	\$28,413
6	\$6,784	\$1,491	\$5,293	\$33,706
7	\$6,701	\$1,520	\$5,181	\$38,887
8	\$6,621	\$1,551	\$5,070	\$43,958
9	\$6,745	\$1,582	\$5,164	\$49,121
10	\$6,872	\$1,613	\$5,259	\$54,380
11	\$7,023	\$1,646	\$5,377	\$59,758
12	\$7,177	\$1,679	\$5,499	\$65,257
13	\$7,336	\$1,712	\$5,624	\$70,880
14	\$7,498	\$1,746	\$5,751	\$76,631
15	\$7,664	\$1,781	\$5,882	\$82,514
16	\$7,834	\$1,817	\$6,017	\$88,531
17	\$8,008	\$1,853	\$6,155	\$94,685
18	\$8,186	\$1,890	\$6,296	\$100,981
19	\$8,369	\$1,928	\$6,441	\$107,422
20	\$8,556	\$1,967	\$6,589	\$114,011
21	\$8,748	\$2,006	\$6,742	\$120,753
22	\$8,944	\$2,046	\$6,898	\$127,651
23	\$9,146	\$2,087	\$7,059	\$134,710
24	\$9,352	\$2,129	\$7,223	\$141,933
25	\$9,563	\$2,171	\$7,392	\$149,325
Total	\$192,566	\$43,241	\$149,325	

Costs and Benefits for the Dickinson ISD:

Benefits, including property taxes and additional state and federal school funding:

Year	Property Tax Collections on:			Additional State School Funding	Total
	New Residential Property	The Facility's Property	Total Collections		
1	\$7,178	\$10,955	\$18,132	\$33,750	\$51,882
2	\$7,321	\$9,896	\$17,217	\$34,763	\$51,980
3	\$7,467	\$9,421	\$16,888	\$35,805	\$52,693
4	\$7,617	\$8,947	\$16,564	\$36,880	\$53,443
5	\$7,769	\$8,475	\$16,245	\$37,986	\$54,231
6	\$7,925	\$8,006	\$15,931	\$39,126	\$55,056
7	\$8,083	\$7,539	\$15,622	\$40,299	\$55,921
8	\$8,245	\$7,074	\$15,319	\$41,508	\$56,827
9	\$8,410	\$7,193	\$15,602	\$42,753	\$58,356
10	\$8,578	\$7,313	\$15,891	\$44,036	\$59,927
11	\$8,749	\$7,498	\$16,247	\$45,357	\$61,604
12	\$8,924	\$7,688	\$16,612	\$46,718	\$63,330
13	\$9,103	\$7,884	\$16,986	\$48,119	\$65,106
14	\$9,285	\$8,085	\$17,370	\$49,563	\$66,933
15	\$9,471	\$8,293	\$17,764	\$51,050	\$68,813
16	\$9,660	\$8,507	\$18,167	\$52,581	\$70,748
17	\$9,853	\$8,727	\$18,580	\$54,159	\$72,739
18	\$10,050	\$8,954	\$19,005	\$55,784	\$74,788
19	\$10,251	\$9,188	\$19,439	\$57,457	\$76,896
20	\$10,456	\$9,429	\$19,885	\$59,181	\$79,066
21	\$10,665	\$9,677	\$20,342	\$60,956	\$81,299
22	\$10,879	\$9,932	\$20,811	\$62,785	\$83,596
23	\$11,096	\$10,195	\$21,292	\$64,668	\$85,960
24	\$11,318	\$10,467	\$21,785	\$66,609	\$88,393
25	\$11,545	\$10,746	\$22,290	\$68,607	\$90,897
Total	\$229,897	\$220,089	\$449,987	\$1,230,500	\$1,680,487

Costs of educating children of new workers who move to the district:

<u>Year</u>	<u>Cost of Educating New Students</u>
1	\$32,063
2	\$33,024
3	\$34,015
4	\$35,036
5	\$36,087
6	\$37,169
7	\$38,284
8	\$39,433
9	\$40,616
10	\$41,834
11	\$43,089
12	\$44,382
13	\$45,713
14	\$47,085
15	\$48,497
16	\$49,952
17	\$51,451
18	\$52,994
19	\$54,584
20	\$56,222
21	\$57,908
22	\$59,646
23	\$61,435
24	\$63,278
25	\$65,176
<u>Total</u>	<u>\$1,168,975</u>

Reduction in State aid to the school district as a result of new residential property for the facility's employees and the facility's property being added to the school district's tax rolls:

Year	Reduction in State Aid for the School District
1	\$12,130
2	\$11,518
3	\$11,297
4	\$11,081
5	\$10,867
6	\$10,657
7	\$10,451
8	\$10,248
9	\$10,437
10	\$10,631
11	\$10,869
12	\$11,113
13	\$11,363
14	\$11,620
15	\$11,883
16	\$12,153
17	\$12,430
18	\$12,713
19	\$13,004
20	\$13,302
21	\$13,608
22	\$13,922
23	\$14,243
24	\$14,573
25	\$14,911
Total	\$301,026

Net Benefits for the School District:

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$51,882	\$44,192	\$7,690	\$7,690
2	\$51,980	\$44,542	\$7,438	\$15,128
3	\$52,693	\$45,313	\$7,381	\$22,508
4	\$53,443	\$46,116	\$7,327	\$29,835
5	\$54,231	\$46,954	\$7,277	\$37,112
6	\$55,056	\$47,826	\$7,230	\$44,342
7	\$55,921	\$48,735	\$7,186	\$51,529
8	\$56,827	\$49,681	\$7,147	\$58,675
9	\$58,356	\$51,053	\$7,303	\$65,978
10	\$59,927	\$52,465	\$7,462	\$73,440
11	\$61,604	\$53,958	\$7,646	\$81,086
12	\$63,330	\$55,495	\$7,835	\$88,921
13	\$65,106	\$57,077	\$8,029	\$96,950
14	\$66,933	\$58,705	\$8,228	\$105,179
15	\$68,813	\$60,381	\$8,433	\$113,611
16	\$70,748	\$62,105	\$8,643	\$122,254
17	\$72,739	\$63,881	\$8,859	\$131,113
18	\$74,788	\$65,708	\$9,080	\$140,193
19	\$76,896	\$67,588	\$9,308	\$149,501
20	\$79,066	\$69,524	\$9,542	\$159,043
21	\$81,299	\$71,517	\$9,782	\$168,825
22	\$83,596	\$73,568	\$10,028	\$178,853
23	\$85,960	\$75,679	\$10,282	\$189,135
24	\$88,393	\$77,851	\$10,542	\$199,677
25	\$90,897	\$80,088	\$10,809	\$210,486
Total	\$1,680,487	\$1,470,001	\$210,486	

Benefits for College of the Mainland

Property tax collections:

Year	Property at the Facility			Total Taxes After Abatement	Total
	New Residential Property	Taxes Collected	Taxes Abated		
1	\$1,011	\$1,543	\$0	\$1,543	\$2,554
2	\$1,031	\$1,394	\$0	\$1,394	\$2,425
3	\$1,052	\$1,327	\$0	\$1,327	\$2,379
4	\$1,073	\$1,260	\$0	\$1,260	\$2,333
5	\$1,094	\$1,194	\$0	\$1,194	\$2,288
6	\$1,116	\$1,128	\$0	\$1,128	\$2,244
7	\$1,139	\$1,062	\$0	\$1,062	\$2,201
8	\$1,161	\$997	\$0	\$997	\$2,158
9	\$1,185	\$1,013	\$0	\$1,013	\$2,198
10	\$1,208	\$1,030	\$0	\$1,030	\$2,239
11	\$1,232	\$1,056	\$0	\$1,056	\$2,289
12	\$1,257	\$1,083	\$0	\$1,083	\$2,340
13	\$1,282	\$1,111	\$0	\$1,111	\$2,393
14	\$1,308	\$1,139	\$0	\$1,139	\$2,447
15	\$1,334	\$1,168	\$0	\$1,168	\$2,502
16	\$1,361	\$1,198	\$0	\$1,198	\$2,559
17	\$1,388	\$1,229	\$0	\$1,229	\$2,617
18	\$1,416	\$1,261	\$0	\$1,261	\$2,677
19	\$1,444	\$1,294	\$0	\$1,294	\$2,738
20	\$1,473	\$1,328	\$0	\$1,328	\$2,801
21	\$1,502	\$1,363	\$0	\$1,363	\$2,866
22	\$1,532	\$1,399	\$0	\$1,399	\$2,932
23	\$1,563	\$1,436	\$0	\$1,436	\$2,999
24	\$1,594	\$1,474	\$0	\$1,474	\$3,069
25	\$1,626	\$1,514	\$0	\$1,514	\$3,140
Total	\$32,385	\$31,003	\$0	\$31,003	\$63,389

Benefits for Galveston Road & Flood

Property tax collections:

Year	Property at the Facility			Total Taxes After Abatement	Total
	New Residential Property	Taxes Collected	Taxes Abated		
1	\$58	\$89	\$0	\$89	\$147
2	\$59	\$80	\$0	\$80	\$139
3	\$60	\$76	\$0	\$76	\$137
4	\$62	\$72	\$0	\$72	\$134
5	\$63	\$69	\$0	\$69	\$132
6	\$64	\$65	\$0	\$65	\$129
7	\$65	\$61	\$0	\$61	\$126
8	\$67	\$57	\$0	\$57	\$124
9	\$68	\$58	\$0	\$58	\$126
10	\$69	\$59	\$0	\$59	\$129
11	\$71	\$61	\$0	\$61	\$132
12	\$72	\$62	\$0	\$62	\$135
13	\$74	\$64	\$0	\$64	\$138
14	\$75	\$65	\$0	\$65	\$141
15	\$77	\$67	\$0	\$67	\$144
16	\$78	\$69	\$0	\$69	\$147
17	\$80	\$71	\$0	\$71	\$150
18	\$81	\$73	\$0	\$73	\$154
19	\$83	\$74	\$0	\$74	\$157
20	\$85	\$76	\$0	\$76	\$161
21	\$86	\$78	\$0	\$78	\$165
22	\$88	\$80	\$0	\$80	\$169
23	\$90	\$83	\$0	\$83	\$172
24	\$92	\$85	\$0	\$85	\$176
25	\$93	\$87	\$0	\$87	\$180
Total	\$1,862	\$1,782	\$0	\$1,782	\$3,644

Benefits for Water Control & Improvement District No. 1

Property tax collections:

Year	New Residential Property	Property at the Facility		Total Taxes After Abatement	Total
		Taxes Collected	Taxes Abated		
1	\$601	\$918	\$0	\$918	\$1,519
2	\$613	\$829	\$0	\$829	\$1,442
3	\$626	\$789	\$0	\$789	\$1,415
4	\$638	\$750	\$0	\$750	\$1,388
5	\$651	\$710	\$0	\$710	\$1,361
6	\$664	\$671	\$0	\$671	\$1,335
7	\$677	\$632	\$0	\$632	\$1,309
8	\$691	\$593	\$0	\$593	\$1,283
9	\$705	\$603	\$0	\$603	\$1,307
10	\$719	\$613	\$0	\$613	\$1,331
11	\$733	\$628	\$0	\$628	\$1,361
12	\$748	\$644	\$0	\$644	\$1,392
13	\$763	\$660	\$0	\$660	\$1,423
14	\$778	\$677	\$0	\$677	\$1,455
15	\$793	\$695	\$0	\$695	\$1,488
16	\$809	\$713	\$0	\$713	\$1,522
17	\$825	\$731	\$0	\$731	\$1,557
18	\$842	\$750	\$0	\$750	\$1,592
19	\$859	\$770	\$0	\$770	\$1,629
20	\$876	\$790	\$0	\$790	\$1,666
21	\$894	\$811	\$0	\$811	\$1,704
22	\$911	\$832	\$0	\$832	\$1,744
23	\$930	\$854	\$0	\$854	\$1,784
24	\$948	\$877	\$0	\$877	\$1,825
25	\$967	\$900	\$0	\$900	\$1,867
Total	\$19,260	\$18,439	\$0	\$18,439	\$37,699

Benefits for Dickinson Management District No. 1

Sales tax collections:

Year	On Direct and Indirect Workers' Spending	On Visitors' Spending	Taxable Sales at the Facility	The Facility's Local Purchases and Taxable Utilities	Total
1	\$793	\$0	\$18,250	\$3,782	\$22,824
2	\$812	\$0	\$18,798	\$3,895	\$23,505
3	\$833	\$0	\$19,361	\$1,633	\$21,827
4	\$854	\$0	\$19,942	\$1,677	\$22,473
5	\$875	\$0	\$20,541	\$1,722	\$23,137
6	\$897	\$0	\$21,157	\$1,768	\$23,822
7	\$919	\$0	\$21,791	\$1,816	\$24,526
8	\$942	\$0	\$22,445	\$1,864	\$25,252
9	\$966	\$0	\$23,119	\$1,915	\$25,999
10	\$990	\$0	\$23,812	\$1,966	\$26,768
11	\$1,015	\$0	\$24,526	\$2,025	\$27,566
12	\$1,040	\$0	\$25,262	\$2,086	\$28,388
13	\$1,066	\$0	\$26,020	\$2,149	\$29,235
14	\$1,093	\$0	\$26,801	\$2,213	\$30,106
15	\$1,120	\$0	\$27,605	\$2,279	\$31,004
16	\$1,148	\$0	\$28,433	\$2,348	\$31,929
17	\$1,177	\$0	\$29,286	\$2,418	\$32,881
18	\$1,206	\$0	\$30,164	\$2,491	\$33,861
19	\$1,236	\$0	\$31,069	\$2,566	\$34,871
20	\$1,267	\$0	\$32,001	\$2,643	\$35,911
21	\$1,299	\$0	\$32,962	\$2,722	\$36,982
22	\$1,331	\$0	\$33,950	\$2,803	\$38,085
23	\$1,364	\$0	\$34,969	\$2,888	\$39,221
24	\$1,399	\$0	\$36,018	\$2,974	\$40,391
25	\$1,434	\$0	\$37,098	\$3,063	\$41,595
Total	\$27,072	\$0	\$665,382	\$59,705	\$752,159

Rent revenues from the facility:

Year	Rent Revenues
1	\$100,000
2	\$102,000
3	\$104,040
4	\$106,121
5	\$108,243
6	\$147,947
7	\$150,906
8	\$153,924
9	\$157,002
10	\$160,142
11	\$182,849
12	\$186,506
13	\$190,236
14	\$194,041
15	\$197,922
16	\$201,880
17	\$205,918
18	\$210,036
19	\$214,237
20	\$218,522
21	\$297,189
22	\$303,133
23	\$309,196
24	\$315,380
25	\$321,687
Total	\$4,839,059

EDA Grant to be Received and Value of Building to DEDC when Bonds Paid Off:

Year	EDA Grant	Value of Building	Total
1	\$0		\$0
2	\$0		\$0
3	\$3,000,000		\$3,000,000
4	\$0		\$0
5	\$0		\$0
6	\$0		\$0
7	\$0		\$0
8	\$0		\$0
9	\$0		\$0
10	\$0		\$0
11	\$0		\$0
12	\$0		\$0
13	\$0		\$0
14	\$0		\$0
15	\$0		\$0
16	\$0		\$0
17	\$0		\$0
18	\$0		\$0
19	\$0		\$0
20	\$0		\$0
21	\$0	\$5,943,790	\$5,943,790
22	\$0	\$0	\$0
23	\$0	\$0	\$0
24	\$0	\$0	\$0
25	\$0	\$0	\$0
Total	\$3,000,000	\$5,943,790	\$8,943,790

Debt service:

Year	Debt Service
1	\$774,363
2	\$774,363
3	\$3,551,234
4	\$551,234
5	\$551,234
6	\$551,234
7	\$551,234
8	\$551,234
9	\$551,234
10	\$551,234
11	\$551,234
12	\$551,234
13	\$551,234
14	\$551,234
15	\$551,234
16	\$551,234
17	\$551,234
18	\$551,234
19	\$551,234
20	\$551,234
21	\$0
22	\$0
23	\$0
24	\$0
25	\$0
Total	\$14,470,938

Costs and benefits for Dickinson Management District No. 1:

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$122,824	\$774,363	(\$651,539)	(\$651,539)
2	\$125,505	\$774,363	(\$648,858)	(\$1,300,397)
3	\$3,125,867	\$3,551,234	(\$425,367)	(\$1,725,764)
4	\$128,593	\$551,234	(\$422,641)	(\$2,148,405)
5	\$131,380	\$551,234	(\$419,854)	(\$2,568,258)
6	\$171,768	\$551,234	(\$379,466)	(\$2,947,724)
7	\$175,432	\$551,234	(\$375,802)	(\$3,323,526)
8	\$179,176	\$551,234	(\$372,058)	(\$3,695,584)
9	\$183,001	\$551,234	(\$368,233)	(\$4,063,817)
10	\$186,911	\$551,234	(\$364,323)	(\$4,428,140)
11	\$210,415	\$551,234	(\$340,819)	(\$4,768,959)
12	\$214,894	\$551,234	(\$336,340)	(\$5,105,299)
13	\$219,471	\$551,234	(\$331,763)	(\$5,437,062)
14	\$224,147	\$551,234	(\$327,087)	(\$5,764,148)
15	\$228,926	\$551,234	(\$322,308)	(\$6,086,456)
16	\$233,809	\$551,234	(\$317,425)	(\$6,403,881)
17	\$238,799	\$551,234	(\$312,435)	(\$6,716,317)
18	\$243,898	\$551,234	(\$307,336)	(\$7,023,653)
19	\$249,108	\$551,234	(\$302,126)	(\$7,325,779)
20	\$254,433	\$551,234	(\$296,801)	(\$7,622,580)
21	\$6,277,961	\$0	\$6,277,961	(\$1,344,619)
22	\$341,218	\$0	\$341,218	(\$1,003,401)
23	\$348,417	\$0	\$348,417	(\$654,984)
24	\$355,771	\$0	\$355,771	(\$299,213)
25	\$363,283	\$0	\$363,283	\$64,070
Total	\$14,535,008	\$14,470,938	\$64,070	

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A Report of the Economic Impact of Gulf Coast Public Market in Dickinson, Texas

Interstate

March 6, 2020

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A Report of the Projected Economic Impact from Gulf Coast Public Market

Introduction

This report presents the results of an economic impact analysis performed by Impact DataSource, Austin, Texas. The analysis was to determine the impact that Gulf Coast Public Market in Dickinson, Texas, will have on the economy of the Dickinson area and the costs and benefits for local taxing districts during construction and over the first twenty-five years of operations.

Conclusion of the Analysis

DEDC is considering constructing a \$10 million, 30,000 square foot public market and financing the project by issuing 20 year bonds that will be repaid by DEDC. Revenues for DEDC will consist of (1) rents to tenants of the facility, along with (2) some sales taxes that it receive from tenant sales, (3) a possible \$3 million EDA Harvey grant and (4) value of the facility that DEDC will own outright once bonds financing the facility are retired.

Conclusion: Because estimated revenues from market rents on the space, likely to be paid by tenants, are much less than debt service that DEDC must pay on the bonds, the facility will not cash flow for DEDC the first 20 years. It will lose an estimated \$4.7 million, as shown below, during this period -- funds that DEDC will need to inject in the operations of the project from other sources.

DEDC's Net Income/(Loss) on the Operations of the Facility		
	Over 20 Years	Over 25 Years of this Analysis
Revenues/benefits:		
Net rent revenues	\$5,926,451	\$8,710,305
Sales taxes	\$798,213	\$1,080,903
EDA grant	\$3,000,000	\$3,000,000
Value of building to be owned after bonds are retired		\$10,698,821
Subtotal of revenues/benefits	\$9,724,664	\$23,490,030
Costs:		
Debt service costs	\$14,470,938	\$14,470,938
Net income/(loss) on the operations of the facility	(\$4,746,274)	\$9,019,092

Description of the Facility

Gulf Coast Public Market is a planned 30,000 square foot \$10 million facility in Dickinson.

A planned interstate site is for the facility is approximately 19 acres zoned general commercial located on Interstate 45, 200 yards south of the intersection of 4 lane FM 517, and along the north and south shores of Dickinson Bayou; site is generally cleared, was the former location of a Walmart/Sussan's Furniture Store and other structures; portions of the site are located within the 100 year FEMA floodplain zone AE and will require fill to achieve a finished floor elevation of 15.5'.

The planned facility will include the following square footage:

The Facility's Square Footage		
Total		30,000
Common space	0.25	7,500
Storage	0.05	1,500
Office/Mgmt.		1,000
Net rentable space		20,000

Two fast casual/fast food restaurants and 25 retail shops will be tenants in this facility.

Other characteristics of the facility are shown below.

Some Other Characteristics of the Facility	
Number of direct jobs to be created	75
Average annual salaries for these direct workers	\$29,120
Real property on which tenants will pay property taxes	\$0
Tenants' business personal property to be added to tax rolls	\$545,000
Average annual rents on tenant space per square foot	\$18

Land for the facility is owned by DEDC and the cost of constructing the facility will be financed with bonds to be issued by DEDC. In addition, DEDC has been awarded a \$3 million EDA reimbursement grant for Harvey for this project. Therefore, these funds will be used to reduce the bond balance after the project is completed.

How the economy of the area will be impacted during construction is discussed next.

The Estimated Economic Impact during the Facility's Construction

Economic Impact During Construction

Direct Impact

The project's construction and tenant improvements costs are expected to be \$10 million of which an estimated 70% or \$7 million are estimated to be local costs.

Therefore, the project will generate \$7 million in direct revenues for area construction companies, architects, engineers, and others in the construction industry. In addition, an estimated 40 direct construction and related workers will work on the project each year during construction. The estimated direct construction payroll will be \$2.8 million.

Direct and Indirect Impact

This construction activity and direct construction jobs and salaries will, in turn, create and support revenues in other businesses in the area and indirect jobs and salaries during the time that the project is being constructed. In total, the project may support an estimated \$12.6 million in gross area product or economic activity in area during its construction, an estimated 65 total jobs each year during construction of the project, and total salaries estimated to be \$4.04 million, as shown below.

Economic Impact During Construction of the Project	
Revenues for area businesses:	
Direct	\$7,000,000
Indirect	\$5,653,200
Total revenues	\$12,653,200
Jobs:	
Direct	40
Indirect	25
Total jobs	65
Salaries:	
Direct	\$2,800,000
Indirect	\$1,241,800
Total salaries	\$4,041,800

Multipliers used in the above calculations of indirect economic outputs, jobs and salaries are discussed later in this report.

Sales Taxes to be Collected by the City During Construction of the Project

Taxable Sales

The following estimated taxable sales will be generated during construction of the project:

Taxable Sales During Construction of the Project	
Local costs of constructing the project	\$7,000,000
Percent of costs for materials	60%
Percent of costs for labor	40%
Total cost of materials	\$4,200,000
Estimated percent of construction materials that will be taxable in Dickinson	0%
Total taxable construction materials	\$0
Total direct construction labor	\$2,800,000
Percent of construction salaries to be spent on taxable goods and services	26%
Percent of construction salaries to be spent in Dickinson	25%
Total taxable spending by construction workers in Dickinson	\$182,000
Indirect salaries (salaries to be paid to workers supported in indirect jobs in the community)	\$1,241,800
Percent of construction salaries to be spent on taxable goods and services	26%
Percent of construction salaries to be spent in Dickinson	25%
Total taxable spending by construction workers in Dickinson	\$80,717
Estimated taxable spending in Dickinson by indirect businesses (spending excluding payments for salaries)	\$565,320
Estimated FF&E to be purchased for the facility	\$545,000
Percent to be taxable in Dickson	20%
Total FF&E to be taxable in Dickinson	\$109,000
Summary of taxable spending in Dickinson:	
Purchases of construction materials for the project	\$0
Taxable spending by direct and indirect workers	\$262,717
Taxable spending by indirect businesses	\$565,320
Taxable FF&E	\$109,000
Total taxable spending during construction	\$937,037

Sales Tax Collections

The following sales taxes will be collected by local taxing districts during construction of the project:

Estimated Taxable Sales and Sales Tax Collections During Construction	
Taxable Sales:	
Purchases of construction materials	\$0
Taxable spending by workers:	
Construction workers	\$182,000
Indirect workers	\$80,717
Taxable spending by indirect businesses	\$565,320
Taxable purchases of FF&E	\$109,000
Total taxable sales	\$674,320
Sales tax collections:	
Sales tax rate:	
City of Dickinson	1.5%
Dickinson Management District No. 1	0.5%
Sales tax collections during construction:	
City of Dickinson	\$10,115
Dickinson Management District No. 1	\$3,372
Total	\$13,486

Building Permits and Fees to be Collected by the City During Construction of the Project

The City will collect the following estimated building permits and fees during development and construction:

City Building Permits and Fees During Construction of the Project	
Building permits and fees	\$70,000

Total City Revenues During Construction of the Project

During construction, the project will generate the following revenues for the City:

City and DMD # 1 Revenues During Construction of the Project			
	City	DMD # 1	Total
Sales taxes	\$10,115	\$3,372	\$13,486
Building permits and fees	\$70,000		\$70,000
Total	\$80,115	\$3,372	\$83,486

How the facility will impact the economy of the area during its first twenty-five years of operations is discussed next.

The Estimated Economic Impact of the Facility's Operations over the First Twenty-Five Years

The facility will have the following economic impact on the Dickinson area over the first twenty-five years of operations:

Economic Impact over the First Twenty-Five Years of Operations of the Facility	
Total number of permanent direct and indirect jobs to be created	110
Number of direct and indirect workers who will move to the City	11
Number of new residents in the City	33
Number of new residential properties to be built in the City	3
Number of new students expected in Dickinson ISD	8
Salaries to be paid to direct and indirect workers	\$96,115,357
Taxable sales and purchases expected in the City	\$216,180,612
The value of new residential property to be built for direct and indirect workers who move to the City by Year 10	\$723,031
The facility's assets added to local tax rolls by tenants	\$900,000

How this economic activity translates into additional costs and benefits for local taxing districts is discussed next.

Costs and Benefits for Local Taxing Districts over the First Twenty-Five Years of the Operations of the Facility

Local taxing districts can expect costs and benefits over the first twenty-five years of the operations of the facility, as scheduled below, beginning with the additional revenues to be received.

Additional Revenues During the First Twenty-Five Years of Operations for Local Taxing Districts

Local taxing districts can expect to receive the following revenues over the first twenty-five years from the facility, its employees and workers in indirect jobs created in the community:

Additional Revenues For Local Taxing Districts Over the First Twenty-Five Years of the Facility's Operation					
	Sales Taxes	Property Taxes	Utilities	Utility Franchise Fees	Rents Collected from Tenants
City of Dickinson	\$3,242,709	\$156,529	\$3,351,704	\$210,075	
Galveston County	\$0	\$177,890			
Dickinson ISD		\$511,384			
College of the Mainland		\$72,038			
Galveston Road & Flood		\$4,141			
Water Control & Improvement District No. 1		\$42,843			
Dickinson Management District No. 1	\$1,080,903	\$0			\$8,710,305
Total	\$4,323,612	\$964,825	\$3,351,704	\$210,075	\$8,710,305

	Hotel Occupancy Taxes	Other Taxes and User Fees	Additional State and Federal School Funding	EDA Grant and Value of the Facility to be Owned by DEDC	Total Additional Revenues
City of Dickinson	\$0	\$52,850			\$7,013,868
Galveston County		\$44,042			\$221,931
Dickinson ISD			\$1,503,945		\$2,015,329
College of the Mainland					\$72,038
Galveston Road & Flood					\$4,141
Water Control & Improvement District No. 1					\$42,843
Dickinson Management District No. 1				\$13,698,821	\$23,490,030
Total	\$0	\$96,892	\$1,503,945	\$13,698,821	\$32,860,179

Additional Costs During the First Twenty-Five Years of Operations for Local Taxing Districts

Local taxing districts will incur the following costs over the first twenty-five years of the operations of the facility -- to provide services to the facility and to workers who will move to the community:

Costs for Local Taxing Districts Over the First Twenty-Five Years of the Facility's Operation						
	Costs of Services to New Residents	Costs of Providing Monthly Utility Services	Costs of Educating New Students	Reduction in State School Funding as a Result of Property being Added to Local Tax Rolls	Debt Service Payments on Bonds*	Total
City of Dickinson	\$158,550	\$4,308,635				\$4,467,185
Galveston County	\$52,850					\$52,850
Dickinson ISD			\$1,428,747	\$342,099		\$1,770,846
College of the Mainland						\$0
Galveston Road & Flood						\$0
Water Control & Improvement District No. 1						\$0
Dickinson Management District No. 1					\$14,470,938	\$14,470,938
Total	\$211,400	\$4,308,635	\$1,428,747	\$342,099	\$14,470,938	\$20,761,819

**Debt services payments include of principal and interest and a \$3 million lump sum payment to reduce principal using a \$3 million EDA grant to the DEDC.*

Additional Net Benefits During the First Twenty-Five Years of Operations for Local Taxing Districts

The additional public benefits less additional public costs will result in the following net benefits for the City, County and other local taxing districts over the first twenty-five years of the facility's operation:

Net Benefits for Local Taxing Districts Over the First Twenty-Five Years of the Facility's Operation			
	Benefits	Costs	Net Benefits
City of Dickinson	\$7,013,868	\$4,467,185	\$2,546,683
Galveston County	\$221,931	\$52,850	\$169,081
Dickinson ISD	\$2,015,329	\$1,770,846	\$244,483
College of the Mainland	\$72,038	\$0	\$72,038
Galveston Road & Flood	\$4,141	\$0	\$4,141
Water Control & Imp. Dist. No. 1	\$42,843	\$0	\$42,843
Dickinson Management District No. 1	\$23,490,030	\$14,470,938	\$9,019,092
Total	\$32,860,179	\$20,761,819	\$12,098,361

Discounted Cash Flow for Local Taxing Districts During the First Twenty-Five Years of the Facility's Operations

The discounted cash flow over the first twenty-five years for each local taxing district from the operations of the facility is shown below.

Discounted Cash Flow Over the First Twenty-Five Years from the Operations of the Facility	
City of Dickinson	\$1,908,510
Galveston County	\$88,243
Dickinson ISD	\$125,437
College of the Mainland	\$37,547
Galveston Road & Flood	\$1,874
Water Control & Imp. Dist. No. 1	\$22,331
Dickinson Management District No. 1	\$1,104,842
Total	\$3,288,784

The above discounted cash flow or present value of net benefits is a way of expressing in today's dollars, dollars to be paid or received in the future. Today's dollar and a dollar to be received or paid at differing times in the future are not comparable because of the time value of money. The time value of money is

the interest rate or each taxing entity's discount rate. This analysis uses a discount rate of 6% to make the dollars comparable -- by expressing them in today's dollars or in present value.

Bonds to be Issued by DEDC to Finance the Facility

DEDC will finance construction of the facility by issuing bonds.

The terms of the bonds to be issued and annual debt service payments may be as following:

Estimated Terms of Bonds to be Issued	
Amount needed for construction costs	\$10,000,000
Term in years	20
Interest rate	4.50%
Bond issuing cost as a percent	2%
Estimated bonds to be issued	\$10,200,000
Estimated annual debt service payments	\$774,363

If a \$3 million EDC grant is used to reduce the principal amount of the bonds in year 3, for example, the payments beginning in year 3 could be as follows:

Estimated Debt Service Payments Beginning in Year 3	
Estimated annual debt service payments	\$551,234

If this is the case, DEDC will make estimated annual debt service payments on the bonds over twenty years as shown on the following page:

Estimated Debt Service Payments	
Year 1	\$774,363
Year 2	\$774,363
Year 3	\$3,551,234 *
Year 4	\$551,234
Year 5	\$551,234
Year 6	\$551,234
Year 7	\$551,234
Year 8	\$551,234
Year 9	\$551,234
Year 10	\$551,234
Year 11	\$551,234
Year 12	\$551,234
Year 13	\$551,234
Year 14	\$551,234
Year 15	\$551,234
Year 16	\$551,234
Year 17	\$551,234
Year 18	\$551,234
Year 19	\$551,234
Year 20	\$551,234
Total	\$14,470,938

**Annual debt service plus \$3 million EDA grant to be used by DEDC to reduce bond principal*

Rent Revenues to be Collected from Tenants in the Facility

DEDC will build and own the facility and collect rents from tenants in the facility. In addition, DEDC may provide some rent subsidies. The estimated annual rents per square foot, total annual rents, rent subsidies and net rent collections are shown below.

Rent Revenues for DEDC over Twenty-Five Years					
Initial average annual rents per square foot					\$18
Estimated annual increase					2%
Rent subsidies in three time periods:					
Percent					50%
Length of subsidies in years				First five years	
Percent					33%
Length of subsidies in years				Next five years	
Percent					25%
Length of subsidies in years				Next ten years	
	Net Rentable SF	Average Annual Rents Per SF	Total Rents	Rent Subsidy	Net Rent Revenues
Year 1	20,000	\$18.00	\$360,000	\$180,000	\$180,000
Year 2	20,000	\$18.36	\$367,200	\$183,600	\$183,600
Year 3	20,000	\$18.73	\$374,544	\$187,272	\$187,272
Year 4	20,000	\$19.10	\$382,035	\$191,017	\$191,017
Year 5	20,000	\$19.48	\$389,676	\$194,838	\$194,838
Year 6	20,000	\$19.87	\$397,469	\$131,165	\$266,304
Year 7	20,000	\$20.27	\$405,418	\$133,788	\$271,630
Year 8	20,000	\$20.68	\$413,527	\$136,464	\$277,063
Year 9	20,000	\$21.09	\$421,797	\$139,193	\$282,604
Year 10	20,000	\$21.51	\$430,233	\$141,977	\$288,256
Year 11	20,000	\$21.94	\$438,838	\$109,709	\$329,128
Year 12	20,000	\$22.38	\$447,615	\$111,904	\$335,711
Year 13	20,000	\$22.83	\$456,567	\$114,142	\$342,425
Year 14	20,000	\$23.28	\$465,698	\$116,425	\$349,274
Year 15	20,000	\$23.75	\$475,012	\$118,753	\$356,259
Year 16	20,000	\$24.23	\$484,513	\$121,128	\$363,384
Year 17	20,000	\$24.71	\$494,203	\$123,551	\$370,652
Year 18	20,000	\$25.20	\$504,087	\$126,022	\$378,065
Year 19	20,000	\$25.71	\$514,169	\$128,542	\$385,626
Year 20	20,000	\$26.22	\$524,452	\$131,113	\$393,339
Year 21	20,000	\$26.75	\$534,941	\$0	\$534,941
Year 22	20,000	\$27.28	\$545,640	\$0	\$545,640
Year 23	20,000	\$27.83	\$556,553	\$0	\$556,553
Year 24	20,000	\$28.38	\$567,684	\$0	\$567,684
Year 25	20,000	\$28.95	\$579,037	\$0	\$579,037
Total			\$11,530,908	\$2,820,603	\$8,710,305

Estimated Market Value of the Facility to DEDC When Bonds are Paid Off in Twenty Years

When bonds to construct the facility are paid off in twenty years and DEDC owns the facility with out debt the minimum value of the facility may be its market value based on a capitalization rate. A possible minimum value using this approach could be as follows:

Estimated Minimum Market Value of the Facility in Twenty-Five Years Using a Cap Rate	
Estimated annual rents in Year 21	\$534,941
Estimated capitalization rate as a percent	5%
Estimated minimum market value	\$10,698,821

However, using a replacement value of the facility or comparable values of similar facilities in the area the value of the facility to DEDC and its balance sheet could be much higher.

An analysis of DEDC incentives and investments in the facility is next.

Analysis of Possible DEDC Incentives and Investment in the Facility

DEDC is considering incentives and investing the following amounts in the facility:

DEDC Incentives and Investments in the Facility	
Net investment in the facility:	
Debt service on bonds to finance the facility	\$14,470,938
Market value of the facility to be owned by DEDC once bonds are retired	\$10,698,821
Net investment	\$3,772,117
Rent subsidies to tenants over twenty years	\$2,820,603
Total DEDC investment and rent subsidies	\$6,592,719

If the above other financial incentives are offered to the facility, the incentives may be considered as investments that the City through DEDC is making in the facility.

Four calculations analyzing this possible investment were made -- net benefits, discounted cash flow, rate of return on investment and payback period. Net benefits and discounted cash flow for the City and DEDC

are scheduled on previous pages. Rate of return on investment and payback period are discussed and scheduled below.

Rate of return on investment is the City/DEDC's average annual rate of return from additional revenues that the City/DEDC will receive on the investment and incentive that the DEDC may make in the facility.

Payback period is the number of years that it will take the City/DEDC to recover the costs of investments and incentives from revenues that they will receive from the facility and its workers.

Average annual rates of return on investment each year over the first twenty-five years of operations and payback periods for the possible levels of incentives are shown below.

Rates of Return and Payback Period for Possible DEDC Investments and Incentives		
Investment and Incentives	Annual Rate of Return	Payback Period (In years)
\$6,592,719	7.8%	20.7

Discussion of State Aid for the School District

This analysis seeks to calculate the impact on the school district's finances from the facility by generally, and at a summary level, mimicking the district's state school funding formula.

According to the Texas Education Agency, any property added to local tax rolls and local taxes that this generates reduces state funding equivalent to local taxes collected for maintenance and operations. The school district retains local taxes received for debt services and corresponding state funding is not reduced.

However, according to the Texas Education Agency, the school district will receive state aid for each new child that moves to the District. The additional net revenues for the school district are calculated in this analysis.

Conduct of the Analysis

This analysis was conducted by Impact DataSource using information supplied by the firm along with local tax rates and some Impact DataSource estimates and assumptions.

Using this data, the economic impact from the facility and the costs and benefits for the City of Dickinson, Galveston County, Dickinson ISD, College of the Mainland, Galveston Road & Flood, Water Control & Improvement District No. 1, and Dickinson Management District No. 1 were calculated during construction and during the first twenty-five years of operations.

In addition to the direct economic impact of the facility and its employees, spin-off or indirect and induced benefits were also calculated. Indirect revenues, jobs and salaries are created in new or existing area firms, such as maintenance companies, supply and service firms, that may supply goods and services to the facility. In addition, induced revenues, jobs and salaries are created in new or existing local businesses, such as retail stores, gas stations, banks, restaurants, and service companies that may supply goods and services to new workers and their families.

To estimate the indirect and induced economic impact of the facility and its employees on the Dickinson area, regional economic multipliers were used. Regional economic multipliers for Texas and areas of the state are included in the US Department of Commerce’s Regional Input-Output Modeling System (RIMS II).

Three types of regional economic multipliers were used in this analysis: economic out, employment and workers' earnings.

An output multiplier was used to estimate the indirect and induced output generated in the area for each dollar of construction costs.

An employment multiplier was used to estimate the number of indirect and induced jobs created and supported in the Dickinson area. An earnings multiplier was used to estimate the amount of salaries to be paid to workers in these new indirect and induced jobs. These multipliers show the estimated number of indirect and induced jobs created for every one direct job at the facility and the amount of salaries paid to these workers for every dollar paid to a direct worker at the facility. The multipliers used in this analysis are below:

Indirect Multipliers Used in the Analysis During the Development Construction and Operations		
	Construction	Operations
Output	0.8076	0.6691
Employment	0.6355	0.2884
Earnings	0.4435	0.4655

About Impact DataSource

Impact DataSource is a 26-year-old Austin economic consulting, research and analysis firm. The firm has conducted economic impact analyses of numerous projects in Texas and 39 other states. In addition, the firm has developed economic impact analysis computer programs for several clients, including the New Mexico Economic Development Department.

The firm's principal, Jerry Walker, performed this economic impact analysis. He is an economist and has Bachelor of Science and Master of Business Administration degrees in accounting and economics from Nicholls State University, Thibodaux, Louisiana.

Data used in the analysis, along with schedules of the results of calculations, are on the following pages.

Data and Rates Used in this Analysis

Local Tax Rates:

Local sales tax rates:

City of Dickinson	1.5%
Dickinson Management District No. 1	0.5%
Galveston County	0.0%

Property tax rates, per \$100 of valuation:

City of Dickinson	\$0.443830
Galveston County	\$0.504396
Dickinson ISD:	
M&O	\$0.970000
I&S	\$0.480000
Total	\$1.450000
College of the Mainland	\$0.204258
Galveston Road & Flood	\$0.011741
Water Control & Improvement District No. 1	\$0.121479

Some Estimated City Rates:

Estimated annual marginal cost of providing municipal services, excluding utilities, each new household \$450

Estimated annual other taxes and user fees to be collected by the city from each new household -- those revenues that are in addition to sales and property taxes, utilities and utility franchise fees \$150

Annual increase expected in the city's other revenues and marginal costs 2%

The city's estimated annual water, wastewater and garbage collection billings per household \$1,200

Utility Service	Estimated Monthly Billing	Estimated Annual Billing (Monthly billing x 12)
Water	\$40	\$480
Wastewater	\$35	\$420
Solid waste	\$25	\$300

The city's cost of providing water, wastewater and solid waste services, as a percent of utility billings 95%

Annual increase expected in city-owned utility billings 2%

The city's estimated utility franchise fee percentages:

Electricity	4%
Natural gas	4%
Cable	4%
Telephone monthly line access charge:	
Residential	\$0.90
Non-residential	\$2.04

Annual utility franchise fees collected from utility providers for each household in the city as detailed below \$80.82

Utility Service	Estimated Monthly Billing	Utility Franchise Fee Percentage	Monthly Utility Franchise Fee Collections	Estimated Annual Utility Franchise Fee Collections <i>(Monthly collections x 12)</i>
Electricity	\$85	4%	\$3.40	\$40.80
Natural gas	\$40	4%	\$1.60	\$19.20
Cable	\$40	4%	\$1.60	\$19.20
Telephone	.15 lines	\$0.90	\$0.14	\$1.62

Some County Rates:

Annual marginal cost of providing county services to each new household \$150

Annual miscellaneous taxes and user fees to be collected from each new household, those county revenues other than property and sales taxes \$125

Annual increase expected in other county revenues and marginal costs 2%

Some Estimated School District Rates:

Estimated annual state, federal and other funding received by the district for each child enrolled	\$5,000
Average annual cost of providing services to each child in the district	\$9,500
Average annual cost for each new child, as a percent of average annual cost	50%
Annual marginal cost of providing services to each new child	\$4,750

Other Community Rates:

Expected inflation rate over the first twenty-five years	3.0%
Discount rate used in analysis to compute discounted cash flows	6%
Percent of a typical worker's salary that will be spent on taxable goods and services	26%
Estimated average taxable value of a new single family residence in the community that will be built for some individuals moving to the city	\$220,000
Percent annual increase in the taxable value of residential property and commercial real property on local tax rolls over the first twenty-five years	2%

Depreciation rates:

To estimate the annual taxable or depreciable value of furniture, fixtures and equipment at the facility being analyzed in this analysis, this analysis uses straight line depreciation, an ten year life and a 20% residual value. Therefore, property taxes on the facility's furniture, fixtures and equipment are calculated on the following percentages of the costs of such equipment purchased each year:

Year 1	90%
Year 2	80%
Year 3	70%
Year 4	60%
Year 5	50%
Year 6	40%
Year 7	30%
Year 8	20%
Year 9	20%
Year 10	20%

The investments to be added to local tax rolls at the facility each year:

	Buildings and Other Real Property Land improvements	Business Personal Property	Total
Year 1	\$0	\$0	\$545,000
Year 2	\$0	\$0	\$0
Year 3	\$0	\$0	\$0
Year 4	\$0	\$0	\$0
Year 5	\$0	\$0	\$0
Year 6	\$0	\$0	\$0
Year 7	\$0	\$0	\$0
Year 8	\$0	\$0	\$0
Year 9	\$0	\$0	\$0
Year 10	\$0	\$0	\$0
Total	\$0	\$0	\$545,000

The facility's taxable inventories:

Year 1	\$355,000
Year 2	\$362,100
Year 3	\$369,342
Year 4	\$376,729
Year 5	\$384,263
Year 6	\$391,949
Year 7	\$399,788
Year 8	\$407,783
Year 9	\$415,939
Year 10	\$424,258

Estimated annual increase in the volume and value of inventories

2%

Activities During the Facility's Operations:

The facility's taxable sales subject to sales tax in the city:

Year 1	\$5,375,000
Year 2	\$5,536,250
Year 3	\$5,702,338
Year 4	\$5,873,408
Year 5	\$6,049,610
Year 6	\$6,231,098
Year 7	\$6,418,031
Year 8	\$6,610,572
Year 9	\$6,808,889
Year 10	\$7,013,156

Expected annual increase in taxable sales after the first year 3%

Estimated annual utilities at the facility:

	Water	Wastewater	Solid Waste	Electricity	Natural Gas	Cable
Year 1	\$36,000	\$28,800	\$48,000	\$546,000	\$110,400	\$2,400
Year 2	\$37,080	\$29,664	\$49,440	\$562,380	\$113,712	\$2,472
Year 3	\$38,192	\$30,554	\$50,923	\$103,482	\$117,123	\$2,546
Year 4	\$39,338	\$31,471	\$52,451	\$105,551	\$120,637	\$2,623
Year 5	\$40,518	\$32,415	\$54,024	\$107,662	\$124,256	\$2,701
Year 6	\$41,734	\$33,387	\$55,645	\$109,815	\$127,984	\$2,782
Year 7	\$42,986	\$34,389	\$57,315	\$112,012	\$131,823	\$2,866
Year 8	\$44,275	\$35,420	\$59,034	\$114,252	\$135,778	\$2,952
Year 9	\$45,604	\$36,483	\$60,805	\$116,537	\$139,851	\$3,040
Year 10	\$46,972	\$37,577	\$62,629	\$118,868	\$144,047	\$3,131
Annual increase	3%	3%	3%	3%	3%	3%

Estimated number of telephone lines at the facility 83

The facility's estimated local taxable purchases of materials, supplies and services for its operations:

Year 1	\$153,000
Year 2	\$157,590
Year 3	\$162,318
Year 4	\$167,187
Year 5	\$172,203
Year 6	\$177,369
Year 7	\$182,690
Year 8	\$188,171
Year 9	\$193,816
Year 10	\$199,630

Expected annual increase in taxable purchases after the first year 3%

The facility's total taxable purchases and taxable utilities:

	Taxable Purchases of Supplies, Materials and Services	Utilities Subject to Sales Tax			Total
		Utilities Subject to Sales Tax	Percent Taxable	Taxable Utilities	
Year 1	\$153,000	\$658,800	100%	\$658,800	\$811,800
Year 2	\$157,590	\$678,564	100%	\$678,564	\$836,154
Year 3	\$162,318	\$223,152	100%	\$223,152	\$385,469
Year 4	\$167,187	\$228,811	100%	\$228,811	\$395,998
Year 5	\$172,203	\$234,620	100%	\$234,620	\$406,822
Year 6	\$177,369	\$240,582	100%	\$240,582	\$417,950
Year 7	\$182,690	\$246,701	100%	\$246,701	\$429,391
Year 8	\$188,171	\$252,982	100%	\$252,982	\$441,152
Year 9	\$193,816	\$259,429	100%	\$259,429	\$453,245
Year 10	\$199,630	\$266,046	100%	\$266,046	\$465,676

Number of workers hired at the facility each year:

Year 1	75
Year 2	0
Year 3	0
Year 4	0
Year 5	0
Year 6	0
Year 7	0
Year 8	0
Year 9	0
Year 10	0
Total	75

Number of new workers who will move to the city to take job at the facility:

Estimated percent of total new workers moving to the city 10%

Year 1	8
Year 2	0
Year 3	0
Year 4	0
Year 5	0
Year 6	0
Year 7	0
Year 8	0
Year 9	0
Year 10	0
Total	8

Average annual salaries \$29,120

Percent of expected increase in employee salaries after year 1 2.5%

Percent employees to be hired in spin-off jobs created at the facility who will move to the city to take a job 8%

Percent of workers who move to the community that will buy a new home or require that new residential property be built for them 25%

The number of people in a typical worker's household 3

The number of school children in a typical worker's household	0.75
Percent of retail shopping by a typical worker other businesses in the city	25%

Schedules Showing the Results of Economic Impact Calculations

Number of local jobs added each year and worker salaries to be paid:

Year	Direct Jobs	Indirect Jobs	Total Jobs	Direct Salaries	Indirect Salaries	Total Salaries
1	75	35	110	\$2,184,000	\$629,866	\$2,813,866
2	0	0	0	\$2,238,600	\$645,612	\$2,884,212
3	0	0	0	\$2,294,565	\$661,753	\$2,956,318
4	0	0	0	\$2,351,929	\$678,296	\$3,030,225
5	0	0	0	\$2,410,727	\$695,254	\$3,105,981
6	0	0	0	\$2,470,996	\$712,635	\$3,183,631
7	0	0	0	\$2,532,770	\$730,451	\$3,263,221
8	0	0	0	\$2,596,090	\$748,712	\$3,344,802
9	0	0	0	\$2,660,992	\$767,430	\$3,428,422
10	0	0	0	\$2,727,517	\$786,616	\$3,514,133
11	0	0	0	\$2,795,705	\$806,281	\$3,601,986
12	0	0	0	\$2,865,597	\$826,438	\$3,692,036
13	0	0	0	\$2,937,237	\$847,099	\$3,784,336
14	0	0	0	\$3,010,668	\$868,277	\$3,878,945
15	0	0	0	\$3,085,935	\$889,984	\$3,975,918
16	0	0	0	\$3,163,083	\$912,233	\$4,075,316
17	0	0	0	\$3,242,160	\$935,039	\$4,177,199
18	0	0	0	\$3,323,214	\$958,415	\$4,281,629
19	0	0	0	\$3,406,295	\$982,375	\$4,388,670
20	0	0	0	\$3,491,452	\$1,006,935	\$4,498,387
21	0	0	0	\$3,578,738	\$1,032,108	\$4,610,846
22	0	0	0	\$3,668,207	\$1,057,911	\$4,726,118
23	0	0	0	\$3,759,912	\$1,084,359	\$4,844,271
24	0	0	0	\$3,853,910	\$1,111,468	\$4,965,377
25	0	0	0	\$3,950,257	\$1,139,254	\$5,089,512
Total	75	35	110	\$74,600,556	\$21,514,800	\$96,115,357

Number of direct and indirect workers and their families who will move to the area and their children who will attend local public schools:

Year	New Workers Moving to the Area	Total New Residents	Total New Students
1	11	33	8
2	0	0	0
3	0	0	0
4	0	0	0
5	0	0	0
6	0	0	0
7	0	0	0
8	0	0	0
9	0	0	0
10	0	0	0
11	0	0	0
12	0	0	0
13	0	0	0
14	0	0	0
15	0	0	0
16	0	0	0
17	0	0	0
18	0	0	0
19	0	0	0
20	0	0	0
21	0	0	0
22	0	0	0
23	0	0	0
24	0	0	0
25	0	0	0
Total	11	33	8

Number of new residential properties that may be built in the city for direct and indirect workers who will move to the community:

Year	New Residential Properties
1	3
2	0
3	0
4	0
5	0
6	0
7	0
8	0
9	0
10	0
11	0
12	0
13	0
14	0
15	0
16	0
17	0
18	0
19	0
20	0
21	0
22	0
23	0
24	0
25	0
Total	3

Local taxable spending on which sales taxes will be collected:

Year	Direct and Indirect Workers' Spending	Visitors' Spending	Taxable Sales at the Facility	The Facility's Local Purchases and Taxable Utilities	Total
1	\$182,901	\$0	\$5,375,000	\$811,800	\$6,369,701
2	\$187,474	\$0	\$5,536,250	\$836,154	\$6,559,878
3	\$192,161	\$0	\$5,702,338	\$385,469	\$6,279,967
4	\$196,965	\$0	\$5,873,408	\$395,998	\$6,466,371
5	\$201,889	\$0	\$6,049,610	\$406,822	\$6,658,321
6	\$206,936	\$0	\$6,231,098	\$417,950	\$6,855,985
7	\$212,109	\$0	\$6,418,031	\$429,391	\$7,059,531
8	\$217,412	\$0	\$6,610,572	\$441,152	\$7,269,137
9	\$222,847	\$0	\$6,808,889	\$453,245	\$7,484,981
10	\$228,419	\$0	\$7,013,156	\$465,676	\$7,707,251
11	\$234,129	\$0	\$7,223,551	\$479,647	\$7,937,326
12	\$239,982	\$0	\$7,440,257	\$494,036	\$8,174,276
13	\$245,982	\$0	\$7,663,465	\$508,857	\$8,418,304
14	\$252,131	\$0	\$7,893,369	\$524,123	\$8,669,623
15	\$258,435	\$0	\$8,130,170	\$539,847	\$8,928,451
16	\$264,896	\$0	\$8,374,075	\$556,042	\$9,195,013
17	\$271,518	\$0	\$8,625,297	\$572,723	\$9,469,538
18	\$278,306	\$0	\$8,884,056	\$589,905	\$9,752,267
19	\$285,264	\$0	\$9,150,578	\$607,602	\$10,043,443
20	\$292,395	\$0	\$9,425,095	\$625,830	\$10,343,320
21	\$299,705	\$0	\$9,707,848	\$644,605	\$10,652,158
22	\$307,198	\$0	\$9,999,083	\$663,943	\$10,970,224
23	\$314,878	\$0	\$10,299,056	\$683,862	\$11,297,795
24	\$322,750	\$0	\$10,608,027	\$704,377	\$11,635,154
25	\$330,818	\$0	\$10,926,268	\$725,509	\$11,982,595
Total	\$6,247,498	\$0	\$195,968,546	\$13,964,568	\$216,180,612

Local spending by visitors on lodging by out-of-town visitors:

<u>Year</u>	<u>Spending on Lodging</u>
1	\$0
2	\$0
3	\$0
4	\$0
5	\$0
6	\$0
7	\$0
8	\$0
9	\$0
10	\$0
11	\$0
12	\$0
13	\$0
14	\$0
15	\$0
16	\$0
17	\$0
18	\$0
19	\$0
20	\$0
21	\$0
22	\$0
23	\$0
24	\$0
25	\$0
<u>Total</u>	<u>\$0</u>

community and the value of the facility's property on local tax rolls:

Year	New Residential Property	Value of Property at the Facility on Local Tax Rolls	Total Taxable Property
1	\$605,000	\$845,500	\$1,450,500
2	\$617,100	\$754,500	\$1,371,600
3	\$629,442	\$712,692	\$1,342,134
4	\$642,031	\$671,029	\$1,313,060
5	\$654,871	\$629,513	\$1,284,385
6	\$667,969	\$588,149	\$1,256,118
7	\$681,328	\$546,938	\$1,228,266
8	\$694,955	\$505,883	\$1,200,838
9	\$708,854	\$514,039	\$1,222,893
10	\$723,031	\$522,358	\$1,245,389
11	\$737,492	\$535,086	\$1,272,577
12	\$752,241	\$548,195	\$1,300,437
13	\$767,286	\$561,698	\$1,328,984
14	\$782,632	\$575,606	\$1,358,238
15	\$798,285	\$589,931	\$1,388,216
16	\$814,250	\$604,686	\$1,418,936
17	\$830,535	\$619,884	\$1,450,419
18	\$847,146	\$635,537	\$1,482,683
19	\$864,089	\$651,660	\$1,515,749
20	\$881,371	\$668,267	\$1,549,638
21	\$898,998	\$685,372	\$1,584,370
22	\$916,978	\$702,990	\$1,619,968
23	\$935,318	\$721,137	\$1,656,455
24	\$954,024	\$739,828	\$1,693,852
25	\$973,105	\$759,080	\$1,732,184

Schedules Showing the Results of Costs and Benefits Calculations

Costs and Benefits for the City of Dickinson:

Benefits:

Sales tax collections:

Year	On Direct and Indirect Workers' Spending	On Visitors' Spending	Taxable Sales at the Facility	The Facility's Local Purchases and Taxable Utilities	Total
1	\$2,744	\$0	\$80,625	\$12,177	\$95,546
2	\$2,812	\$0	\$83,044	\$12,542	\$98,398
3	\$2,882	\$0	\$85,535	\$5,782	\$94,200
4	\$2,954	\$0	\$88,101	\$5,940	\$96,996
5	\$3,028	\$0	\$90,744	\$6,102	\$99,875
6	\$3,104	\$0	\$93,466	\$6,269	\$102,840
7	\$3,182	\$0	\$96,270	\$6,441	\$105,893
8	\$3,261	\$0	\$99,159	\$6,617	\$109,037
9	\$3,343	\$0	\$102,133	\$6,799	\$112,275
10	\$3,426	\$0	\$105,197	\$6,985	\$115,609
11	\$3,512	\$0	\$108,353	\$7,195	\$119,060
12	\$3,600	\$0	\$111,604	\$7,411	\$122,614
13	\$3,690	\$0	\$114,952	\$7,633	\$126,275
14	\$3,782	\$0	\$118,401	\$7,862	\$130,044
15	\$3,877	\$0	\$121,953	\$8,098	\$133,927
16	\$3,973	\$0	\$125,611	\$8,341	\$137,925
17	\$4,073	\$0	\$129,379	\$8,591	\$142,043
18	\$4,175	\$0	\$133,261	\$8,849	\$146,284
19	\$4,279	\$0	\$137,259	\$9,114	\$150,652
20	\$4,386	\$0	\$141,376	\$9,387	\$155,150
21	\$4,496	\$0	\$145,618	\$9,669	\$159,782
22	\$4,608	\$0	\$149,986	\$9,959	\$164,553
23	\$4,723	\$0	\$154,486	\$10,258	\$169,467
24	\$4,841	\$0	\$159,120	\$10,566	\$174,527
25	\$4,962	\$0	\$163,894	\$10,883	\$179,739
Total	\$93,712	\$0	\$2,939,528	\$209,469	\$3,242,709

Property tax collections on:

Year	Property at the Facility				Total
	New Residential Property	Taxes Collected	Taxes Abated	Total Taxes After Abatement	
1	\$2,685	\$3,753	\$0	\$3,753	\$6,438
2	\$2,739	\$3,349	\$0	\$3,349	\$6,088
3	\$2,794	\$3,163	\$0	\$3,163	\$5,957
4	\$2,850	\$2,978	\$0	\$2,978	\$5,828
5	\$2,907	\$2,794	\$0	\$2,794	\$5,700
6	\$2,965	\$2,610	\$0	\$2,610	\$5,575
7	\$3,024	\$2,427	\$0	\$2,427	\$5,451
8	\$3,084	\$2,245	\$0	\$2,245	\$5,330
9	\$3,146	\$2,281	\$0	\$2,281	\$5,428
10	\$3,209	\$2,318	\$0	\$2,318	\$5,527
11	\$3,273	\$2,375	\$0	\$2,375	\$5,648
12	\$3,339	\$2,433	\$0	\$2,433	\$5,772
13	\$3,405	\$2,493	\$0	\$2,493	\$5,898
14	\$3,474	\$2,555	\$0	\$2,555	\$6,028
15	\$3,543	\$2,618	\$0	\$2,618	\$6,161
16	\$3,614	\$2,684	\$0	\$2,684	\$6,298
17	\$3,686	\$2,751	\$0	\$2,751	\$6,437
18	\$3,760	\$2,821	\$0	\$2,821	\$6,581
19	\$3,835	\$2,892	\$0	\$2,892	\$6,727
20	\$3,912	\$2,966	\$0	\$2,966	\$6,878
21	\$3,990	\$3,042	\$0	\$3,042	\$7,032
22	\$4,070	\$3,120	\$0	\$3,120	\$7,190
23	\$4,151	\$3,201	\$0	\$3,201	\$7,352
24	\$4,234	\$3,284	\$0	\$3,284	\$7,518
25	\$4,319	\$3,369	\$0	\$3,369	\$7,688
Total	\$86,007	\$70,523	\$0	\$70,523	\$156,529

Utilities and utility franchise fees collected by the city from new residents and from the facility:

Year	Utilities	Utility Franchise Fees	Total
1	\$126,000	\$29,273	\$155,273
2	\$129,648	\$30,151	\$159,799
3	\$133,403	\$12,025	\$145,428
4	\$137,268	\$12,344	\$149,612
5	\$141,245	\$12,672	\$153,918
6	\$145,340	\$13,009	\$158,349
7	\$149,554	\$13,356	\$162,910
8	\$153,892	\$13,712	\$167,604
9	\$158,358	\$14,077	\$172,435
10	\$162,954	\$14,453	\$177,407
11	\$167,684	\$3,925	\$171,610
12	\$172,554	\$4,043	\$176,597
13	\$177,567	\$4,164	\$181,731
14	\$182,726	\$4,289	\$187,016
15	\$188,037	\$4,421	\$192,459
16	\$193,504	\$4,551	\$198,055
17	\$199,132	\$4,687	\$203,819
18	\$204,924	\$4,828	\$209,752
19	\$210,887	\$4,973	\$215,860
20	\$217,025	\$5,122	\$222,147
21	\$223,344	\$5,275	\$228,619
22	\$229,848	\$5,434	\$235,282
23	\$236,543	\$5,597	\$242,140
24	\$243,436	\$5,765	\$249,200
25	\$250,531	\$5,938	\$256,468
Total	\$3,351,704	\$210,075	\$3,561,779

Other city revenues, including hotel occupancy taxes, other taxes and user fees collected from new residents and building permits on construction at the facility:

Year	Hotel Occupancy Taxes	Other Taxes and User Fees	Building Permits and Fees	Total Other Revenues
1	\$0	\$1,650	\$0	\$1,650
2	\$0	\$1,683	\$0	\$1,683
3	\$0	\$1,717	\$0	\$1,717
4	\$0	\$1,751	\$0	\$1,751
5	\$0	\$1,786	\$0	\$1,786
6	\$0	\$1,822	\$0	\$1,822
7	\$0	\$1,858	\$0	\$1,858
8	\$0	\$1,895	\$0	\$1,895
9	\$0	\$1,933	\$0	\$1,933
10	\$0	\$1,972	\$0	\$1,972
11	\$0	\$2,011	\$0	\$2,011
12	\$0	\$2,052	\$0	\$2,052
13	\$0	\$2,093	\$0	\$2,093
14	\$0	\$2,134	\$0	\$2,134
15	\$0	\$2,177	\$0	\$2,177
16	\$0	\$2,221	\$0	\$2,221
17	\$0	\$2,265	\$0	\$2,265
18	\$0	\$2,310	\$0	\$2,310
19	\$0	\$2,357	\$0	\$2,357
20	\$0	\$2,404	\$0	\$2,404
21	\$0	\$2,452	\$0	\$2,452
22	\$0	\$2,501	\$0	\$2,501
23	\$0	\$2,551	\$0	\$2,551
24	\$0	\$2,602	\$0	\$2,602
25	\$0	\$2,654	\$0	\$2,654
Total	\$0	\$52,850	\$0	\$52,850

Costs:

The costs of providing municipal services and utility services to new residents:

Year	Cost of Services to New Residents	Costs of Utilities	Total Costs
1	\$4,950	\$119,700	\$124,650
2	\$5,049	\$123,166	\$128,215
3	\$5,150	\$126,733	\$131,883
4	\$5,253	\$130,404	\$135,657
5	\$5,358	\$134,183	\$139,541
6	\$5,465	\$138,073	\$143,538
7	\$5,575	\$142,077	\$147,651
8	\$5,686	\$146,198	\$151,884
9	\$5,800	\$150,440	\$156,239
10	\$5,916	\$154,806	\$160,722
11	\$6,034	\$159,300	\$165,334
12	\$6,155	\$163,926	\$170,081
13	\$6,278	\$168,688	\$174,966
14	\$6,403	\$173,590	\$179,993
15	\$6,531	\$178,635	\$185,167
16	\$6,662	\$183,829	\$190,491
17	\$6,795	\$189,175	\$195,970
18	\$6,931	\$194,678	\$201,609
19	\$7,070	\$200,343	\$207,413
20	\$7,211	\$206,174	\$213,385
21	\$7,355	\$212,177	\$219,532
22	\$7,503	\$218,356	\$225,858
23	\$7,653	\$224,716	\$232,369
24	\$7,806	\$231,264	\$239,069
25	\$7,962	\$238,004	\$245,966
Total	\$158,550	\$4,308,635	\$4,467,185

Net Benefits for the City of Dickinson:

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$258,906	\$124,650	\$134,256	\$134,256
2	\$265,968	\$128,215	\$137,753	\$272,009
3	\$247,301	\$131,883	\$115,418	\$387,427
4	\$254,186	\$135,657	\$118,529	\$505,956
5	\$261,279	\$139,541	\$121,738	\$627,694
6	\$268,586	\$143,538	\$125,048	\$752,742
7	\$276,113	\$147,651	\$128,461	\$881,203
8	\$283,866	\$151,884	\$131,982	\$1,013,185
9	\$292,070	\$156,239	\$135,831	\$1,149,016
10	\$300,515	\$160,722	\$139,793	\$1,288,809
11	\$298,329	\$165,334	\$132,995	\$1,421,804
12	\$307,035	\$170,081	\$136,954	\$1,558,758
13	\$315,997	\$174,966	\$141,031	\$1,699,788
14	\$325,223	\$179,993	\$145,229	\$1,845,018
15	\$334,724	\$185,167	\$149,557	\$1,994,575
16	\$344,498	\$190,491	\$154,007	\$2,148,582
17	\$354,564	\$195,970	\$158,594	\$2,307,176
18	\$364,927	\$201,609	\$163,318	\$2,470,494
19	\$375,595	\$207,413	\$168,183	\$2,638,676
20	\$386,578	\$213,385	\$173,193	\$2,811,869
21	\$397,885	\$219,532	\$178,353	\$2,990,223
22	\$409,526	\$225,858	\$183,668	\$3,173,890
23	\$421,510	\$232,369	\$189,141	\$3,363,031
24	\$433,847	\$239,069	\$194,778	\$3,557,809
25	\$446,549	\$245,966	\$200,583	\$3,758,392
Total	\$8,225,577	\$4,467,185	\$3,758,392	

Benefits for Galveston County:

Sales tax collections on spending:

Year	On Direct and Indirect Workers' Spending	On Visitors' Spending	Taxable Sales at the Facility	The Facility's Local Purchases and Taxable Utilities	Sales Total
1	\$0	\$0	\$0	\$0	\$0
2	\$0	\$0	\$0	\$0	\$0
3	\$0	\$0	\$0	\$0	\$0
4	\$0	\$0	\$0	\$0	\$0
5	\$0	\$0	\$0	\$0	\$0
6	\$0	\$0	\$0	\$0	\$0
7	\$0	\$0	\$0	\$0	\$0
8	\$0	\$0	\$0	\$0	\$0
9	\$0	\$0	\$0	\$0	\$0
10	\$0	\$0	\$0	\$0	\$0
11	\$0	\$0	\$0	\$0	\$0
12	\$0	\$0	\$0	\$0	\$0
13	\$0	\$0	\$0	\$0	\$0
14	\$0	\$0	\$0	\$0	\$0
15	\$0	\$0	\$0	\$0	\$0
16	\$0	\$0	\$0	\$0	\$0
17	\$0	\$0	\$0	\$0	\$0
18	\$0	\$0	\$0	\$0	\$0
19	\$0	\$0	\$0	\$0	\$0
20	\$0	\$0	\$0	\$0	\$0
21	\$0	\$0	\$0	\$0	\$0
22	\$0	\$0	\$0	\$0	\$0
23	\$0	\$0	\$0	\$0	\$0
24	\$0	\$0	\$0	\$0	\$0
25	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$0	\$0	\$0

Miscellaneous taxes and user fees to be collected from new residents:

Year	Misc. Taxes and User Fees
1	\$1,375
2	\$1,403
3	\$1,431
4	\$1,459
5	\$1,488
6	\$1,518
7	\$1,548
8	\$1,579
9	\$1,611
10	\$1,643
11	\$1,676
12	\$1,710
13	\$1,744
14	\$1,779
15	\$1,814
16	\$1,851
17	\$1,888
18	\$1,925
19	\$1,964
20	\$2,003
21	\$2,043
22	\$2,084
23	\$2,126
24	\$2,168
25	\$2,212
Total	\$44,042

Property tax collections on:

Year	Property at the Facility			Total Taxes After Abatement	Total
	New Residential Property	Taxes Collected	Taxes Abated		
1	\$3,052	\$4,265	\$0	\$4,265	\$7,316
2	\$3,113	\$3,806	\$0	\$3,806	\$6,918
3	\$3,175	\$3,595	\$0	\$3,595	\$6,770
4	\$3,238	\$3,385	\$0	\$3,385	\$6,623
5	\$3,303	\$3,175	\$0	\$3,175	\$6,478
6	\$3,369	\$2,967	\$0	\$2,967	\$6,336
7	\$3,437	\$2,759	\$0	\$2,759	\$6,195
8	\$3,505	\$2,552	\$0	\$2,552	\$6,057
9	\$3,575	\$2,593	\$0	\$2,593	\$6,168
10	\$3,647	\$2,635	\$0	\$2,635	\$6,282
11	\$3,720	\$2,699	\$0	\$2,699	\$6,419
12	\$3,794	\$2,765	\$0	\$2,765	\$6,559
13	\$3,870	\$2,833	\$0	\$2,833	\$6,703
14	\$3,948	\$2,903	\$0	\$2,903	\$6,851
15	\$4,027	\$2,976	\$0	\$2,976	\$7,002
16	\$4,107	\$3,050	\$0	\$3,050	\$7,157
17	\$4,189	\$3,127	\$0	\$3,127	\$7,316
18	\$4,273	\$3,206	\$0	\$3,206	\$7,479
19	\$4,358	\$3,287	\$0	\$3,287	\$7,645
20	\$4,446	\$3,371	\$0	\$3,371	\$7,816
21	\$4,535	\$3,457	\$0	\$3,457	\$7,992
22	\$4,625	\$3,546	\$0	\$3,546	\$8,171
23	\$4,718	\$3,637	\$0	\$3,637	\$8,355
24	\$4,812	\$3,732	\$0	\$3,732	\$8,544
25	\$4,908	\$3,829	\$0	\$3,829	\$8,737
Total	\$97,744	\$80,146	\$0	\$80,146	\$177,890

Costs of providing county services to new residents:

Year	Costs of County Services
1	\$1,650
2	\$1,683
3	\$1,717
4	\$1,751
5	\$1,786
6	\$1,822
7	\$1,858
8	\$1,895
9	\$1,933
10	\$1,972
11	\$2,011
12	\$2,052
13	\$2,093
14	\$2,134
15	\$2,177
16	\$2,221
17	\$2,265
18	\$2,310
19	\$2,357
20	\$2,404
21	\$2,452
22	\$2,501
23	\$2,551
24	\$2,602
25	\$2,654
Total	\$52,850

Total Benefits for the County:

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$8,691	\$1,650	\$7,041	\$7,041
2	\$8,321	\$1,683	\$6,638	\$13,679
3	\$8,200	\$1,717	\$6,484	\$20,163
4	\$8,082	\$1,751	\$6,331	\$26,494
5	\$7,967	\$1,786	\$6,181	\$32,675
6	\$7,854	\$1,822	\$6,032	\$38,707
7	\$7,744	\$1,858	\$5,886	\$44,592
8	\$7,636	\$1,895	\$5,741	\$50,333
9	\$7,779	\$1,933	\$5,846	\$56,179
10	\$7,925	\$1,972	\$5,953	\$62,132
11	\$8,095	\$2,011	\$6,084	\$68,216
12	\$8,269	\$2,052	\$6,217	\$74,434
13	\$8,447	\$2,093	\$6,355	\$80,788
14	\$8,630	\$2,134	\$6,495	\$87,283
15	\$8,816	\$2,177	\$6,639	\$93,922
16	\$9,008	\$2,221	\$6,787	\$100,709
17	\$9,203	\$2,265	\$6,938	\$107,648
18	\$9,404	\$2,310	\$7,094	\$114,741
19	\$9,609	\$2,357	\$7,253	\$121,994
20	\$9,819	\$2,404	\$7,416	\$129,410
21	\$10,035	\$2,452	\$7,583	\$136,992
22	\$10,255	\$2,501	\$7,754	\$144,747
23	\$10,481	\$2,551	\$7,930	\$152,677
24	\$10,712	\$2,602	\$8,110	\$160,787
25	\$10,949	\$2,654	\$8,295	\$169,081
Total	\$221,931	\$52,850	\$169,081	

Costs and Benefits for the Dickinson ISD:

Benefits, including property taxes and additional state and federal school funding:

Year	Property Tax Collections on:			Additional State School Funding	Total
	New Residential Property	The Facility's Property	Total Collections		
1	\$8,773	\$12,260	\$21,032	\$41,250	\$62,282
2	\$8,948	\$10,940	\$19,888	\$42,488	\$62,376
3	\$9,127	\$10,334	\$19,461	\$43,762	\$63,223
4	\$9,309	\$9,730	\$19,039	\$45,075	\$64,114
5	\$9,496	\$9,128	\$18,624	\$46,427	\$65,051
6	\$9,686	\$8,528	\$18,214	\$47,820	\$66,034
7	\$9,879	\$7,931	\$17,810	\$49,255	\$67,065
8	\$10,077	\$7,335	\$17,412	\$50,732	\$68,144
9	\$10,278	\$7,454	\$17,732	\$52,254	\$69,986
10	\$10,484	\$7,574	\$18,058	\$53,822	\$71,880
11	\$10,694	\$7,759	\$18,452	\$55,437	\$73,889
12	\$10,908	\$7,949	\$18,856	\$57,100	\$75,956
13	\$11,126	\$8,145	\$19,270	\$58,813	\$78,083
14	\$11,348	\$8,346	\$19,694	\$60,577	\$80,271
15	\$11,575	\$8,554	\$20,129	\$62,394	\$82,523
16	\$11,807	\$8,768	\$20,575	\$64,266	\$84,841
17	\$12,043	\$8,988	\$21,031	\$66,194	\$87,225
18	\$12,284	\$9,215	\$21,499	\$68,180	\$89,679
19	\$12,529	\$9,449	\$21,978	\$70,225	\$92,204
20	\$12,780	\$9,690	\$22,470	\$72,332	\$94,802
21	\$13,035	\$9,938	\$22,973	\$74,502	\$97,475
22	\$13,296	\$10,193	\$23,490	\$76,737	\$100,227
23	\$13,562	\$10,456	\$24,019	\$79,039	\$103,058
24	\$13,833	\$10,728	\$24,561	\$81,410	\$105,971
25	\$14,110	\$11,007	\$25,117	\$83,853	\$108,969
Total	\$280,986	\$230,399	\$511,384	\$1,503,945	\$2,015,329

Costs of educating children of new workers who move to the district:

Year	Cost of Educating New Students
1	\$39,188
2	\$40,363
3	\$41,574
4	\$42,821
5	\$44,106
6	\$45,429
7	\$46,792
8	\$48,196
9	\$49,642
10	\$51,131
11	\$52,665
12	\$54,245
13	\$55,872
14	\$57,548
15	\$59,275
16	\$61,053
17	\$62,884
18	\$64,771
19	\$66,714
20	\$68,716
21	\$70,777
22	\$72,900
23	\$75,087
24	\$77,340
25	\$79,660
Total	\$1,428,747

Reduction in State aid to the school district as a result of new residential property for the facility's employees and the facility's property being added to the school district's tax rolls:

Year	Reduction in State Aid for the School District
1	\$14,070
2	\$13,305
3	\$13,019
4	\$12,737
5	\$12,459
6	\$12,184
7	\$11,914
8	\$11,648
9	\$11,862
10	\$12,080
11	\$12,344
12	\$12,614
13	\$12,891
14	\$13,175
15	\$13,466
16	\$13,764
17	\$14,069
18	\$14,382
19	\$14,703
20	\$15,031
21	\$15,368
22	\$15,714
23	\$16,068
24	\$16,430
25	\$16,802
Total	\$342,099

Net Benefits for the School District:

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$62,282	\$53,257	\$9,025	\$9,025
2	\$62,376	\$53,668	\$8,708	\$17,733
3	\$63,223	\$54,593	\$8,630	\$26,363
4	\$64,114	\$55,558	\$8,556	\$34,920
5	\$65,051	\$56,564	\$8,486	\$43,406
6	\$66,034	\$57,613	\$8,420	\$51,827
7	\$67,065	\$58,706	\$8,358	\$60,185
8	\$68,144	\$59,844	\$8,301	\$68,486
9	\$69,986	\$61,504	\$8,483	\$76,968
10	\$71,880	\$63,211	\$8,669	\$85,637
11	\$73,889	\$65,009	\$8,880	\$94,517
12	\$75,956	\$66,859	\$9,097	\$103,614
13	\$78,083	\$68,763	\$9,320	\$112,934
14	\$80,271	\$70,723	\$9,548	\$122,483
15	\$82,523	\$72,740	\$9,783	\$132,266
16	\$84,841	\$74,817	\$10,024	\$142,290
17	\$87,225	\$76,953	\$10,272	\$152,562
18	\$89,679	\$79,153	\$10,526	\$163,088
19	\$92,204	\$81,417	\$10,787	\$173,874
20	\$94,802	\$83,747	\$11,055	\$184,929
21	\$97,475	\$86,145	\$11,330	\$196,259
22	\$100,227	\$88,614	\$11,613	\$207,872
23	\$103,058	\$91,155	\$11,903	\$219,775
24	\$105,971	\$93,770	\$12,201	\$231,976
25	\$108,969	\$96,462	\$12,507	\$244,483
Total	\$2,015,329	\$1,770,846	\$244,483	

Benefits for College of the Mainland

Property tax collections:

Year	Property at the Facility			Total Taxes After Abatement	Total
	New Residential Property	Taxes Collected	Taxes Abated		
1	\$1,236	\$1,727	\$0	\$1,727	\$2,963
2	\$1,260	\$1,541	\$0	\$1,541	\$2,802
3	\$1,286	\$1,456	\$0	\$1,456	\$2,741
4	\$1,311	\$1,371	\$0	\$1,371	\$2,682
5	\$1,338	\$1,286	\$0	\$1,286	\$2,623
6	\$1,364	\$1,201	\$0	\$1,201	\$2,566
7	\$1,392	\$1,117	\$0	\$1,117	\$2,509
8	\$1,420	\$1,033	\$0	\$1,033	\$2,453
9	\$1,448	\$1,050	\$0	\$1,050	\$2,498
10	\$1,477	\$1,067	\$0	\$1,067	\$2,544
11	\$1,506	\$1,093	\$0	\$1,093	\$2,599
12	\$1,537	\$1,120	\$0	\$1,120	\$2,656
13	\$1,567	\$1,147	\$0	\$1,147	\$2,715
14	\$1,599	\$1,176	\$0	\$1,176	\$2,774
15	\$1,631	\$1,205	\$0	\$1,205	\$2,836
16	\$1,663	\$1,235	\$0	\$1,235	\$2,898
17	\$1,696	\$1,266	\$0	\$1,266	\$2,963
18	\$1,730	\$1,298	\$0	\$1,298	\$3,029
19	\$1,765	\$1,331	\$0	\$1,331	\$3,096
20	\$1,800	\$1,365	\$0	\$1,365	\$3,165
21	\$1,836	\$1,400	\$0	\$1,400	\$3,236
22	\$1,873	\$1,436	\$0	\$1,436	\$3,309
23	\$1,910	\$1,473	\$0	\$1,473	\$3,383
24	\$1,949	\$1,511	\$0	\$1,511	\$3,460
25	\$1,988	\$1,550	\$0	\$1,550	\$3,538
Total	\$39,582	\$32,456	\$0	\$32,456	\$72,038

Benefits for Galveston Road & Flood

Property tax collections:

Year	Property at the Facility			Total Taxes After Abatement	Total
	New Residential Property	Taxes Collected	Taxes Abated		
1	\$71	\$99	\$0	\$99	\$170
2	\$72	\$89	\$0	\$89	\$161
3	\$74	\$84	\$0	\$84	\$158
4	\$75	\$79	\$0	\$79	\$154
5	\$77	\$74	\$0	\$74	\$151
6	\$78	\$69	\$0	\$69	\$147
7	\$80	\$64	\$0	\$64	\$144
8	\$82	\$59	\$0	\$59	\$141
9	\$83	\$60	\$0	\$60	\$144
10	\$85	\$61	\$0	\$61	\$146
11	\$87	\$63	\$0	\$63	\$149
12	\$88	\$64	\$0	\$64	\$153
13	\$90	\$66	\$0	\$66	\$156
14	\$92	\$68	\$0	\$68	\$159
15	\$94	\$69	\$0	\$69	\$163
16	\$96	\$71	\$0	\$71	\$167
17	\$98	\$73	\$0	\$73	\$170
18	\$99	\$75	\$0	\$75	\$174
19	\$101	\$77	\$0	\$77	\$178
20	\$103	\$78	\$0	\$78	\$182
21	\$106	\$80	\$0	\$80	\$186
22	\$108	\$83	\$0	\$83	\$190
23	\$110	\$85	\$0	\$85	\$194
24	\$112	\$87	\$0	\$87	\$199
25	\$114	\$89	\$0	\$89	\$203
Total	\$2,275	\$1,866	\$0	\$1,866	\$4,141

Benefits for Water Control & Improvement District No. 1

Property tax collections:

Year	New Residential Property	Property at the Facility			Total
		Taxes Collected	Taxes Abated	Total Taxes After Abatement	
1	\$735	\$1,027	\$0	\$1,027	\$1,762
2	\$750	\$917	\$0	\$917	\$1,666
3	\$765	\$866	\$0	\$866	\$1,630
4	\$780	\$815	\$0	\$815	\$1,595
5	\$796	\$765	\$0	\$765	\$1,560
6	\$811	\$714	\$0	\$714	\$1,526
7	\$828	\$664	\$0	\$664	\$1,492
8	\$844	\$615	\$0	\$615	\$1,459
9	\$861	\$624	\$0	\$624	\$1,486
10	\$878	\$635	\$0	\$635	\$1,513
11	\$896	\$650	\$0	\$650	\$1,546
12	\$914	\$666	\$0	\$666	\$1,580
13	\$932	\$682	\$0	\$682	\$1,614
14	\$951	\$699	\$0	\$699	\$1,650
15	\$970	\$717	\$0	\$717	\$1,686
16	\$989	\$735	\$0	\$735	\$1,724
17	\$1,009	\$753	\$0	\$753	\$1,762
18	\$1,029	\$772	\$0	\$772	\$1,801
19	\$1,050	\$792	\$0	\$792	\$1,841
20	\$1,071	\$812	\$0	\$812	\$1,882
21	\$1,092	\$833	\$0	\$833	\$1,925
22	\$1,114	\$854	\$0	\$854	\$1,968
23	\$1,136	\$876	\$0	\$876	\$2,012
24	\$1,159	\$899	\$0	\$899	\$2,058
25	\$1,182	\$922	\$0	\$922	\$2,104
Total	\$23,541	\$19,302	\$0	\$19,302	\$42,843

Benefits for Dickinson Management District No. 1

Sales tax collections:

Year	On Direct and Indirect Workers' Spending	On Visitors' Spending	Taxable Sales at the Facility	The Facility's Local Purchases and Taxable Utilities	Total
1	\$915	\$0	\$26,875	\$4,059	\$31,849
2	\$937	\$0	\$27,681	\$4,181	\$32,799
3	\$961	\$0	\$28,512	\$1,927	\$31,400
4	\$985	\$0	\$29,367	\$1,980	\$32,332
5	\$1,009	\$0	\$30,248	\$2,034	\$33,292
6	\$1,035	\$0	\$31,155	\$2,090	\$34,280
7	\$1,061	\$0	\$32,090	\$2,147	\$35,298
8	\$1,087	\$0	\$33,053	\$2,206	\$36,346
9	\$1,114	\$0	\$34,044	\$2,266	\$37,425
10	\$1,142	\$0	\$35,066	\$2,328	\$38,536
11	\$1,171	\$0	\$36,118	\$2,398	\$39,687
12	\$1,200	\$0	\$37,201	\$2,470	\$40,871
13	\$1,230	\$0	\$38,317	\$2,544	\$42,092
14	\$1,261	\$0	\$39,467	\$2,621	\$43,348
15	\$1,292	\$0	\$40,651	\$2,699	\$44,642
16	\$1,324	\$0	\$41,870	\$2,780	\$45,975
17	\$1,358	\$0	\$43,126	\$2,864	\$47,348
18	\$1,392	\$0	\$44,420	\$2,950	\$48,761
19	\$1,426	\$0	\$45,753	\$3,038	\$50,217
20	\$1,462	\$0	\$47,125	\$3,129	\$51,717
21	\$1,499	\$0	\$48,539	\$3,223	\$53,261
22	\$1,536	\$0	\$49,995	\$3,320	\$54,851
23	\$1,574	\$0	\$51,495	\$3,419	\$56,489
24	\$1,614	\$0	\$53,040	\$3,522	\$58,176
25	\$1,654	\$0	\$54,631	\$3,628	\$59,913
Total	\$31,237	\$0	\$979,843	\$69,823	\$1,080,903

Rent revenues from the facility:

Year	Rent Revenues
1	\$180,000
2	\$183,600
3	\$187,272
4	\$191,017
5	\$194,838
6	\$266,304
7	\$271,630
8	\$277,063
9	\$282,604
10	\$288,256
11	\$329,128
12	\$335,711
13	\$342,425
14	\$349,274
15	\$356,259
16	\$363,384
17	\$370,652
18	\$378,065
19	\$385,626
20	\$393,339
21	\$534,941
22	\$545,640
23	\$556,553
24	\$567,684
25	\$579,037
Total	\$8,710,305

EDA Grant to be Received and Value of Building to DEDC when Bonds Paid Off:

Year	EDA Grant	Value of Building	Total
1	\$0		\$0
2	\$0		\$0
3	\$3,000,000		\$3,000,000
4	\$0		\$0
5	\$0		\$0
6	\$0		\$0
7	\$0		\$0
8	\$0		\$0
9	\$0		\$0
10	\$0		\$0
11	\$0		\$0
12	\$0		\$0
13	\$0		\$0
14	\$0		\$0
15	\$0		\$0
16	\$0		\$0
17	\$0		\$0
18	\$0		\$0
19	\$0		\$0
20	\$0		\$0
21	\$0	#####	\$10,698,821
22	\$0	\$0	\$0
23	\$0	\$0	\$0
24	\$0	\$0	\$0
25	\$0	\$0	\$0
Total	\$3,000,000	#####	\$13,698,821

Debt service:

Year	Debt Service
1	\$774,363
2	\$774,363
3	\$3,551,234
4	\$551,234
5	\$551,234
6	\$551,234
7	\$551,234
8	\$551,234
9	\$551,234
10	\$551,234
11	\$551,234
12	\$551,234
13	\$551,234
14	\$551,234
15	\$551,234
16	\$551,234
17	\$551,234
18	\$551,234
19	\$551,234
20	\$551,234
21	\$0
22	\$0
23	\$0
24	\$0
25	\$0
Total	\$14,470,938

Costs and benefits for Dickinson Management District No. 1:

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$211,849	\$774,363	(\$562,514)	(\$562,514)
2	\$216,399	\$774,363	(\$557,964)	(\$1,120,478)
3	\$3,218,672	\$3,551,234	(\$332,562)	(\$1,453,040)
4	\$223,349	\$551,234	(\$327,885)	(\$1,780,925)
5	\$228,129	\$551,234	(\$323,105)	(\$2,104,030)
6	\$300,584	\$551,234	(\$250,650)	(\$2,354,679)
7	\$306,928	\$551,234	(\$244,306)	(\$2,598,985)
8	\$313,409	\$551,234	(\$237,825)	(\$2,836,811)
9	\$320,029	\$551,234	(\$231,205)	(\$3,068,016)
10	\$326,793	\$551,234	(\$224,441)	(\$3,292,457)
11	\$368,815	\$551,234	(\$182,419)	(\$3,474,876)
12	\$376,582	\$551,234	(\$174,652)	(\$3,649,527)
13	\$384,517	\$551,234	(\$166,717)	(\$3,816,245)
14	\$392,622	\$551,234	(\$158,612)	(\$3,974,857)
15	\$400,902	\$551,234	(\$150,332)	(\$4,125,189)
16	\$409,360	\$551,234	(\$141,874)	(\$4,267,064)
17	\$418,000	\$551,234	(\$133,234)	(\$4,400,298)
18	\$426,827	\$551,234	(\$124,407)	(\$4,524,705)
19	\$435,844	\$551,234	(\$115,390)	(\$4,640,096)
20	\$445,056	\$551,234	(\$106,178)	(\$4,746,274)
21	\$11,287,023	\$0	\$11,287,023	\$6,540,749
22	\$600,491	\$0	\$600,491	\$7,141,240
23	\$613,042	\$0	\$613,042	\$7,754,282
24	\$625,860	\$0	\$625,860	\$8,380,141
25	\$638,950	\$0	\$638,950	\$9,019,092
Total	\$23,490,030	\$14,470,938	\$9,019,092	

DIVIDER PAGE

Summary of the Economic Impact of Gulf Coast Public Market's Proposed Sites on Highway 3 and the Interstate in Dickinson, Texas

March 6, 2020

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Introduction

Impact DataSource, LLC, an Austin, Texas economic consulting, research and analysis firm conducted economic analyses of the Gulf Coast Public Market in Dickinson for two proposed sites. The purpose of the analysis of each site was to calculate the economic impact of each facility on Dickinson's economy and costs and benefits for local taxing districts, particularly the Dickinson Economic Development Corporation, during construction and over the first twenty-five years of operations of each market.

This summary presents Impact DataSource's conclusion, next, followed by the key economic impacts and costs and benefits from each impact analysis conducted by Impact DataSource.

Conclusion of the Analysis

DEDC is considering constructing a \$10 million, 30,000 square foot public market and financing the project by issuing 20 year bonds that will be repaid by DEDC. Revenues for DEDC will consist of (1) rents to tenants of the facility, along with (2) some sales taxes that will be collected from tenant sales, (3) a possible \$3 million EDA Harvey grant and (4) value of the facility that DEDC will own outright once bonds financing the facility are retired.

Conclusion: Because estimated revenues from market rents on the space, likely to be paid by tenants, are much less than debt service that DEDC must pay on the bonds, the facility will not cash flow for DEDC over the first 20 years. It will lose an estimated \$7.62 million, as shown below, if the Hwy 3 facility is built over the first 20 years and \$4.7 million if the I-45 facility is built -- funds that DEDC will need to inject into the operations of the facility, whichever if built, from other sources.

DEDC's Net Income/(Loss) on the Operations of the Facilities				
	Hwy 3 Facility		I-45 Facility	
	Over 20 Years	Over 25 Years of this Analysis	Over 20 Years	Over 25 Years of this Analysis
Revenues/benefits:				
Net rent revenues	\$3,292,473	\$4,839,059	\$5,926,451	\$8,710,305
Sales taxes	\$555,551	\$751,713	\$798,213	\$1,080,903
EDA grant	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
Value of building to be owned after bonds are retired		\$5,943,790		\$10,698,821
Subtotal of revenues/benefits	\$6,848,024	\$14,534,561	\$9,724,664	\$23,490,030
Costs:				
Debt service costs	\$14,470,938	\$14,470,938	\$14,470,938	\$14,470,938
Net income/(loss) on the operations of the facility	(\$7,622,914)	\$63,623	(\$4,746,274)	\$9,019,092

About the Planned Market

Dickinson Economic Development Corporation is considering building and operating Gulf Coast Public Market in Dickinson, Texas. The following two sites for the market are being evaluated:

- 3.5 acre site on at 4512 Highway 3 and
- 19 acre on Interstate 45.

The market will be about 30,000 square of which 20,000 square feet will be leased to tenant with will include two fast casual/fast food restaurants and 25 retail shops.

Some other characteristics of each facility are shown below:

Some Other Characteristics of the Facility		
	Hwy 3	I-45
Number of direct jobs to be created	65	75
Average annual salaries for these direct workers	\$29,120	\$29,120
Tenants' business personal property to be added to tax rolls	\$445,000	\$545,000
Average annual rents on tenant space per square foot	\$10	\$18

The facility will cost about \$10 million to construct and DEDC will issue 20-year, 4.5% revenues bonds to fund construction of the facility.

Some Economic Impacts During Construction

Construction of the market, at each site, may support an estimated \$12.6 million in direct and indirect gross area product or economic activity in area during its construction, an estimated 65 total direct and indirect jobs each year during construction of the project, and total direct and indirect salaries estimated to be \$4.04 million. This activity may generate the following revenues for the City of Dickinson and Dickinson Management District No. 1/DEDC:

City and DMD # 1 Revenues During Construction of the Project			
	City	DMD # 1	Total
Sales taxes	\$10,115	\$3,372	\$13,486
Building permits and fees	\$70,000		\$70,000
Total	\$80,115	\$3,372	\$83,486

Some Economic Impacts From the Operations of the Facility over Twenty-Five Years

The facility will have the following economic impact on the Dickinson area over the first twenty-five years of operations:

Economic Impact over the First Twenty-Five Years of Operations of the Facility		
	Hwy 3	I-45
Total number of permanent direct and indirect jobs to be created	95	110
Number of direct and indirect workers who will move to the City	9	11
Number of new residents in the City	27	33
Number of new residential properties to be built in the City	2	3
Number of new students expected in Dickinson ISD	7	8
Salaries to be paid to direct and indirect workers	\$81,926,899	\$96,115,357
Taxable sales and purchases expected in the City	\$150,342,642	\$216,180,612
The value of new residential property to be built for direct and indirect workers who move to the City by Year 10	\$591,571	\$723,031
The facility's assets added to local tax rolls by tenants	\$800,000	\$900,000

Summary of Costs and Benefits for Local Taxing Districts from the Operations of the Facility over Twenty-Five Years

The additional public benefits less additional public costs will result in the following net benefits for the City, County and other local taxing districts over the first twenty-five years of the facility's operation:

Highway 3 Site

Net Benefits for Local Taxing Districts Over the First Twenty-Five Years of the Facility's Operation			
	Benefits	Costs	Net Benefits
City of Dickinson	\$5,935,239	\$4,365,328	\$1,569,910
Galveston County	\$192,566	\$43,241	\$149,325
Dickinson ISD	\$1,680,487	\$1,470,001	\$210,486
College of the Mainland	\$63,389	\$0	\$63,389
Galveston Road & Flood	\$3,644	\$0	\$3,644
Water Control & Imp. Dist. No. 1	\$37,699	\$0	\$37,699
Dickinson Management District No. 1	\$14,534,561	\$14,470,938	\$63,623
Total	\$22,447,584	\$20,349,508	\$2,098,076

I-45 Site

Net Benefits for Local Taxing Districts Over the First Twenty-Five Years of the Facility's Operation			
	Benefits	Costs	Net Benefits
City of Dickinson	\$7,013,868	\$4,467,185	\$2,546,683
Galveston County	\$221,931	\$52,850	\$169,081
Dickinson ISD	\$2,015,329	\$1,770,846	\$244,483
College of the Mainland	\$72,038	\$0	\$72,038
Galveston Road & Flood	\$4,141	\$0	\$4,141
Water Control & Imp. Dist. No. 1	\$42,843	\$0	\$42,843
Dickinson Management District No. 1	\$23,490,030	\$14,470,938	\$9,019,092
Total	\$32,860,179	\$20,761,819	\$12,098,361

Bonds to be Issued by DEDC to Finance the Facility

DEDC will finance construction of the facility by issuing bonds.

The terms of the bonds to be issued and annual debt service payments may be as following:

Estimated Terms of Bonds to be Issued	
Amount needed for construction costs	\$10,000,000
Term in years	20
Interest rate	4.50%
Bond issuing cost as a percent	2%
Estimated bonds to be issued	\$10,200,000
Estimated annual debt service payments	\$774,363

If a \$3 million EDC grant is used to reduce the principal amount of the bonds in year 3, for example, the payments beginning in year 3 could be as follows:

Estimated Debt Service Payments Beginning in Year 3	
Estimated annual debt service payments	\$551,234

If this is the case, DEDC will make estimated annual debt service payments on the bonds over twenty years as shown on the following page:

Estimated Debt Service Payments	
Year 1	\$774,363
Year 2	\$774,363
Year 3	\$3,551,234 *
Year 4	\$551,234
Year 5	\$551,234
Year 6	\$551,234
Year 7	\$551,234
Year 8	\$551,234
Year 9	\$551,234
Year 10	\$551,234
Year 11	\$551,234
Year 12	\$551,234
Year 13	\$551,234
Year 14	\$551,234
Year 15	\$551,234
Year 16	\$551,234
Year 17	\$551,234
Year 18	\$551,234
Year 19	\$551,234
Year 20	\$551,234
Total	\$14,470,938

**Annual debt service plus \$3 million EDA grant to be used by DEDC to reduce bond principal*

Rent Revenues to be Collected from Tenants in the Facility

DEDC will build and own the facility and collect rents from tenants in the facility leasing about 20,000 sf of space. In addition, DEDC may provide some rent subsidies. The estimated annual rents per square foot, percentage of rent subsidies and net rent collections are shown below.

Rent Revenues for DEDC over Twenty-Five Years		
	Hwy 3	I-45
Initial average annual rents per square foot	\$10	\$18
Estimated annual increase	2%	2%
Rent subsidies in three time periods:		
Percent	50%	50%
Length of subsidies in years	First five years	First five years
Percent	33%	33%
Length of subsidies in years	Next five years	Next five years
Percent	25%	25%
Length of subsidies in years	Next ten years	Next ten years
Net rent revenues after subsidies:		
	Hwy 3	I-45
Year 1	\$100,000	\$180,000
Year 2	\$102,000	\$183,600
Year 3	\$104,040	\$187,272
Year 4	\$106,121	\$191,017
Year 5	\$108,243	\$194,838
Year 6	\$147,947	\$266,304
Year 7	\$150,906	\$271,630
Year 8	\$153,924	\$277,063
Year 9	\$157,002	\$282,604
Year 10	\$160,142	\$288,256
Year 11	\$182,849	\$329,128
Year 12	\$186,506	\$335,711
Year 13	\$190,236	\$342,425
Year 14	\$194,041	\$349,274
Year 15	\$197,922	\$356,259
Year 16	\$201,880	\$363,384
Year 17	\$205,918	\$370,652
Year 18	\$210,036	\$378,065
Year 19	\$214,237	\$385,626
Year 20	\$218,522	\$393,339
Year 21	\$297,189	\$534,941
Year 22	\$303,133	\$545,640
Year 23	\$309,196	\$556,553
Year 24	\$315,380	\$567,684
Year 25	\$321,687	\$579,037
Total	\$4,839,059	\$8,710,305

Estimated Market Value of the Facility to DEDC When Bonds are Paid off in Twenty Years

When bonds to construct the facility are paid off in twenty years and DEDC owns the facility without debt, the minimum value of the facility may be its market value based on a capitalization rate. A possible minimum value using this approach could be as follows:

Estimated Minimum Market Value of the Facility in Twenty-Five Years Using a Cap Rate		
	Hwy 3	I-45
Estimated annual rents in Year 21	\$297,189	\$534,941
Estimated capitalization rate as a percent	5%	5%
Estimated minimum market value	\$5,943,790	\$10,698,821

Analysis of Possible DEDC Incentives and Investment in the Facility

DEDC is considering incentives and investing the following amounts in the facility:

DEDC Incentives and Investments in the Facility		
	Hwy 3	I-45
Net investment in the facility:		
Debt service on bonds to finance the facility	\$14,470,938	\$14,470,938
Market value of the facility to be owned by DEDC once bonds are retired	\$5,943,790	\$10,698,821
Net investment	\$8,527,148	\$3,772,117
Rent subsidies to tenants over twenty years	\$1,567,001	\$2,820,603
Total DEDC investment and rent subsidies	\$10,094,150	\$6,592,719

If the above other financial incentives are offered to the facility, the incentives may be considered as investments that the City through DEDC is making in the facility.

Four calculations analyzing this possible investment were made -- net benefits, discounted cash flow, rate of return on investment and payback period. Net benefits and discounted cash flow for the City and DEDC are scheduled on previous pages. Rate of return on investment and payback period are discussed and scheduled below.

Rate of return on investment is the City/DEDC's average annual rate of return from additional revenues that the City/DEDC will receive on the investment and incentive that the DEDC may make in the facility.

Payback period is the number of years that it will take the City/DEDC to recover the costs of investments and incentives from revenues that they will receive from the facility and its workers.

Average annual rates of return on investment each year over the first twenty-five years of operations and payback periods for the possible levels of incentives are shown below.

Rates of Return Over Twenty Years and Payback Period for Possible DEDC Investments and Incentives			
Location	Investment and Incentives	Annual Rate of Return	Payback Period (In years)
Hwy 3	\$10,094,150	1.1%	36.80
I-45	\$6,592,719	7.8%	20.74

**Schedules of Costs and Benefits for Benefits for
Water Control & Improvement District No. 1/DEDC
for Hwy 3 Site**

Benefits for Dickinson Management District No. 1

Sales tax collections:

Year	On Direct and Indirect Workers' Spending	On Visitors' Spending	Taxable Sales at the Facility	The Facility's Local Purchases and Taxable Utilities	Total
1	\$793	\$0	\$18,250	\$3,782	\$22,824
2	\$812	\$0	\$18,798	\$3,895	\$23,505
3	\$833	\$0	\$19,361	\$1,633	\$21,827
4	\$854	\$0	\$19,942	\$1,677	\$22,473
5	\$875	\$0	\$20,541	\$1,722	\$23,137
6	\$897	\$0	\$21,157	\$1,768	\$23,822
7	\$919	\$0	\$21,791	\$1,816	\$24,526
8	\$942	\$0	\$22,445	\$1,864	\$25,252
9	\$966	\$0	\$23,119	\$1,915	\$25,999
10	\$990	\$0	\$23,812	\$1,966	\$26,768
11	\$1,015	\$0	\$24,526	\$2,025	\$27,566
12	\$1,040	\$0	\$25,262	\$2,086	\$28,388
13	\$1,066	\$0	\$26,020	\$2,149	\$29,235
14	\$1,093	\$0	\$26,801	\$2,213	\$30,106
15	\$1,120	\$0	\$27,605	\$2,279	\$31,004
16	\$1,148	\$0	\$28,433	\$2,348	\$31,929
17	\$1,177	\$0	\$29,286	\$2,418	\$32,881
18	\$1,206	\$0	\$30,164	\$2,491	\$33,861
19	\$1,236	\$0	\$31,069	\$2,566	\$34,871
20	\$1,267	\$0	\$32,001	\$2,643	\$35,911
21	\$1,299	\$0	\$32,962	\$2,722	\$36,982
22	\$1,331	\$0	\$33,950	\$2,803	\$38,085
23	\$1,364	\$0	\$34,969	\$2,888	\$39,221
24	\$1,399	\$0	\$36,018	\$2,974	\$40,391
25	\$1,434	\$0	\$37,098	\$3,063	\$41,595
Total	\$27,072	\$0	\$665,382	\$59,705	\$752,159

Rent revenues from the facility:

Year	Rent Revenues
1	\$100,000
2	\$102,000
3	\$104,040
4	\$106,121
5	\$108,243
6	\$147,947
7	\$150,906
8	\$153,924
9	\$157,002
10	\$160,142
11	\$182,849
12	\$186,506
13	\$190,236
14	\$194,041
15	\$197,922
16	\$201,880
17	\$205,918
18	\$210,036
19	\$214,237
20	\$218,522
21	\$297,189
22	\$303,133
23	\$309,196
24	\$315,380
25	\$321,687
Total	\$4,839,059

EDA Grant to be Received and Value of Building to DEDC when Bonds Paid Off:

Year	EDA Grant	Value of Building	Total
1	\$0		\$0
2	\$0		\$0
3	\$3,000,000		\$3,000,000
4	\$0		\$0
5	\$0		\$0
6	\$0		\$0
7	\$0		\$0
8	\$0		\$0
9	\$0		\$0
10	\$0		\$0
11	\$0		\$0
12	\$0		\$0
13	\$0		\$0
14	\$0		\$0
15	\$0		\$0
16	\$0		\$0
17	\$0		\$0
18	\$0		\$0
19	\$0		\$0
20	\$0		\$0
21	\$0	\$5,943,790	\$5,943,790
22	\$0	\$0	\$0
23	\$0	\$0	\$0
24	\$0	\$0	\$0
25	\$0	\$0	\$0
Total	\$3,000,000	\$5,943,790	\$8,943,790

Debt service:

Year	Debt Service
1	\$774,363
2	\$774,363
3	\$3,551,234
4	\$551,234
5	\$551,234
6	\$551,234
7	\$551,234
8	\$551,234
9	\$551,234
10	\$551,234
11	\$551,234
12	\$551,234
13	\$551,234
14	\$551,234
15	\$551,234
16	\$551,234
17	\$551,234
18	\$551,234
19	\$551,234
20	\$551,234
21	\$0
22	\$0
23	\$0
24	\$0
25	\$0
Total	\$14,470,938

Costs and benefits for Dickinson Management District No. 1:

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$122,824	\$774,363	(\$651,539)	(\$651,539)
2	\$125,505	\$774,363	(\$648,858)	(\$1,300,397)
3	\$3,125,867	\$3,551,234	(\$425,367)	(\$1,725,764)
4	\$128,593	\$551,234	(\$422,641)	(\$2,148,405)
5	\$131,380	\$551,234	(\$419,854)	(\$2,568,258)
6	\$171,768	\$551,234	(\$379,466)	(\$2,947,724)
7	\$175,432	\$551,234	(\$375,802)	(\$3,323,526)
8	\$179,176	\$551,234	(\$372,058)	(\$3,695,584)
9	\$183,001	\$551,234	(\$368,233)	(\$4,063,817)
10	\$186,911	\$551,234	(\$364,323)	(\$4,428,140)
11	\$210,415	\$551,234	(\$340,819)	(\$4,768,959)
12	\$214,894	\$551,234	(\$336,340)	(\$5,105,299)
13	\$219,471	\$551,234	(\$331,763)	(\$5,437,062)
14	\$224,147	\$551,234	(\$327,087)	(\$5,764,148)
15	\$228,926	\$551,234	(\$322,308)	(\$6,086,456)
16	\$233,809	\$551,234	(\$317,425)	(\$6,403,881)
17	\$238,799	\$551,234	(\$312,435)	(\$6,716,317)
18	\$243,898	\$551,234	(\$307,336)	(\$7,023,653)
19	\$249,108	\$551,234	(\$302,126)	(\$7,325,779)
20	\$254,433	\$551,234	(\$296,801)	(\$7,622,580)
21	\$6,277,961	\$0	\$6,277,961	(\$1,344,619)
22	\$341,218	\$0	\$341,218	(\$1,003,401)
23	\$348,417	\$0	\$348,417	(\$654,984)
24	\$355,771	\$0	\$355,771	(\$299,213)
25	\$363,283	\$0	\$363,283	\$64,070
Total	\$14,535,008	\$14,470,938	\$64,070	

**Schedules of Costs and Benefits for Benefits for
Water Control & Improvement District No. 1/DEDC
for I-45 Site**

Sales tax collections:

Year	On Direct and Indirect Workers' Spending	On Visitors' Spending	Taxable Sales at the Facility	The Facility's Local Purchases and Taxable Utilities	Total
1	\$915	\$0	\$26,875	\$4,059	\$31,849
2	\$937	\$0	\$27,681	\$4,181	\$32,799
3	\$961	\$0	\$28,512	\$1,927	\$31,400
4	\$985	\$0	\$29,367	\$1,980	\$32,332
5	\$1,009	\$0	\$30,248	\$2,034	\$33,292
6	\$1,035	\$0	\$31,155	\$2,090	\$34,280
7	\$1,061	\$0	\$32,090	\$2,147	\$35,298
8	\$1,087	\$0	\$33,053	\$2,206	\$36,346
9	\$1,114	\$0	\$34,044	\$2,266	\$37,425
10	\$1,142	\$0	\$35,066	\$2,328	\$38,536
11	\$1,171	\$0	\$36,118	\$2,398	\$39,687
12	\$1,200	\$0	\$37,201	\$2,470	\$40,871
13	\$1,230	\$0	\$38,317	\$2,544	\$42,092
14	\$1,261	\$0	\$39,467	\$2,621	\$43,348
15	\$1,292	\$0	\$40,651	\$2,699	\$44,642
16	\$1,324	\$0	\$41,870	\$2,780	\$45,975
17	\$1,358	\$0	\$43,126	\$2,864	\$47,348
18	\$1,392	\$0	\$44,420	\$2,950	\$48,761
19	\$1,426	\$0	\$45,753	\$3,038	\$50,217
20	\$1,462	\$0	\$47,125	\$3,129	\$51,717
21	\$1,499	\$0	\$48,539	\$3,223	\$53,261
22	\$1,536	\$0	\$49,995	\$3,320	\$54,851
23	\$1,574	\$0	\$51,495	\$3,419	\$56,489
24	\$1,614	\$0	\$53,040	\$3,522	\$58,176
25	\$1,654	\$0	\$54,631	\$3,628	\$59,913
Total	\$31,237	\$0	\$979,843	\$69,823	\$1,080,903

Rent revenues from the facility:

Year	Rent Revenues
1	\$180,000
2	\$183,600
3	\$187,272
4	\$191,017
5	\$194,838
6	\$266,304
7	\$271,630
8	\$277,063
9	\$282,604
10	\$288,256
11	\$329,128
12	\$335,711
13	\$342,425
14	\$349,274
15	\$356,259
16	\$363,384
17	\$370,652
18	\$378,065
19	\$385,626
20	\$393,339
21	\$534,941
22	\$545,640
23	\$556,553
24	\$567,684
25	\$579,037
Total	\$8,710,305

EDA Grant to be Received and Value of Building to DEDC when Bonds Paid Off:

Year	EDA Grant	Value of Building	Total
1	\$0		\$0
2	\$0		\$0
3	\$3,000,000		\$3,000,000
4	\$0		\$0
5	\$0		\$0
6	\$0		\$0
7	\$0		\$0
8	\$0		\$0
9	\$0		\$0
10	\$0		\$0
11	\$0		\$0
12	\$0		\$0
13	\$0		\$0
14	\$0		\$0
15	\$0		\$0
16	\$0		\$0
17	\$0		\$0
18	\$0		\$0
19	\$0		\$0
20	\$0		\$0
21	\$0	\$10,698,821	\$10,698,821
22	\$0	\$0	\$0
23	\$0	\$0	\$0
24	\$0	\$0	\$0
25	\$0	\$0	\$0
Total	\$3,000,000	\$10,698,821	\$13,698,821

Debt service:

Year	Debt Service
1	\$774,363
2	\$774,363
3	\$3,551,234
4	\$551,234
5	\$551,234
6	\$551,234
7	\$551,234
8	\$551,234
9	\$551,234
10	\$551,234
11	\$551,234
12	\$551,234
13	\$551,234
14	\$551,234
15	\$551,234
16	\$551,234
17	\$551,234
18	\$551,234
19	\$551,234
20	\$551,234
21	\$0
22	\$0
23	\$0
24	\$0
25	\$0
Total	\$14,470,938

Costs and benefits for Dickinson Management District No. 1:

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$211,849	\$774,363	(\$562,514)	(\$562,514)
2	\$216,399	\$774,363	(\$557,964)	(\$1,120,478)
3	\$3,218,672	\$3,551,234	(\$332,562)	(\$1,453,040)
4	\$223,349	\$551,234	(\$327,885)	(\$1,780,925)
5	\$228,129	\$551,234	(\$323,105)	(\$2,104,030)
6	\$300,584	\$551,234	(\$250,650)	(\$2,354,679)
7	\$306,928	\$551,234	(\$244,306)	(\$2,598,985)
8	\$313,409	\$551,234	(\$237,825)	(\$2,836,811)
9	\$320,029	\$551,234	(\$231,205)	(\$3,068,016)
10	\$326,793	\$551,234	(\$224,441)	(\$3,292,457)
11	\$368,815	\$551,234	(\$182,419)	(\$3,474,876)
12	\$376,582	\$551,234	(\$174,652)	(\$3,649,527)
13	\$384,517	\$551,234	(\$166,717)	(\$3,816,245)
14	\$392,622	\$551,234	(\$158,612)	(\$3,974,857)
15	\$400,902	\$551,234	(\$150,332)	(\$4,125,189)
16	\$409,360	\$551,234	(\$141,874)	(\$4,267,064)
17	\$418,000	\$551,234	(\$133,234)	(\$4,400,298)
18	\$426,827	\$551,234	(\$124,407)	(\$4,524,705)
19	\$435,844	\$551,234	(\$115,390)	(\$4,640,096)
20	\$445,056	\$551,234	(\$106,178)	(\$4,746,274)
21	\$11,287,023	\$0	\$11,287,023	\$6,540,749
22	\$600,491	\$0	\$600,491	\$7,141,240
23	\$613,042	\$0	\$613,042	\$7,754,282
24	\$625,860	\$0	\$625,860	\$8,380,141
25	\$638,950	\$0	\$638,950	\$9,019,092
Total	\$23,490,030	\$14,470,938	\$9,019,092	

ITEM 7

Public Comments

ITEM 8

Consent Agenda

ITEM 8A

Julie Masters, Mayor
Charles Suderman, Mayor Pro Tem
Sean Skipworth
Walter Wilson

MINUTES
City of Dickinson
CITY COUNCIL
REGULAR MEETING

Wally Deats
Louis Decker
William H. King III
Chris Heard, City Administrator

March 24, 2020

The Dickinson City Council met in a duly called and announced **REGULAR MEETING** on **Tuesday, March 24, 2020, at 7:00 p.m.** In accordance with order of the Office of the Governor issued March 16, 2020, the City Council of the City of Dickinson, Texas conducted the meeting by telephone conference in order to advance the public health goal of limiting face-to-face meetings (also called “social distancing”) to slow the spread of the Coronavirus (COVID-19). The meeting was held for the purpose of considering the following items:

ITEM 1.) CALL TO ORDER AND CERTIFICATION OF A QUORUM

Mayor Masters called the meeting to order at 7:02 p.m. City Secretary Alun Thomas called roll and certified a quorum. Council Members present were as follows: Mayor Julie Masters, Mayor Pro-Tem Charles Suderman, and Council Members Sean Skipworth, Walter Wilson, Wally Deats, Louis Decker, and William H. King, III. Also present were City Attorney David Olson, City Administrator Chris Heard, and Emergency Medical Services Director/Co-Emergency Management Coordinator Derek Hunt.

ITEM 2.) INVOCATION

Council Member King gave the invocation.

ITEM 3.) PLEDGE OF ALLEGIANCE

Council Member Suderman led the Pledge of Allegiance.

ITEM 4.) PROCLAMATIONS

A. Child Abuse Awareness Month

Because the meeting was held by telephone conference, Mayor Masters did not read the proclamation. She commented that child abuse is a very serious issue and that in these times of social distancing, child abuse and domestic abuse is expected to rise. Victims are encouraged to reach out to a hotline for help: 1-800-252-5400.

ITEM 5.) ANNOUNCEMENTS AND PRESENTATIONS

A. Council Comments.

- Mayor Masters thanked the citizens of Dickinson for cooperating with the recommended precautions designed to prevent the rapid spread

of Coronavirus (COVID-19). The Council also thanked Dickinson Independent School District and parents for working with our community's children during these trying times, and reminded all young adults that the virus is very serious and does not discriminate based on age.

- The Knights of Columbus will host a fish fry on Friday, and again on the following Friday. The organization has been in contact with the Galveston County Health District to ensure that it complies with all Coronavirus-related recommendations.
- Next month is April, which marks the 52nd year that April has been designated as Fair Housing Month in recognition of the importance of Fair Housing laws and practices.
- Council Member King gave an update on the most recent meeting of Houston-Galveston Area Council, which was held by teleconference.
- Communication from the City is a high priority. Today, notifications from the City's website went out to subscribers informing them of updates that were made to the site. Interested citizens are encouraged to sign up for RSS ("Really Simple Syndication") feeds from the City's website by visiting and following the directions on the webpage: <http://www.ci.dickinson.tx.us/rss.aspx>. City Administrator Chris Heard informed Council that he was responsible for setting the notifications up, noting that the template that he used had not been updated since 2010. Mr. Heard's assistant, Kerilyn Bascle, will work on it more tomorrow, and more will come in the next week. Mr. Heard learned today that notifications of updates to the City's webpages are not automatically sent.
- The railroad crossing on East FM 517 is now much smoother than before. Thank you to all involved.
- Thank you to Sarah Haywood, Shelter Manager for Bayou Animal Services, and to the staff, volunteers, and citizens who answered the shelter's plea for foster homes for its animals. Although some of the animals will be returned to the shelter, the shelter is currently empty. This touching display of compassion by the community is greatly appreciated.

ITEM 6.) REPORTS

Mayor Masters said that there were no reports on the agenda, but noted that the Fiscal Year 2019-2020 Revenue & Expenditure Report for Period Ending February 29, 2020 was included at the end of the Council Packet for everyone's information.

ITEM 7.) PUBLIC COMMENTS: At this time, any person with city-related business may speak to the Council. In compliance with the Texas Open Meetings Act, The City Council may not deliberate. **Comments from the public should be limited to a maximum of three (3) minutes per individual speaker.**

Gabrielle Bernal, 87 Freedom Heights, Enterprise, Alabama – Ms. Bernal read aloud the letter that he had emailed to Council on March 23, 2020. As a former assistant to City Administrator Chris Heard, she described his job performance at the time as inadequate, saying that his chronic absenteeism had a detrimental effect on employee morale and the City’s ability to make progress on serious issues. Ms. Bernal said that Mr. Heard frequently directed her to work on his own personal matters instead of on City business, and that he was known to often make unprofessional, sexist, and crude comments to staff. She concluded her comments by asking Council to seriously consider if Mr. Heard, with his lack of interpersonal skills and ethical fortitude, is the right person to lead the City staff. During Ms. Bernal’s comments, Mayor Masters left the meeting at 7:26 p.m.

H Scott Apley, 4905 East 34th Street, Dickinson, Texas – Mr. Apley addressed Council concerning City Administrator Chris Heard’s contract renewal, which is scheduled for later in this meeting. He said that Mr. Heard does not respond to citizens, and that he knows that Mr. Heard has been formally reprimanded by City Council for his personal behavior on the job. Mr. Apley urged Council to not renew Mr. Heard’s contract but said that his work performance is not even the primary reason for his request. Mr. Heard lays back in his chair during Council meetings when citizens address him, and he addressed members of Council in a way that would have anyone else fired from their job. Six former City employees recently sent a letter to City Council expressing Mr. Heard’s flaws, and Mr. Apley knows that several current City employees are waiting for the outcome of Mr. Heard’s contract negotiation tonight to know whether to seek employment elsewhere. During Mr. Apley’s comments, Mayor Masters returned to the meeting at 7:28 p.m.

Mary Dunbaugh, 2701 Colonial Drive, Dickinson, Texas – Ms. Dunbaugh lamented the hatemongering that she has witnessed on social media. She said that there is a great difference between being on City Council and being a member of the public, and said that she supports keeping City Administrator Chris Heard employed by the City during this Coronavirus crisis. Ms. Dunbaugh also expressed her sadness that Dickinson Economic Development Corporation has decided that it should not proceed with the construction and operation of the proposed public market.

Debbie Turner, 4905 East 29th Street, Dickinson, Texas – Ms. Turner was upset that the meeting was being held by telephone conference and said that she would reserve her comments until the next in-person meeting of City Council.

ITEM 8.) CONSENT AGENDA: CONSIDERATION AND POSSIBLE ACTION:
The following items are considered routine by the City Council and will be enacted by one motion. There will not be a separate discussion on these

items unless a Council member requests, in which event, the item will be removed from the consent agenda and discussed after the consent agenda.

- A. Approval of the Minutes of the Council Workshop Meeting of March 10, 2020.
- B. Approval of the Minutes of the Regular Council Meeting of March 10, 2020.

Council Member Deats made a motion to approve the Consent Agenda, and Council Member King seconded the motion. There being no discussion, Mayor Masters called for the vote.

VOTE:

6 AYES (Suderman, Skipworth, Wilson, Deats, Decker, King)
0 NAYS

MOTION PASSED

ITEM 9.) CONSIDERATION AND POSSIBLE ACTION CONCERNING: Ordinance Number 950-2020 (Zoning Case SUP-18-1877) – **AN ORDINANCE OF THE CITY OF DICKINSON, TEXAS, AMENDING THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY, ORDINANCE NUMBER 420-2001, AS HERETOFORE AMENDED, TO GRANT SPECIFIC USE PERMIT NUMBER SUP-18-1877 ALLOWING THE APPLICANT TO USE THE PROPERTY FOR A CHURCH; SUCH PROPERTY BEING LEGALLY DESCRIBED AS ± 0.244 ACRES, ABSTRACT 78 R HALL SURVEY TRACT 1, ACRES 0.244, MORE COMMONLY KNOWN AS 4200 42ND STREET, GENERALLY LOCATED SOUTH OF EAST FM 517 AND EAST OF NICHOLS STREET IN THE CITY OF DICKINSON, GALVESTON COUNTY, TEXAS, PRESENTLY ZONED GENERAL COMMERCIAL (“GC”); PROVIDING FOR THE INCORPORATION OF PREAMBLE; DIRECTING A CHANGE ACCORDINGLY IN THE OFFICIAL ZONING MAP OF THE CITY; PROVIDING A PENALTY OF AN AMOUNT NOT TO EXCEED \$2,000 FOR EACH DAY OF VIOLATION HEREOF; AND PROVIDING A REPEALER CLAUSE, A SAVINGS CLAUSE, A SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.** (Second of Three Readings)

Council Member Suderman made a motion to approve the Ordinance in two readings, and Council Member King seconded the motion. There being no discussion, Mayor Masters called for the vote.

VOTE:

5 AYES (Suderman, Skipworth, Deats, Decker, King)
1 NAY (Wilson)

MOTION PASSED

ITEM 10.) CONSIDERATION AND POSSIBLE ACTION CONCERNING: Ordinance Number 951-2020) – **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DICKINSON, TEXAS, EXTENDING THE DECLARATION OF DISASTER ISSUED BY MAYORAL PROCLAMATION ON MARCH 18, 2020 IN RESPONSE TO COVID-19.** (First and Only Reading)

Council Member Wilson made a motion to approve the Ordinance, and Council Member King seconded the motion. Mayor Masters informed those present and listening that the ordinance extends the declaration of disaster until May 24, 2020 but said that the declaration could still be extended or revoked.

Mayor Masters and Emergency Medical Services Director Derek Hunt, who is currently also serving as a Co-Emergency Management Coordinator, provided updates on the status of the Coronavirus epidemic and the City's readiness to address the issue. Mr. Hunt informed the Council that to date, Galveston County has 21 confirmed cases of the virus, and that some reports say that the virus mutates after approximately 30 transmissions between people. Council urged citizens to not confuse or conflate the City's declaration of disaster with the stay-at-home order issued by Galveston County yesterday. There being no further discussion, Mayor Masters called for the vote.

VOTE:

6 AYES (Suderman, Skipworth, Wilson, Deats, Decker, King)

0 NAYS

MOTION PASSED

ITEM 11.) CONSIDERATION AND POSSIBLE ACTION CONCERNING: Ordinance Number 952-2020) – **AN ORDINANCE OF THE CITY OF DICKINSON, TEXAS EXTENDING THE GENERAL ELECTION PREVIOUSLY CALLED FOR SATURDAY, MAY 2, 2020 TO NOVEMBER 3, 2020 AS ALLOWED BY PROCLAMATION OF THE GOVERNOR ISSUED ON MARCH 18, 2020; THE CALLED ELECTION BEING FOR THE PURPOSE OF ELECTING THE MAYOR AND THREE COUNCILMEMBERS (POSITION NOS. 1, 3, AND 5), AS WELL AS SPECIAL CALLED ELECTIONS TO FILL THE VACANCY FOR POSITION NO. 2 AND TO CONSIDER CHARTER AMENDMENT PROPOSITIONS; PROVIDING DETAILS RELATING TO THE HOLDING OF SUCH ELECTION; PROVIDING FOR SEVERABILITY; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT.** (First and Only Reading)

Council Member King made a motion to approve the Ordinance, and Council Member Wilson seconded the motion. City Secretary Alun Thomas briefed Council on the readiness level of the City to conduct the election itself, given that last week it received word from Galveston County that it would no longer conduct the City's elections for it in May (as previously

agreed to through Resolution 1807-2020). Mr. Thomas explained the significant logistical challenges that the City would face and the additional cost that the City would incur if it chose to not postpone its May elections. Council Member Skipworth expressed his support for postponing the election, noting that the City has already missed a mailout deadline through no fault of its own. Council discussed the potential differences in turnout rates between a May election and a November election, with some members concerned that the Presidential election would overshadow local elections, and others saying that a November election might help to increase citizens' awareness of the City's elections. Council Member King expressed his confidence that citizens who want to vote will always find a way to vote. There being no further discussion, Mayor Masters called for the vote.

VOTE:

5 AYES (Suderman, Wilson, Skipworth, Deats, King)

1 NAY (Decker)

MOTION PASSED

ITEM 12.) EXECUTIVE SESSION: The City Council will now hold a closed executive meeting pursuant to the provision of Chapter 551, Government Code, Vernon's Texas Codes annotated, in accordance with the authority contained in:

- A. Section 551.071 – Consultation with Attorney regarding pending litigation and matters in which the duty of the City Attorney requires to be discussed in closed meeting.
- B. Section 551.072 – Deliberation Regarding Real Property – Discussion Regarding the Purchase, Exchange, Lease or Value of Real Property.
- C. Section 551.074 – Personnel Matter – Discussion to Deliberate the Appointment, Employment, Evaluation, Reassignment, Duties, Discipline or Dismissal of the City Administrator.

Mayor Masters recessed the regular meeting at 8:00 p.m.

ITEM 13.) RECONVENE

Mayor Masters reconvened the regular meeting at 10:00 p.m.

ITEM 14.) CONSIDERATION AND POSSIBLE ACTION CONCERNING: Approval of the Purchase of the Armstrong Property.

No action was taken on this item.

ITEM 15.) CONSIDERATION AND POSSIBLE ACTION CONCERNING: Matters Discussed in Executive Session.

Council Member King made a motion to approve the extension of City Administrator Chris Heard's contract for one year and to remove the clause that would allow for automatic renewal of the contract. Council Member Wilson seconded the motion. There being no discussion, Mayor Masters called for the vote.

VOTE:

3 AYES (Wilson, Skipworth, King)

3 NAYS (Suderman, Deats, Decker)

There being an equal number of Council Members for and against the motion, Mayor Masters broke the tie by supporting the motion.

MOTION PASSED

ITEM 16.) ADJOURN

Council Member King made a motion to adjourn the meeting at 10:02 p.m., and Council Member Wilson seconded the motion. There being no discussion, Mayor Masters called for the vote.

VOTE:

6 AYES (Suderman, Skipworth, Wilson, Deats, Decker, King)

0 NAYS

MOTION PASSED

PASSED, APPROVED AND ADOPTED this the 14th day of April, 2020.

Julie Masters, Mayor

ATTEST:

Alun W. Thomas, City Secretary

ITEM 8B

Approval of the 04-13-2020 Special Council Minutes

(Since the meeting has not taken place as of the time of this packet being prepared, they will be distributed separately before the April 14 Regular Meeting)

ITEM 8C

**Dickinson City Council
Agenda Item Data Sheet**

MEETING DATE April 14, 2020

TOPIC:	<p>RESOLUTION NUMBER XXX-2020</p> <p>A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DICKINSON, TEXAS, APPROVING AND ADOPTING AN AMENDED INVESTMENT POLICY FOR THE CITY OF DICKINSON AND A LIST OF QUALIFIED BROKERS THAT ARE AUTHORIZED TO ENGAGE IN INVESTMENT TRANSACTIONS WITH THE CITY; PROVIDING FOR INCORPORATION OF PREAMBLE AND AN EFFECTIVE DATE.</p>
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BACKGROUND:	<p>The Texas Public Funds Investment Act (Chapter 2256 of the Texas Government Code) requires that the City review and revise its Investment Policy and Authorized Broker/Dealer List as necessary.</p> <p>Due to staffing changes since the last policy adoption, staff proposes removing Sarah Clark as an Investment Officer and adding Finance Director Kristen Woolley and Accountant Taleen Moore. There are no other proposed changes at this time.</p>
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RECOMMENDATION:	Staff recommends approval of the Resolution.
------------------------	--

ATTACHMENTS:	<ul style="list-style-type: none"> • Draft Investment Policy • Resolution Number XXX-2020
---------------------	---

FUNDING ISSUES	<input checked="" type="checkbox"/> Not applicable <input type="checkbox"/> Not budgeted <input type="checkbox"/> Full Amount already budgeted. <input type="checkbox"/> Funds to be transferred from Acct.# - -
-----------------------	---

SUBMITTING STAFF MEMBER	CITY ADMINISTRATOR APPROVAL
Kristen Woolley, Finance Director	

ACTIONS TAKEN		
APPROVAL	READINGS PASSED	OTHER
<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd	

RESOLUTION NUMBER XXX-2020

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DICKINSON, TEXAS, APPROVING AND ADOPTING AN AMENDED INVESTMENT POLICY FOR THE CITY OF DICKINSON AND A LIST OF QUALIFIED BROKERS THAT ARE AUTHORIZED TO ENGAGE IN INVESTMENT TRANSACTIONS WITH THE CITY; 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 review and re-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 Amended 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 DICKINSON, 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. The Amended Investment Policy attached hereto as “Exhibit A” is hereby adopted as the Investment Policy of the City of Dickinson.

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

DULY PASSED, APPROVED AND ADOPTED on this the 14th day of April 2020.

Julie Masters, Mayor
City of Dickinson, Texas

ATTEST:

Alun W. Thomas, City Secretary
City of Dickinson, Texas

APPROVED AS TO FORM AND CONTENT:

David W. Olson, City Attorney
City of Dickinson, Texas

EXHIBIT “A”

TO

RESOLUTION XXX-2020

Investment Policy

City of Dickinson, Texas



Amended April 14, 2020

City Dickinson Investment Policy

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I. Policy

It is the policy of the City Dickinson (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 Dickinson 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

- A. **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.

- B. **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.

- C. **Delegation of Authority** - Authority to manage the City's investment program is granted to the Chief Financial Officer, hereinafter referred to as Investment Officer, and derived from the following: City Charter Article IVa. 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.

- D. **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 in order 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.

- E. **Internal Controls** - The Chief Financial 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 with the exception of 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 of 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 that has its main office or a branch in Texas. 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.

- B. **Collateralization** – Collateralization will be required on all funds on deposit with a depository bank, other than investments. In order 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 Chief Financial 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

- A. **Diversification** – The investments shall be diversified by security type and institution. With the exception of 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.
- B. **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

- A. **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.

- B. **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.

 - C. **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.

 - D. **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 for seven years as recommended by the *Texas State Library Municipal Records Manual*. The Director of Finance, in conjunction with the City Secretary is responsible for filing and storing records of investment activity.

EXHIBIT A

**City of Dickinson
Authorized Investment Officials**

Alun Thomas, City Secretary

Kristen Woolley, Finance Director

Taleen Moore, Accountant

EXHIBIT B

**City of Dickinson, Texas
Statement of Ethics and Conflicts of Interest**

Investment officials for the City Dickinson 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 Dickinson, 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 Dickinson as of the date of this statement.

City of Dickinson
Investment Officials

Alun Thomas, City Secretary

Date

Kristen Woolley, Finance Director

Date

Taleen Moore, Accountant

Date

EXHIBIT C

**City of Dickinson
Approved Broker/Dealers, Financial Institutions and Investment Pools**

Broker/Dealers

Amegy Bank
Capital One, N.A.
Coastal Securities
First Empire Securities
HomeTown Bank, N.A. Multi-Bank Securities, Inc.
Regions Bank
Stifel Nicolaus
Texas First Bank
UBS Financial Services, Inc.

Public Depositories

Capital One, N.A. (Primary Depository)
HomeTown Bank, N.A.
Regions Bank

Investment Pools

TexPool

EXHIBIT D

City of Dickinson
Certification by Broker/Dealers and Financial Institutions
(date)

City of Dickinson, Texas
(Attn: Alun Thomas, City Secretary)
4403 Highway 3
Dickinson TX 77539
Dear Mrs. Russell:

This certification is executed on behalf of the City of Dickinson, 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 Dickinson'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 Dickinson;
- 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.

INVESTMENT STRATEGY (Continued)

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 Dickinson;
- 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.

INVESTMENT STRATEGY (Continued)

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 Dickinson;
- 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.

INVESTMENT STRATEGY (Continued)

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 Dickinson;
- 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.

ITEM 9

Gulf Coast Public Market

ITEM 10

RESOLUTION NUMBER XXX-2020

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DICKINSON, TEXAS, APPROVING AND AUTHORIZING THE DICKINSON ECONOMIC DEVELOPMENT CORPORATION'S EMERGENCY BUSINESS RECOVERY AND EXPANSION GRANT PROGRAM FOR THE RECOVERY AND EXPANSION OF DICKINSON BUSINESSES THAT HAVE SUFFERED DUE TO THE STATE OF EMERGENCY CAUSED BY THE COVID-19 PANDEMIC; PROVIDING FOR THE INCORPORATION OF THE PREAMBLE; MAKING CERTAIN FINDINGS AND CONTAINING CERTAIN PROVISIONS RELATING TO THE SUBJECT.

* * * * *

WHEREAS, the City of Dickinson is a home rule municipality, with a population of less than 20,000 inhabitants; and

WHEREAS, the Dickinson Economic Development Corporation is a type B economic development corporation established under the Development Corporation Act of 1979; and

WHEREAS, beginning in December 2019, a novel coronavirus, now designated SARS-Cov2 which causes the disease COVID-19, has been declared a global pandemic by the World Health Organization; and

WHEREAS, on March 13, 2020, the Governor of the State of Texas issued a proclamation certifying that COVID-19 poses an imminent threat of disaster in the state and declaring a state of disaster for all counties in Texas; and

WHEREAS, said state of disaster requires that certain emergency protective measures be taken pursuant to the Texas Disaster Act of 1975 relating to Emergency Management and Public Health, pursuant to Chapter 418 of the Texas Government Code; and

WHEREAS, Governor Abbott has issued numerous executive orders and suspension of Texas laws in response to the COVID-19 disaster, aimed at protecting the health and safety of Texans and ensuring an effective response to this disaster, including designation of essential and non-essential businesses and activities resulting in certain business closings and reduction of hours; and

WHEREAS, due to the COVID-19 pandemic businesses within the City of Dickinson have suffered economic losses resulting in the layoff of employees and reduction in hours and/or business closure; and

WHEREAS, pursuant to Texas Local Government Code Section 505.158(a), the Dickinson Economic Development Corporation seeks the authorization by the City Council of the City of Dickinson of its Emergency Business Recovery and Expansion

Grant Program that shall provide for grant funds up to \$10,000 each, with a program budget of \$200,000, to eligible Dickinson businesses for recovery and expansion from business closures and economic losses due to the COVID-19 pandemic (hereinafter "Project"); and

WHEREAS, pursuant to Texas Local Government Code Section 505.159, on April 6, 2020, the Dickinson Economic Development Corporation conducted a public hearing on the Project, notice of said hearing being published on April 3, 2020; and

WHEREAS, the project requires the expenditure of more than \$10,000 by the Dickinson Economic Development Corporation; and therefore Texas Local Government Code Section 505.158(b) requires this Resolution be given two readings before final passage.

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

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

Section 2. The Project proposed by the Dickinson Economic Development Corporation to provide for recovery and expansion of eligible Dickinson businesses by offering grants of up to \$10,000 each to assist in their recovery from the effects of the COVID-19 pandemic and to provide job training is hereby authorized and approved.

Section 3. The Project proposed by the Dickinson Economic Development Corporation shall end when \$200,000.00 is expended in grant payments.

DULY PASSED AND APPROVED on first reading this ___ day of _____, 2020.

DULY PASSED, APPROVED, AND ADOPTED on second reading this ___ day of _____, 2020.

Julie Masters, Mayor
City of Dickinson, Texas

ATTEST:

APPROVED AS TO FORM AND CONTENT:

Alun W. Thomas, City Secretary
City of Dickinson, Texas

David W. Olson, City Attorney
City of Dickinson, Texas

ITEM 11

RESOLUTION NUMBER XXX-2020

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DICKINSON, TEXAS, APPROVING AND ADOPTING BUDGET AMENDMENT NO. 1 FOR THE DICKINSON ECONOMIC DEVELOPMENT CORPORATION FOR FISCAL YEAR 2019-2020; MAKING APPROPRIATIONS FOR THE CITY FOR SUCH FISCAL YEAR AS REFLECTED IN SAID BUDGET AMENDMENT NO. 1; PROVIDING FOR THE INCORPORATION OF THE PREAMBLE; MAKING CERTAIN FINDINGS AND CONTAINING CERTAIN PROVISIONS RELATING TO THE SUBJECT; AND PROVIDING AN EFFECTIVE DATE.

* * * * *

WHEREAS, on the 6th day of April 2020, the Dickinson Economic Development Corporation Board proposed and adopted Budget Amendment No. 1 for an Emergency Business Recovery and Expansion Grant Program to assist Dickinson small businesses suffering from the COVID-19 emergency in an amount not to exceed \$200,000, which Program documents and Budget Amendment are attached hereto as Exhibit A; and

WHEREAS, the City Council has considered the proposed Budget Amendment No. 1 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, the City Council now finds that the proposed and adopted Budget Amendment No. 1 for the Dickinson Economic Development Corporation for Fiscal Year 2019-2020 should be approved and adopted.

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

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

Section 2. The Budget Amendment No. 1 for the Dickinson Economic Development Corporation for the Fiscal Year 2019-2020 (attached hereto as Exhibit "A" and incorporated herein by reference the same as if set forth verbatim), including adjustments, is hereby approved and adopted. The City Secretary is hereby directed to place on said Budget Amendment No. 1 an endorsement to be signed by the City Secretary, which shall be read as follows: "Budget Amendment No. 1 of the Dickinson Economic Development Corporation for the Fiscal year 2019-2020." Such Budget Amendment No. 1 as thus endorsed shall be kept on file in the office of the City Secretary as a public record.

Section 3. The necessity for making and approving a budget for the fiscal year, as required by the laws of the State of Texas, requires that this resolution take effect immediately from and after its passage, as the law in such case provides.

DULY PASSED AND APPROVED this the 14th day of April, 2020.

Julie Masters, Mayor
City of Dickinson, Texas

ATTEST:

Alun W. Thomas, City Secretary
City of Dickinson, Texas

APPROVED AS TO FORM AND CONTENT:

David W. Olson, City Attorney
City of Dickinson, Texas

EXHIBIT “A”

TO

RESOLUTION XXX-2020

EXHIBIT A

Dickinson Economic Development Corporation

FY 2020 Budget Amendment No. 1

6-Apr-20

Account Code	Account Title	Current Budget	Budget Amendment	Revised Budget
Fund 40 - DEDC				
40-8435-41-00	Economic Development Grants	-	200,000	200,000
Total Fund 40 - DEDC:		-	200,000	200,000

ITEM 12

**Dickinson City Council
Agenda Item Data Sheet**

MEETING DATE April 14, 2020

TOPIC:	<p>RESOLUTION NUMBER XXX-2020</p> <p>A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DICKINSON, TEXAS, APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH ANDREWS KURTH LLP FOR BOND COUNSEL SERVICES FOR CERTIFICATES OF OBLIGATION, BONDS, AND OTHER DEBT OBLIGATIONS THAT THE CITY OF DICKINSON INTENDS TO ISSUE; AUTHORIZING THE MAYOR TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY TO EFFECTUATE AN AGREEMENT FOR SUCH SERVICES; PROVIDING FOR THE INCORPORATION OF PREAMBLE; AND PROVIDING AN EFFECTIVE DATE.</p>
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BACKGROUND:	<p>On March 10, 2020, City Council had a special workshop meeting with a presentation from the City’s Financial Advisors, Masterson Advisors LLC. During this workshop, City Council gave staff direction to move forward to take advantage of current interest rates to refund existing debt for significant interest savings over the remainder of the life of the debt and to issue additional debt up to \$1.5 million for capital projects.</p> <p>The City has utilized the Bond Counsel services from Andrews Kurth LLP in the past, including the most recent issuance in 2014. Both staff and the City’s Financial Advisors recommend using Andrews Kurth LLP for Bond Counsel again.</p>
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RECOMMENDATION:	Staff recommends approval of the Resolution.
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ATTACHMENTS:	<ul style="list-style-type: none"> • Proposed Agreement with Andrews Kurth LLP • Resolution Number XXX-2020
---------------------	---

FUNDING ISSUES	<input checked="" type="checkbox"/> Not applicable <input type="checkbox"/> Not budgeted <input type="checkbox"/> Full Amount already budgeted. <input type="checkbox"/> Funds to be transferred from Acct.# - -
-----------------------	---

SUBMITTING STAFF MEMBER	CITY ADMINISTRATOR APPROVAL
Kristen Woolley, Finance Director	

ACTIONS TAKEN		
APPROVAL	READINGS PASSED	OTHER
<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd	

RESOLUTION NUMBER XXX-2020

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DICKINSON, TEXAS, APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH ANDREWS KURTH LLP FOR BOND COUNSEL SERVICES FOR CERTIFICATES OF OBLIGATION, BONDS, AND OTHER DEBT OBLIGATIONS THAT THE CITY OF DICKINSON INTENDS TO ISSUE; AUTHORIZING THE MAYOR TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY TO EFFECTUATE AN AGREEMENT FOR SUCH SERVICES; PROVIDING FOR THE INCORPORATION OF PREAMBLE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Dickinson has been determined that it is in the best interests of the City of Dickinson and its citizens to obtain Bond Counsel for possible certificates of obligation, bonds, and other debt obligations; and

WHEREAS, City of Dickinson has been presented with a proposal from Andrews Kurth LLP for the provision of professional Bond Counsel services for certificates of obligation, bonds, and other debt obligations that the City of Dickinson intends to issue (hereinafter, "Proposal"), a copy of which is attached hereto as Exhibit "A" and incorporated herein by reference; and

WHEREAS, upon full review and consideration of the Proposal and all matters attendant and related thereto, the City Council is of the opinion that the Proposal should be approved and that the Mayor should be authorized to execute a Professional Services Agreement ("Agreement") with Andrews Kurth LLP and any and all documents necessary to effectuate such Agreement on behalf of the City of Dickinson.

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

Section 1. The above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

Section 2. The Proposal, having been reviewed by the City Council of the City of Dickinson and found to be acceptable and in the best interests of the City of Dickinson and its citizens, is hereby in all things approved.

Section 3. The Mayor is hereby authorized to execute a Professional Services Agreement with Andrews Kurth LLP, and empowered, for and on behalf of the City, to take all such actions and to execute, verify, acknowledge, certify to, file and deliver all such instruments and documents required in the Agreement as shall in the judgment of the Mayor be appropriate in order to effect the purposes of the foregoing resolution and Agreement.

Section 4. The City Council hereby authorizes and directs the Finance Director to take administrative action to expend funds across all applicable funds for said Agreement.

Section 5. This Resolution shall become effective immediately upon its passage.

DULY PASSED AND APPROVED on this the 14th day of April 2020.

Julie Masters, Mayor
City of Dickinson, Texas

ATTEST:

Alun W. Thomas, City Secretary
City of Dickinson, Texas

APPROVED AS TO FORM AND CONTENT:

David W. Olson, City Attorney
City of Dickinson, Texas

EXHIBIT “A”

TO

RESOLUTION XXX-2020

March 13, 2020

City of Dickinson
4403 Highway 3
Dickinson, Texas 77539

Re: City of Dickinson Engagement for Bond Services

Dear Mayor and City Council Members:

We are pleased to submit to you a proposed agreement for Andrews Kurth LLP, Houston, Texas (“AK”) to serve as Bond Counsel with respect to certificates of obligation, bonds and other debt obligations that the City of Dickinson, Texas (the “City”) intends to issue. (Such bonds, notes and obligations are collectively referred to in this letter as the “Bonds”). When approved by you, this letter will become effective and will evidence an agreement between the City and Andrews Kurth LLP, Houston, Texas.

As Bond Counsel, AK would prepare all required legal proceedings and would perform certain other necessary legal work in connection with the City’s authorization, issuance and sale of each series of the Bonds. Our services as Bond Counsel would include the following Basic service, which we would carry out directly or in concert with officials and staff of the City:

1. Assistance, in consultation with City officials and staff and the City’s financial advisor, in the evaluation of legal matters related to financing innovations and opportunities that may arise from time to time;
2. Consultation with City officials and staff to review information to be included in the offering documents for each series of Bonds, but only to the extent that such information describes such series, the security therefor, their federal income tax status and our opinion;
3. Preparation of the ordinances or resolutions authorizing issuance of each series of the Bonds and all other instruments which comprise the transcript of legal proceedings pertaining to the authorization, issuance and sale of each such series;
4. Attendance at meetings, to the extent required or requested by the City’s executive staff or the City’s financial advisor, to discuss the sizing, timing or sale of each series of the Bonds;

March 13, 2020

Page 2

5. Preparation and submission of transcripts of legal proceedings pertaining to the issuance of each series of the Bonds to the Attorney General to obtain an approving opinion;

6. Supervision of the printing of each series of the Bonds and the delivery thereof to the purchasers;

7. Prior and in connection with the closing of each series of the Bonds, giving advice to the City to enable appropriate officials to comply with the arbitrage requirements of the Internal Revenue Code of 1986 as they affect the Bonds, including yield restrictions and rebate requirements;

8. At closing, render a legal opinion to the effect that the Bonds have been duly authorized in accordance with the Constitution and laws of the State, that the Bonds constitute valid and legally binding obligations of the City secured by the revenues or funds pledged to their payment in the ordinance authorizing the issuance of the Bonds (subject to the exercise of judicial discretion in accordance with general principles of equity, and to the valid exercise of the sovereign powers of the State and the constitutional powers of the United States of America, and to bankruptcy, insolvency, reorganization, moratorium and other similar laws in effect from time to time relating to or affecting creditors' rights), and (ii) that, subject to certain restrictions, interest on Bonds (issued as tax-exempt obligations) is excludable from the gross income of the owners thereof for federal income tax purposes under then existing law; provided that, after the closing, we do not undertake, unless specifically engaged by the City to do so as an additional service to provide continuing advice concerning any actions necessary to assure that interest paid on the Bonds will continue to be excludable from gross income for federal income tax purposes;

9. Attendance at bond sale, signing, closing and all other meetings and conferences as deemed necessary by the City;

10. Preparation of Federal Income Tax Form 8038-G; and

11. Any other service necessary to the planning, authorization, issuance, sale and delivery of the Bond issues, as may be appropriate.

In addition to the foregoing basic service, as Bond Counsel, AK is prepared to undertake the following additional services, as directed by the City:

1. Preparation and assistance in the preparation of materials related to application to the Texas Water Development Board for various funding mechanisms provided by and available from the Texas Water Development Board;

2. Preparation of necessary ordinances, resolutions, notices, Department of Justice submissions and other legal documents necessary to call and conduct an election to authorize the issuance of Bonds, if necessary;

3. Disclosure work or similar services (other than the limited review of certain sections of the offering documents for the Bonds as described in paragraph (5) under bond counsel basic

March 13, 2020

Page 3

service above) to assist the City in the preparation of such offering documents, on such basis and to such extent as shall be directed by the City;

4. Attendance at rating agency presentations, investor meetings or other presentations relating to the marketing of the Bonds and consultation with City officials, staff and advisors and the City's financial advisor to develop such presentations;

5. Preparation of the "Blue Sky" surveys or securities registration services;

6. Any other special services not ordinarily required in connection with the issuance of obligations of the nature of the Bonds, including services rendered in connection with special federal income tax issues, unusual issues arising in connection with the City's financial reports or audits, any documentation or related services for credit or liquidity facilities or enhancements or other special structuring techniques or devices to be employed in connection with the issuance of any series of the Bonds; and

7. After the closing of any series of the Bonds and upon specific request of the City, providing assistance to the City concerning questions and issues that may arise prior to the maturity of the Bonds.

Unless otherwise agreed to by the City and AK, for all basic services performed hereunder in connection with the issuance and sale of Bonds or certificates of obligation, as defined in this letter, AK will be paid a fee with respect to each series of Bonds on the basis of \$1.00 per \$1,000 of proceeds; subject, however, to a minimum fee of \$24,500 for each series of bonds or certificates of obligation. For any revenue bonds or refunding bonds, our fee will be \$1.35 for each \$1,000 of bonds actually sold, with a minimum fee of \$30,000.

The fee for any additional bond counsel services provided by AK will be determined on in connection with each transaction, applying rates then charged by AK for the same or similar services performed by attorneys and paralegals of similar experience for other clients. The total fee for additional services prior to and in connection with the closing of any series of Bonds will not exceed such amounts.

Payment of all fees for services as Bond Counsel will be made after the issuance and delivery of the series of the Bonds in connection with which such services are performed and within 30 days after receipt by the City of an approved invoice therefor. AK will be reimbursed for its reasonable and actual out-of-pocket expenses, such as the cost of reproduction of documents, out-of-town travel, long-distance telephone, telecopy and similar expenses, deliveries, filing fees and all items paid for by AK on behalf of the City, incurred in connection with the performance of any services hereunder. All of such expenses will be reasonable, and on an issue-by-issue basis AK will agree to a maximum amount of \$2,500 for such expenses (exclusive of Attorney General fees, for which the City would be responsible).

The City acknowledges that it is aware that AK represents many other governmental entities, companies and individuals. It is possible that during the time that we are representing you, some of

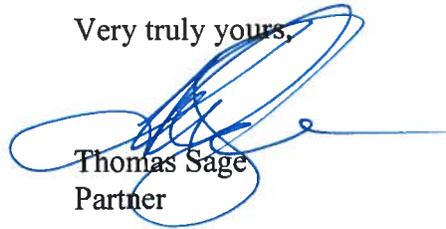
March 13, 2020
Page 4

our present or future clients will have disputes or transactions with you. You agree that we may continue to represent or may undertake in the future to represent existing or new clients in any matter that is not substantially related to our work for you even if the interests of such clients in those other matters are directly adverse. We agree, however, that your prospective consent to conflicting representation contained in the preceding sentence shall not apply in any instance where, as a result of our representation of you, we have obtained proprietary or other confidential information of a nonpublic nature, that, if known to such other client, could be used in any other such other matter by such client to your material disadvantage.

Nothing herein shall be construed as creating any personal liability on the part of any officer of the City, and this agreement may be terminated by the City by giving 30 days' written notice to AK.

If this proposed agreement for the services of AK as Bond Counsel is satisfactory, please evidence your acceptance and approval by executing three copies in the space provided below.

Very truly yours,



Thomas Sage
Partner

AGREED and APPROVED:

City of Dickinson, Texas

By: _____
Name: _____
Title: _____
Date: _____

ITEM 13

RESOLUTION NUMBER XXX-2020

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DICKINSON, TEXAS, AUTHORIZING THE CITY ADMINISTRATOR TO ISSUE AN ORDER FOR TASK WORK AUTHORIZATION NUMBER 1B FOR ADDITIONAL WORK ALONG HANSEN, BAYOU CREST CIRCLE AND RAU DRIVE, AND TO ISSUE TASK WORK AUTHORIZATION NUMBER 4 FOR DRAINAGE REPAIR, CULVERT REPAIR, AND SOD INSTALLATION AT THE ANIMAL SHELTER, LOVERS LANE, BAYOU CREST AND SHADY OAK NEIGHBORHOODS; PROVIDING FOR INCORPORATION OF PREAMBLE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Dickinson (“City”) approved an agreement with Lucas Construction Company in the amount of \$2,741,970.00 for the construction of paving improvements within the city; and

WHEREAS, the City desires to issue Task Work Authorization Number 1B to complete additional work along Hansen, Bayou Crest Circle, and Rau Drive; and

WHEREAS, additional work along Hansen, Bayou Crest Circle, and Rau Drive is needed and is expected to cost an additional \$11,940.00 (as shown as Exhibit A in this resolution), the funding for which is currently available in the City’s Street Maintenance Fund 08; and

WHEREAS, the City desires to issue Task Work Authorization Number 4 for drainage repair, culvert repair, and sod installation at the Animal Shelter, Lovers Lane, Bayou Crest and Shade Oak Neighborhoods; and

WHEREAS, such improvements will cost an estimated total of \$68,581.00 (as shown as Exhibit B in this resolution), the funding for which is currently available in the City’s Street Maintenance Fund 08; and

WHEREAS, staff recommends authorizing the City Administrator to issue the Task Work Authorization (“TWA”) Number 1B so as to not interrupt work that has been ongoing, and to issue Task Work Authorization Number 4 to begin work immediately.

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

Section 1. The facts and matters set forth in the preamble of this Resolution are hereby found to be true and correct and are incorporated herein and made a part hereof for all purposes.

Section 2. The City of Dickinson hereby authorizes the City Administrator to issue Task Work Authorization Number 1B for the additional work along Hansen, Bayou Crest Circle, and Rau Drive is needed, and to take all appropriate action to administer the TWA.

Section 3. The City of Dickinson hereby authorizes the City Administrator to issue Task Work Authorization Number 4 for drainage repair, culvert repair, and sod installation at the Animal Shelter, Lovers Lane, Bayou Crest and Shade Oak Neighborhoods, and to take all appropriate action to administer the TWA.

Section 4. This Resolution shall become effective immediately upon its passage.

DULY PASSED AND APPROVED on this the 14th day of April 2020.

Julie Masters, Mayor
City of Dickinson, Texas

ATTEST:

APPROVED AS TO FORM AND CONTENT:

Alun W. Thomas, City Secretary
City of Dickinson, Texas

David W. Olson, City Attorney
City of Dickinson, Texas

EXHIBIT “A”

TO

RESOLUTION XXX-2020

ITEM NO.	DESCRIPTION	Qty.	Unit	Unit Price	AMOUNT
Additional Work along selected roadways.					
Hansen		Qty.	Unit	Unit Price	AMOUNT
(43)	Grate over RCP Opening	1.00	EA	\$ 750.00	\$ 750.00
Subtotal:					\$ 750.00
Bayou Crest Circle		Qty.	Unit	Unit Price	AMOUNT
(8)	Desilt Roadside Ditch 20 linear feet - Approximately 2 CY at 2 CF /LF	2.00	CY	\$ 15.00	\$ 30.00
Subtotal:					\$ 30.00
Rau Drive		Qty.	Unit	Unit Price	AMOUNT
(8)	Desilt Roadside Ditch 261 linear feet - Approximately 20 CY at 2 CF /LF	20.00	CY	\$ 15.00	\$ 300.00
(24)	Reinforced Concrete Pipe, 24" Diameter, Rubber Gasketed	48.0	LF	\$ 60.00	\$ 2,880.00
(30)	Culvert Removal	48.0	LF	\$ 20.00	\$ 960.00
(7)	Sawcut Reinforced Concrete Paving, Full Depth, 6" maximum depth	72.0	LF	\$ 10.00	\$ 720.00
(6)	Removing Reinforced Concrete Pavement, 6" depth	90.0	SY	\$ 10.00	\$ 900.00
(32)	6" Concrete Driveway (#4 re-bar @ 18" centers both ways)	90.0	SY	\$ 60.00	\$ 5,400.00
Subtotal:					\$ 11,160.00
Total:					\$ 11,940.00

Original Contract Price: \$\$	%	Prior TWA's: \$\$	%	This TWA:\$\$	%
\$ 2,741,970.00	27.49%	\$ 741,882.50	0	\$ 11,940.00	0.44%

EXHIBIT “B”

TO

RESOLUTION XXX-2020

ITEM NO.	DESCRIPTION	Qty.	Unit	Unit Price	AMOUNT
Sod installation and drainage improvements along various roadways, culvert repair on Shady Oak, sod installation at Animal Shelter					
(1)	Site Preparation including Mob, Bonds, Insurance, Permits, Erosion Control	3%	LS	\$ 50,000.00	\$ 1,500.00
(2)	Traffic Control and Regulation	4.00%	LS	\$ 50,000.00	\$ 2,000.00
(3)	Storm Water Pollution Prevention Plan Best Management Practices	3.75%	LS	\$ 40,000.00	\$ 1,500.00
Subtotal:					\$ 5,000.00
Lovers Lane					
Project 1					
		Qty.	Unit	Unit Price	AMOUNT
(8)	Desilt Roadside Ditch	19.00	CY	\$ 15.00	\$ 285.00
237 linear feet - Approximately 19 CY at 2 CF /LF					
(24)	Reinforced Concrete Pipe, 24" Diameter, Rubber Gasketed	28.00	LF	\$ 60.00	\$ 1,680.00
(30)	Culvert Removal	28.00	LF	\$ 20.00	\$ 560.00
(42)	Furnish and Install Sod	300.00	SY	\$ 5.00	\$ 1,500.00
(7)	Sawcut Reinforced Concrete Paving, Full Depth, 6" maximum depth	42.00	LF	\$ 10.00	\$ 420.00
(6)	Removing Reinforced Concrete Pavement, 6" depth	60.00	SY	\$ 10.00	\$ 600.00
(32)	6" Concrete Driveway (#4 re-bar @ 18" centers both ways)	60.0	SY	\$ 60.00	\$ 3,600.00
Subtotal:					\$ 8,645.00
Sod Installation in Bayou Crest Neighborhood					
Project 2					
		Qty.	Unit	Unit Price	AMOUNT
Hansen					
(42)	Furnish and Install Sod	230.00	SY	\$ 5.00	\$ 1,150.00
Bayou Crest Circle					
(42)	Furnish and Install Sod	55.00	SY	\$ 5.00	\$ 275.00
Evergreen Drive					
(42)	Furnish and Install Sod	150.00	SY	\$ 5.00	\$ 750.00
Rau Drive					
(42)	Furnish and Install Sod	1005.00	SY	\$ 5.00	\$ 5,025.00
Subtotal:					\$ 7,200.00
Shady Oak					
Project 3					
		Qty.	Unit	Unit Price	AMOUNT
(30)	Culvert Removal	108.00	LF	\$ 20.00	\$ 2,160.00
(44)	30-inch HDPP	206.00	LF	\$ 95.00	\$ 19,570.00
(38)	RCP Joint by Concrete Diaper	2.00	EA	\$ 1,000.00	\$ 2,000.00
(29)	Connection of Storm Water Pipe to Manhole, Inlet or Junction Box	2.00	EA	\$ 200.00	\$ 400.00
(45)	Conflict Junction Box w/ Inlet - Dual 30-Inch	1.00	EA	\$ 4,000.00	\$ 4,000.00
(35)	Pre-cast 30" x 30" Catch Basin	1.00	EA	\$ 3,000.00	\$ 3,000.00
Subtotal:					\$ 31,130.00
Animal Shelter					
Project 4					
		Qty.	Unit	Unit Price	AMOUNT
(42)	Furnish and Install Sod	2050.00	SY	\$ 5.00	\$ 10,250.00
(47)	Furnish and Install 1-18"x18" catch basin and 40 LF of 12" HDPE	100%	LS	\$ 7,400.00	\$ 7,400.00
Subtotal:					\$ 17,650.00
					\$ 69,625.00
Original Contract Price: \$\$		%	Prior TWA's: \$\$	%	This TWA:\$S
\$	2,741,970.00	54.19%	\$ 1,416,342.50	51.65%	\$ 69,625.00
					2.54%

ITEM 14

RESOLUTION NUMBER XXX-2020

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DICKINSON, TEXAS, APPROVING AND ADOPTING A POLICY FOR EMERGENCY OPERATING PROCEDURES DURING A PANDEMIC; PROVIDING FOR INCORPORATION OF PREAMBLE AND AN EFFECTIVE DATE.

WHEREAS, on March 18, 2020, Julie Masters, Mayor of the City of Dickinson, Texas, issued a Mayoral Proclamation declaring a state of disaster for the City of Dickinson to alleviate the suffering of people and to prevent the spread of COVID-19 throughout the City of Dickinson; and

WHEREAS, the City of Dickinson does not currently have a policy for emergency operating procedures during a pandemic; and

WHEREAS, the proposed policy ("Policy"), attached hereto as "Exhibit A", provides a structured framework to allow for proper organization and operation of City government and City staff during times of a pandemic; and

WHEREAS, the City Council hereby finds that the proposed Policy should be approved and adopted by the City of Dickinson.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DICKINSON, 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. The Policy attached hereto as "Exhibit A" is hereby adopted as an official policy of the City of Dickinson.

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

DULY PASSED, APPROVED AND ADOPTED on this the 14th day of April 2020.

Julie Masters, Mayor
City of Dickinson, Texas

ATTEST:

APPROVED AS TO FORM AND CONTENT

Alun W. Thomas, City Secretary
City of Dickinson, Texas

David W. Olson, City Attorney
City of Dickinson, Texas

EXHIBIT “A”

TO

RESOLUTION XXX-2020

**CITY OF DICKINSON
ADMINISTRATIVE POLICIES AND PROCEDURES**

TOPIC: Emergency Operating Procedures During a Pandemic

I. EXPLANATION OF THIS POLICY

The purpose of this policy is to establish guidelines for the practices which the City will maintain during a pandemic, including Social Distancing, Emergency Telecommuting Families First Coronavirus Response Act/Emergency Sick Leave Pay and Classification of Positions. Positions will be identified as Critical vs. Non-Critical and will outline how each will be affected by each phase of response.

In general, the compliance and implementation of the following items detail out the concept of this Policy.

II. SOCIAL DISTANCING DURING AN EMERGENCY PANDEMIC

Scope

This policy applies to all full-time employees during a declared state of emergency by the Mayor of Dickinson.

This policy does not apply to employees who are on leave pursuant to the Family Medical Leave Act or the Emergency Contingency: Families First Coronavirus Act Policy.

Employees must practice phases of social distancing during emergency situations. Positions are classified as critical or non-critical based on City needs. Phasing is determined by the City Administrator. Social distancing will be practiced by alternating shifts, distancing critical personnel by six feet as recommended by the CDC, and allowing telecommuting for employees that qualify.

Responsibility

It is the responsibility of the employee to act in accordance with this policy.

A. Position Designations:

1. Critical Positions: Licensed Public Safety personnel including EMS, sworn members of the police department, dispatchers, directors and critical administrative and operational personnel
2. Non-Critical Positions: Positions not declared critical in the Emergency Critical Positions During a Pandemic

B. Phases

1. Phase I: City facilities are closed to the public, but all employees are working at assigned locations.

2. Phase II: City facilities are closed to the public, but all employees are working at assigned locations or are telecommuting per the City Administrator's discretion.
3. Phase III: City facilities are closed to the public, only critical employees come to the office or physical worksite.

III. EMERGENCY TELECOMMUTING

Scope

This applies to all full-time employees.

Responsibility

It is the responsibility of the employee to communicate daily with their supervisor. Electronic communication is acceptable. Likewise, it is the responsibility of the supervisor to communicate daily assignment and expectations to the employee. Electronic communication is acceptable.

The employee must report absences during telecommuting per policy found in the City's Personnel Policy Manual.

Assignments

- I. At the discretion of the City Administrator any full-time employee may be assigned to telecommute in times of emergency. These assignments will be made on a case by case basis and will be solely based on the needs of the City. The City Administrator has the right to refuse an employee's request to telecommute.
- II. **Employment status:** the employee's compensation, consideration for promotion, benefits, and work status will not change due to telecommuting. Absent explicit written direction from the City Administrator, the amount of time an employee assigned to telecommuting is expected to work shall remain the same as a normal workday or pay period.
- III. **Work Location and Liability:** The employee's workplace will be considered an extension of the City's workspace. Therefore, the City will continue to be liable for work-related accidents and injuries during the assigned telecommunicating period. The City assumes no liability for accidents or injuries occurring outside the assigned telecommuting schedule or assigned activity. In the case of an injury sustained while assigned to telecommute, the employee shall report the injury to his/her immediate supervisor pursuant to applicable City policies.
- IV. **Availability:** Working remotely via telecommuting means the employee will generally be in their work area between the standard hours of operation for most City Facilities. Employees who are telecommuting are expected to perform their assigned tasks during these hours. Your immediate supervisor

will communicate with you at the beginning of each day to discuss the tasks for that day. At the end of the day, hourly employees are to stop working (this includes responding to email, phone calls, and/or voicemails) unless otherwise directed and approved by the Department Director and the City Administrator. Unauthorized overtime is not permitted.

- V. **Responsiveness:** Employees assigned to working remotely are to be responsive to all forms of communication, but especially to email and phone calls from the City. It is expected that responses be made to emails within the hour of the sent time of an email. Employees should answer calls as received or as quickly as possible within reason, generally within thirty (30) minutes.
- VI. **Measuring Productivity:** Your immediate supervisor will be responsible for assignment of work tasks and/or projects. The supervisor will determine when the task should be concluded. Assignment deadlines will be discussed with the employee assigned to work remotely. The employee's productivity will be measured based on their ability to perform their duties remotely in a timely manner. Supervisors need to communicate the expectations of assigned tasks/projects so that the employee clearly understands what is expected of them. When deadlines are assigned, they should be reasonable and based on the task/project. The assigned employee will communicate if they fall behind on scheduled deadlines for assigned tasks/projects so that the deadlines can be reevaluated.
- VII. **Security:** When assigned to telecommute the employee must use an Internet connection that is secure and locked to the public. The purpose is to ensure that any work done while telecommuting is secure, and to avoid any type of data breach. City personnel will take necessary measures to ensure that employees are equipped with access to VPN and Remote Desktop as needed.

Emergency telecommuting will be evaluated on a case-by-case basis and will be approved by agreement between the employee, Department Director, and the City Administrator.

IV. FAMILIES FIRST CORONAVIRUS RESPONSE ACT

The Families First Coronavirus Response Act which was signed into law March 18, 2020 and became effective April 1, 2020. This Act provides job-protected paid leave to municipal employees affected by the COVID-19 virus.

Expansion of the Family Medical Leave Act (FMLA) applies to those employees who have a qualifying need related to the public health emergency surrounding the Coronavirus COVID-19. A qualifying need occurs when an employee is unable to work or telework due to the need to care for a child if the child's school or place of care has been closed, or if their childcare provider is unavailable, due to the public health emergency related to COVID-19. Full and part time employees who have been employed for at least thirty (30) calendar days are eligible for paid leave as set forth below.

The Emergency Paid Sick Leave Act provides paid sick leave for those employees who are unable to work or telework due to needs related to the public health emergency surrounding COVID-19 under certain stipulations, which this policy will outline.

Responsibility

A. Expansion of the Family Medical Leave Act

Under the newly expanded provisions of the FMLA, any full or part time employee who has been employed for at least thirty (30) calendar days is entitled to up to twelve (12) weeks of job-protected leave when the employee is unable to work or telework **due to the need to care for the employee's child or children as a result of the closure of a school or child care facility or because the employee's child care provider is unavailable as a result of COVID-19 precautions**. The following explains how the twelve weeks of leave is to be paid:

- I. The first ten (10) days of the leave are **unpaid**. The employee is permitted to substitute ANY accrued leave for the unpaid leave but is not required to do so.
- II. After the first ten (10) days of unpaid leave, employees are entitled to paid leave for the remainder of the twelve (12) week period.
- III. Employees will be paid two-thirds of their regular rate of pay for the number of hours they would normally be scheduled to work. This leave is capped at \$200 per day and \$10,000 total.
- IV. Like traditional FMLA leave, an employee who asks for emergency leave under the expansion of FMLA leave must be reinstated to the same or an equivalent position upon return to work, unless the employment relationship is terminated for reasons unrelated to the use of leave, such as due to a reduction in force.
- V. Employees who need time off to care for other family members affected by COVID-19 **may qualify to utilize regular FMLA leave, which is unpaid, provided they meet all eligibility requirements**.
- VI. Employees utilizing emergency FMLA are permitted to use **ANY** accrued leave to supplement the unpaid portion and keep their wages whole.

B. Emergency Paid Sick Leave

Under the Emergency Paid Sick Leave Act, paid sick leave is provided for those employees who are unable to work or telework due to the following reasons:

1. The employee is subject to a Federal, State, or Local quarantine or isolation order related to COVID-19.
2. The employee has been advised by a healthcare provider to self-quarantine due to concerns related to COVID-19.
3. The employee is experiencing COVID-19 symptoms and is seeking medical diagnosis.
4. The employee is caring for an individual subject to a quarantine order from the Federal, State, or Local authorities, or from a healthcare provider.

5. The employee is caring for a child(ren) whose school or place of care has been closed, or whose childcare provider is unavailable due to COVID-19 precautions.
 6. The employee is experiencing any other substantially similar condition, as defined by the Secretary of Health and Human Services.
- The City shall provide eighty (80) hours of paid sick leave to full time employees, in addition to the sick leave advance of 46.6 hours.
 - Emergency Paid Sick Leave shall be paid based on the employee's regular rate of pay.
 - Employees do not have to exhaust other forms of leave before utilizing paid Emergency Sick leave. However, employees may elect to use accrued paid leave to supplement their wages when being paid at two-thirds their regular rate to make their pay whole.
 - Employees who request paid Emergency Sick leave do not need to find a replacement to cover their scheduled hours while using paid Emergency Sick leave.

To request expanded FMLA leave or the Emergency Paid Sick Leave, employees need to contact the Human Resources Department to be placed on the correct leave for their situation and/or to assess whether they can be approved to telework from home.

This policy will be applied in compliance with all Federal, State, and Local laws governing wages and paid sick leave. Because the current situation is evolving this policy could be amended for compliance.

ITEM 15

Executive Session

ITEM 16

Reconvene

ITEM 17

**Approval of Employment
Agreement for DEDC's
CEO, Scott Jones**

ITEM 18

**Matters Discussed in
Executive Session**

ITEM 19

Adjourn