

1-1 By: Seaman (Senate Sponsor - Armbrister) H.B. No. 1740
1-2 (In the Senate - Received from the House May 16, 2005;
1-3 May 17, 2005, read first time and referred to Committee on Natural
1-4 Resources; May 20, 2005, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 9, Nays 0;
1-6 May 20, 2005, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 1740 By: Armbrister

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to authorizing the City of Aransas Pass to acquire certain
1-11 state property.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. The City of Aransas Pass may acquire all right,
1-14 title, and interest of the State of Texas in and to the real
1-15 property described by Section 4 of this Act in exchange for
1-16 conveyance to the State of Texas, for the benefit of the Permanent
1-17 School Fund, of the real property described by Section 5 of this
1-18 Act; provided, however, that the State of Texas, for the benefit of
1-19 the Permanent School Fund, shall retain any and all oil, gas, and
1-20 other minerals and mineral royalty rights in and to the property
1-21 described in Section 4 of this Act, and that the State of Texas
1-22 waives its right to use the surface of such property for the purpose
1-23 of exploration and development of the reserved oil, gas, and other
1-24 minerals and mineral royalty rights, which shall be accomplished by
1-25 directional drilling or pooling; unless the City of Aransas Pass
1-26 and the commissioner of the General Land Office mutually agree not
1-27 later than August 31, 2009, to enter into a lease agreement
1-28 affecting the property described in Section 4 of this Act.

1-29 SECTION 2. Simultaneously with the conveyance of real
1-30 property described by Section 5 of this Act, together with
1-31 execution of a quitclaim deed of any interest of the City of Aransas
1-32 Pass in and to 9,644 acres, more or less, consisting of that portion
1-33 of Special Award No. 1, dated May 22, 1944, save and except the
1-34 tract of land described in Section 4 of this Act, to the General
1-35 Land Office for the use and benefit of the Permanent School Fund,
1-36 and, solely if necessary under the terms of this Act, delivery of
1-37 additional consideration by the City of Aransas Pass, the
1-38 commissioner of the General Land Office shall convey on behalf of
1-39 the state the state's right, title, and interest in and to the
1-40 property described by Section 4 of this Act, subject to the mineral
1-41 and royalty reservation set forth in Section 1 of this Act.

1-42 SECTION 3. The commissioner of the General Land Office and
1-43 the City of Aransas Pass shall follow the procedures outlined in
1-44 this section. The tracts described in Sections 4 and 5 of this Act
1-45 shall be appraised by an appraiser acceptable to both the City of
1-46 Aransas Pass and the commissioner of the General Land Office, with
1-47 the cost of such appraisals paid by the General Land Office. In the
1-48 event that the City of Aransas Pass and the commissioner of the
1-49 General Land Office cannot agree on the market value of the tracts
1-50 described in Sections 4 and 5 of this Act, the City of Aransas Pass
1-51 and the commissioner of the General Land Office shall submit the
1-52 question of market value to a mutually acceptable mediator, with
1-53 the cost of the mediator paid by the General Land Office, who shall
1-54 determine the market value of the tracts described in Sections 4 and
1-55 5 of this Act. The mediator's determination of market value shall
1-56 be binding on both the City of Aransas Pass and the General Land
1-57 Office. In the event that the market value of the tract described
1-58 in Section 4 of this Act is determined to exceed the market value of
1-59 the tract described in Section 5 of this Act, the City of Aransas
1-60 Pass and the commissioner of the General Land Office shall
1-61 negotiate an agreement whereby additional consideration, which may
1-62 take the form of cash, a lien, or similar encumbrance in favor of
1-63 the Permanent School Fund, or some combination thereof, sufficient

2-1 to equal the difference in value between the tract described in
 2-2 Section 4 of this Act and the tract described in Section 5 of this
 2-3 Act, as well as the cost of any survey and appraisal performed and
 2-4 mediator retained in accordance with the terms of this Act, shall be
 2-5 provided to the commissioner of the General Land Office for the
 2-6 benefit of the Permanent School Fund, with the cash component of
 2-7 such consideration, including installment payments, if any, to be
 2-8 deposited in the special fund account of the Permanent School Fund
 2-9 created pursuant to Section 51.401, Natural Resources Code, in
 2-10 order to effect the conveyances of property contemplated by this
 2-11 Act.

2-12 SECTION 4. The real property referred to in Sections 1 and 2
 2-13 of this Act is the real property described as Tracts 3, 4, 7 and 8 of
 2-14 the Bullitt-Hutchins, Inc. appraisal dated April 24, 2000,
 2-15 performed for the General Land Office under GLO Contract No.
 2-16 00-229R and on file in the records of the General Land Office,
 2-17 comprising 115 acres, more or less, which property shall be
 2-18 surveyed at the cost of the General Land Office prior to the
 2-19 appraisal described in Section 3 of this Act.

2-20 SECTION 5. The real property described in Sections 1 and 2
 2-21 of this Act is the following described land and sea bottom below
 2-22 high tide:

2-23 Beginning in the North line of a survey in the name of Wm.
 2-24 Docker, assignee of Lewis Von Zacharias as called for by Letters
 2-25 Patent issued February 7th, 1842, Abstract No. 272, said point
 2-26 being in the Southeast line of State F. M. Road No. 2725;

2-27 THENCE, with the North line of said Wm. Docker Survey,
 2-28 Abstract No. 272, N. 88 deg. 27 min. 53 sec. East 1013.81 feet set a
 2-29 2 inch iron pipe and a cedar post for the Northeast corner of said
 2-30 Wm. Docker Survey and a corner of this tract;

2-31 THENCE, S. 21 deg. 12 min. 53 sec. West 166.67 feet along the
 2-32 Southeast line of said Docker Survey to the Northwest corner of a
 2-33 survey made in the name of Samuel Kenney, Abstract No. 182 as called
 2-34 for in Letters Patent dated Dec. 4th, 1907;

2-35 THENCE, N. 88 deg. 27 min. 53 sec. East along the North line
 2-36 of said Samuel Kenney Survey at 2247.22 feet the Northeast corner of
 2-37 said Kenney Survey, and an internal corner of the Edmond St. John
 2-38 Survey, Abstract No. 250, as called for by Letters Patent dated July
 2-39 17th, 1880, and continuing along same course a total distance of
 2-40 3533.19 feet to the East line of said Edmond St. John Survey in the
 2-41 shoreline of Red Fish Bay for the Northeast corner of this tract;

2-42 THENCE, S. 35 deg. 27 min. 53 sec. West along the shoreline
 2-43 1089.37 feet;

2-44 THENCE, S. 01 deg. 32 min. 07 sec. West along the shoreline
 2-45 305.55 feet;

2-46 THENCE, S. 30 deg. 27 min. 53 sec. West along the shoreline
 2-47 26.41 feet to the Southeast corner of this tract;

2-48 THENCE, S. 88 deg. 27 min. 53 sec. West 2905.53 feet to the
 2-49 most Southerly Southwest corner of this tract;

2-50 THENCE, N. 01 deg. 32 min. 07 sec. East 1097.95 feet to a
 2-51 corner in the Southeast line of said Wm. Docker Abstract No. 272;

2-52 THENCE, N. 46 deg. 02 min. 07 sec. West 215.5 feet to a
 2-53 corner;

2-54 THENCE, S. 88 deg. 27 min. 53 sec. West 829.05 feet to a
 2-55 corner, the most Westerly Southwest corner of this tract in the
 2-56 Southeast boundary line of State F. M. Road No. 2725;

2-57 THENCE, N. 34 deg. 28 min. 19 sec. East along said road
 2-58 boundary line 123.62 feet to the POINT OF BEGINNING, containing
 2-59 89.5288 acres, more or less, and being partly out of the Wm. Docker
 2-60 Survey Abstract No. 272, partly out of the Edmond St. John Survey
 2-61 Abstract No. 250 and partly out of the Samuel Kenney Survey Abstract
 2-62 No. 182;

2-63 SAVE AND EXCEPT THEREFROM the area contained in a narrow
 2-64 strip out of the Northeast corner of the Wm. Docker Survey, Abstract
 2-65 No. 272, which is more fully described in one certain Warranty Deed
 2-66 dated January 15, 1969, executed by INGLESIDE LAND COMPANY, to
 2-67 NATIONAL STEEL CORPORATION, recorded in Volume 382, Page 452, Deed
 2-68 Records, San Patricio County, Texas, reference here being made to
 2-69 Exhibit A, Tract 10, and being page 9 of said deed, for all

3-1 purposes.

3-2 EXCEPTIONS:

3-3 (1) Right-of-way Easement executed by SAN PATRICIO COUNTY
3-4 NAVIGATION DISTRICT No. 1, to CENTRAL POWER AND LIGHT COMPANY,
3-5 dated June 17, 1982, recorded in Volume 650, Page 493, Deed Records,
3-6 San Patricio County, Texas.

3-7 (2) Any visible and apparent roadways or easements over or
3-8 across the subject property, the existence of which does not appear
3-9 of record.

3-10 (3) Spoils Disposal Easement granted by INGLESIDE LAND
3-11 COMPANY, to Nueces County Navigation District No. 1, by instrument
3-12 dated April 22, 1952, recorded in Volume 177, Page 07, Deed Records,
3-13 San Patricio County, Texas.

3-14 (4) Those certain erosions thereof by the water of Red Fish
3-15 Bay and/or Red Fish Cove.

3-16 (5) Easement executed by INGLESIDE LAND COMPANY, to UNITED
3-17 STATES OF AMERICA, for the Gulf Intracoastal Waterway, dated
3-18 September 11, 1958.

3-19 (6) Any and all easements and sites for storage tanks,
3-20 separators, flow lines and roadways in the development and
3-21 operation of outstanding Mineral Lease recorded in Volume 173, Page
3-22 468, Deed Records, San Patricio County, Texas.

3-23 (7) Pipeline Right-of-way dated December 11, 1950, executed
3-24 by INGLESIDE LAND COMPANY, to HUMBLE PIPE LINE COMPANY, recorded in
3-25 Volume 168, Page 192, Deed Records, San Patricio County, Texas.

3-26 (8) Pipeline Right-of-way dated June 8, 1965, executed by
3-27 INGLESIDE LAND COMPANY, to SHELL OIL COMPANY, recorded in Volume
3-28 318, Page 144, Deed Records, San Patricio County, Texas.

3-29 (9) Reservation of all of the oil, gas and other minerals by
3-30 virtue of the wording "Surface Estate Only" in Deed dated January
3-31 15, 1969, executed by INGLESIDE LAND COMPANY, to NATIONAL STEEL
3-32 CORPORATION, recorded in Volume 382, Page 452 et seq., Deed
3-33 Records, San Patricio County, Texas. Title to said interest not
3-34 investigated subsequent to said date.

3-35 SECTION 6. This Act shall only apply to lands granted
3-36 pursuant to special awards issued by the commissioner of the
3-37 General Land Office prior to January 1, 1945.

3-38 SECTION 7. If the appraisals, surveys, conveyances, and
3-39 transactions contemplated by this Act do not occur prior to August
3-40 31, 2009, this Act shall expire and be void.

3-41 SECTION 8. This Act takes effect immediately if it receives
3-42 a vote of two-thirds of all the members elected to each house, as
3-43 provided by Section 39, Article III, Texas Constitution. If this
3-44 Act does not receive the vote necessary for immediate effect, this
3-45 Act takes effect September 1, 2005.

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