



BAY CITY

REVISED MINUTES • JUNE 5, 2014

Council Chambers

Special Meeting

6:00 PM

**1901 5TH STREET
BAY CITY, TX 77414**

1. CALL TO ORDER & CERTIFICATION OF QUORUM

Mayor Bricker asked for a moment of silence in light of the death of former Council member and Mayor, Ernest Opella.

Councilwoman Folse requested for Pastor of Calvary Baptist Church, Lane Pardue, to provide innovcation.

Attendee Name	Title	Status	Arrived
Chrystal Folse	Councilwoman	Present	
Steven Johnson	Councilman	Present	
Mark Bricker	Mayor	Present	
Carolyn Thames	Mayor Pro-Tem	Present	
Julie Estlinbaum	Councilwoman	Present	
William Cornman	Councilman	Present	

2. REGULAR ITEMS FOR DISCUSSION, CONSIDERATION AND/OR APPROVAL:

1. Report

CONSIDER AND/OR APPROVE RELEASING TENARIS OFFER TO GENERAL PUBLIC.

Mayor Mark A. Bricker

Mayor Bricker explained that he placed the item on the agenda because he felt that the public should have an idea of what the agreement would consist of.

It was Council's consensus not to release the details of the agreement to the public.

Mayor stated that the City had done very little to communicate to the public. Council agreed, but explained that most of the discussions have been in Executive Session, so it could not be made public. It was commented by Council is that they wanted to approved the resolution. Mayor explained that the resolution was only two pages, but the agreement is 15 pages. It was not the same.

Councilman Cornman wanted to reiterate, publicly, his dislike for the City's Executive Sessions. Councilman Cornman stated that it would be a good idea to release information to the public. He believed that a summary would be a good idea. Councilwoman Estlinbaum explained that because this was an economic development agreement, it was not subject to open records. She did not agree to make the entire document public.

Assistant City Attorney, Habib Erkan, explained the rules of the Open Meetings Act and the Public Information Act, regarding the exception of economic development discussions.

MOTION BY MAYOR PRO TEM THAMES, SECOND BY COUNCILWOMAN ESTLINBAUM, TO NOT APPROVE RELEASING THE OFFER TO THE PUBLIC. MOTION CARRIED. COUNCILMAN CORNMAN VOTED NAY.

2. Public Hearing

PUBLIC HEARING TO DISCUSS TENARIS INCENTIVE OFFER.

Mayor Mark A. Bricker

The Mayor opened the Public Hearing at 6:25 p.m.

President of Tenaris North America, German Cura, informed the public that the Tenaris plant was a \$1.3 billion project that currently had 500 people working on site. Tenaris is very active in the community, as it was stated day one. Mr. Cura went on to point out ongoing construction for homes, as well as informing the public of talks of their vendors possibly coming to the area. Mr. Cura pointed out that Tenaris had committed \$575,000 towards grants for technical grants to educate and employ.

Bay City resident Brady Bowers stated that he was glad that Tenaris was here. He stated that as a citizen he was concerned with the 45 year agreement. Mr. Bowers asked what that agreement entailed. He agreed with Councilman Cornman with providing bullet points, but at the same time respect Tenaris' business. Mr. Bowers asked that everyone work together. He added that he hoped that they did not have to incur any additional cost as a property owner. Just look out for the citizens so that they do not have any increased burdens.

Bay City resident Jerry Hance asked if that was the property that was de-annexed two weeks ago. Council stated yes, but only 200 acres was de-annexed. The other portion was already outside of the City limits. The total amount of acreage was 1,534. Mayor Bricker clarified that originally in the resolution it was 1,000 acres. Mr. Hance stated that 45 years seemed like a long time, and that he could not get an old age discount on his garbage. Mr. Hance stated that he would like to see the document.

Bay City resident Bobby Head wanted to thank Tenaris. He continued by stating that they were the only industry even close to the city. The City should look at Freeport, Lake Jackson, and Brazosport that have prospered from this. Dow offered a stipend every year instead of paying taxes. Mayor Bricker responded to Mr. Head by explaining that it had been suggested to Tenaris something similar, but the City did not receive a favorable response. Mayor clarified that he did not have an issue with the 45 years, if they would get wastewater from the City and gas from the Gas Company, but that is not the case.

Bay City resident Eric Schroeder asked how Tenaris would affect the County's attainment rating for the environment. He added that only certain people are benefiting from this. Mr. Schroeder asked if the City knew for a fact that all of the people for Tenaris will actually stay here. He also asked if the citizens' taxes would go up exponentially to handle the upgrades.

Bay City resident Michael George stated that Tenaris had shown good faith. They would not have done any of this, if the deal would not have been met.

Local business owner Stuart Lynn stated that from a business standpoint the City would need to stick to the agreement. Mayor Bricker responded to Mr. Lynn's comment by stating that he did not feel as if he was going back on what he agreed

on. Mayor continued by stating that he would like for them to be a community partner like they stated, which is to be customers for water and gas.

Bay City resident and local Pastor Lane Pardue stated that the City needed to stand behind the deal, but understood where the Mayor was coming from.

Bay City Chamber of Commerce and Agriculture President Mitch Thames thanked Council for all that they had done. Mr. Thames took everyone back to the basics. He went on to state that if we were not kind to this company, then what would that do to other companies. Let's do what we said we would do.

Shelia Taten stated that she was not unhappy that they were here, but felt that they should be contractually obligated. Ms. Taten stated that she felt it should all be in writing.

Bay City resident Ray Tennant, Jr. stated that negotiations should happen at the beginning, middle and the end, and even after. He added that negotiations should leave each party in a win-win.

David Wrobel, Attorney with Tenaris, explained that Tenaris was in active negotiations with water and gas, and will get wastewater from the City. The water, sewer, and gas were not the terms to get Tenaris here, it was the 45 years. Mayor Bricker responded that he wanted it tied to the life of the deal.

Mr. Cura wanted to clarify some things for the record. He explained that Tenaris received the standard Industrial Rate from the City, and that they invested \$3.25 million into infrastructure. Mayor Bricker responded to Mr. Cura's statement by informing the public that there was nothing in writing, and that the \$3.25 million in infrastructure was something that the industry would have to do anyway. The City would make any company do the same thing.

Mayor Martinez stated that he believed that the people's concern was that this should benefit the citizens, not Tenaris. He added that there are so many things that need to be considered: emergency response, infrastructure, Parks & Recreation, etc... Mayor Martinez stated that working together we can go so much further.

Bay City resident Jo Halbert stated that we are not centered where we should be. You should do what is right. In order to support something, you need to know.

3. EXECUTIVE SESSION

Mayor adjourned from Open Session at 7:37 p.m.

1. Report

CITY COUNCIL SHALL CONVENE IN CLOSED SESSION TO CONSULT WITH THE CITY ATTORNEY REGARDING LEGAL ISSUES AND TO DELIBERATE REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS WITH TENARIS/MAVERICK TUBE CORPORATION RELATING TO THE INCENTIVE AGREEMENTS BETWEEN THE PARTIES PURSUANT TO TEXAS GOVERNMENT CODE §551.071 AND §551.087.

Mayor and Council entered into Executive Session at 7:48 p.m.

Mayor adjourned from Executive Session at 8:54 p.m.

4. OPEN SESSION

Mayor reconvened into Open Session at 8:58 p.m.

1. Report

CITY COUNCIL SHALL RECONVENE IN OPEN SESSION AND MAY CONSIDER AND/OR TAKE ACTION ON ANY ITEM LISTED ABOVE FOR CONSIDERATION/DISCUSSION IN EXECUTIVE SESSION (IF NECESSARY).

Councilwoman Folse addressed everyone and explained that Council would like to pass the agreement; however, there is one line within the agreement that they would like to address.

Council asked that the item be tabled for the next meeting.

5. ITEMS / COMMENTS & MAYOR AND COUNCIL MEMBERS

Mayor Pro Tem Thames thanked everyone for speaking.

Councilwoman Estlinbaum echoed Mayor Pro Tem's statement. She also reminded everyone that graduation was tomorrow.

Mayor Bricker spoke about the funeral arrangements of former Mayor Ernest Opella. Mayor Pro Tem Thames added that the funeral will be at Holy Cross on Tuesday, at 10 a.m., there will be a lunch, and the burial will follow the lunch in El Campo.

6. ADJOURNMENT

AGENDA NOTICES:

Action by Council Authorized:

The City Council may vote and/or act upon any item within this Agenda. The Council reserves the right to retire into executive session concerning any of the items listed on this Agenda, pursuant to and in accordance with Texas Government Code Section 551.071, to seek the advice of its attorney about pending or contemplated litigation, settlement offer or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas conflict with the Open Meetings Act and may invoke this right where the City Attorney, the Mayor or a majority of the Governing Body deems an executive session is necessary to allow privileged consultation between the City Attorney and the governing body, if considered necessary and legally justified under the Open Meetings Act. The City Attorney may appear in person, or appear in executive session by conference call in accordance with applicable state law.

Attendance By Other Elected or Appointed Officials:

It is anticipated that members of other city board, commissions and/or committees may attend the meeting in numbers that may constitute a quorum of the other city boards, commissions and/or committees. Notice is hereby given that the meeting, to the extent required by law, is also noticed as a meeting of the other boards, commissions and/or committees of the City, whose members may be Agenda City Council August 8, 2013 in attendance. The members of the boards, commissions and/or committees may participate in discussions on the same items listed on the agenda, which occur at the meeting, but no action will be taken by such in attendance unless such item and action is specifically provided for on an agenda for that board, commission or committee subject to the Texas Open Meetings Act.

Executive Sessions Authorized:

This agenda has been reviewed and approved by the City's legal counsel and the presence of any subject in any Executive Session portion of the agenda constitutes a written interpretation of Texas Government Code Chapter 551 by legal counsel for the governmental body and constitutes an opinion by the attorney that the items discussed therein may be legally discussed in the closed portion of the meeting considering available opinions of a court of record and opinions of the Texas Attorney General known to the attorney. This provision has been added to this agenda with the intent to meet all

elements necessary to satisfy Texas Government Code Chapter 551.144(c) and the meeting is conducted by all participants in reliance on this opinion.

This is to certify that the above notice of a Workshop Meeting was posted on the front window of the City Hall of the City of Bay City, Texas on Monday, June 2, 2014 before 6:00 p.m. Any questions concerning the above items, please contact Mayor Mark A. Bricker at (979) 245-2137.

Rhonda Clegg
City Secretary



City Council
1901 5Th Street
Bay City, TX 77414

SCHEDULED

Meeting: 06/05/14 06:00 PM
Department: City Secretary
Category: Report
Prepared By: Rhonda Clegg
Initiator: Rhonda Clegg
Sponsors:
DOC ID: 1507

DISCUSSION ITEM (ID # 1507)

**CONSIDER AND/OR APPROVE RELEASING TENARIS OFFER
TO GENERAL PUBLIC.**



City Council
1901 5Th Street
Bay City, TX 77414

SCHEDULED

Meeting: 06/05/14 06:00 PM
Department: City Secretary
Category: Public Hearing
Prepared By: Rhonda Clegg
Initiator: Rhonda Clegg
Sponsors:
DOC ID: 1508

DISCUSSION ITEM (ID # 1508)

PUBLIC HEARING TO DISCUSS TENARIS INCENTIVE OFFER.



City Council
1901 5Th Street
Bay City, TX 77414

SCHEDULED

Meeting: 06/05/14 06:00 PM
Department: City Secretary
Category: Report
Prepared By: Rhonda Clegg
Initiator: Rhonda Clegg
Sponsors:
DOC ID: 1505

DISCUSSION ITEM (ID # 1505)

CITY COUNCIL SHALL CONVENE IN CLOSED SESSION TO CONSULT WITH THE CITY ATTORNEY REGARDING LEGAL ISSUES AND TO DELIBERATE REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS WITH TENARIS/MAVERICK TUBE CORPORATION RELATING TO THE INCENTIVE AGREEMENTS BETWEEN THE PARTIES PURSUANT TO TEXAS GOVERNMENT CODE §551.071 AND §551.087.



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SCHEDULED

Meeting: 06/05/14 06:00 PM
Department: City Secretary
Category: Report
Prepared By: Rhonda Clegg
Initiator: Rhonda Clegg
Sponsors:
DOC ID: 1506

DISCUSSION ITEM (ID # 1506)

**CITY COUNCIL SHALL RECONVENE IN OPEN SESSION AND
MAY CONSIDER AND/OR TAKE ACTION ON ANY ITEM
LISTED ABOVE FOR CONSIDERATION/DISCUSSION IN
EXECUTIVE SESSION (IF NECESSARY).**