

By: Armbrister

S.B. No. 1165

A BILL TO BE ENTITLED

AN ACT

1
2
3 relating to authorizing the City of Aransas Pass to acquire certain
4 state property.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. The City of Aransas Pass may acquire all right,
7 title, and interest of the State of Texas in and to the real
8 property described by Section 5 of this Act in exchange for
9 conveyance to the State of Texas, for the benefit of the permanent
10 school fund, of the real property described by Section 6 of this
11 Act; provided, however, that the State of Texas, for the benefit of
12 the permanent school fund, shall retain any and all oil, gas, and
13 other minerals and mineral royalty rights in and to the property
14 described in Section 5 of this Act, and that the State of Texas
15 waives its right to use the surface of such property for the purpose
16 of exploration and development of the reserved oil, gas, and other
17 minerals and mineral royalty rights, which shall be accomplished by
18 directional drilling or pooling; unless the City of Aransas Pass
19 and the Commissioner of the General Land Office mutually agree not
20 later than August 31, 2009, to enter into a lease agreement
21 affecting the property described in Section 5 of this Act.

22 SECTION 2. Simultaneously with the conveyance of real
23 property described by Section 6 of this Act, together with
24 execution of a quitclaim deed of any interest of the City of Aransas

1 Pass in and to 9,644 acres, more or less, consisting of that portion
2 of Special Award No. 1, dated May 22, 1944, save and except the
3 tract of land described in Section 5 of this Act, to the General
4 Land Office for the use and benefit of the permanent school fund,
5 and, solely if necessary under the terms of this Act, delivery of
6 additional consideration by the City of Aransas Pass, the
7 Commissioner of the General Land Office shall convey on behalf of
8 the state the state's right, title, and interest in and to the
9 property described by Section 5 of this Act, subject to the mineral
10 and royalty reservation set forth in Section 1 of this Act.

11 SECTION 3. The legislature finds that the real property
12 described by Section 5 of this Act has a fair market value equal to
13 the fair market value of the real property described by Section 6 of
14 this Act. The Commissioner of the General Land Office shall request
15 the opinion of the attorney general on the question of whether the
16 tracts described in Sections 5 and 6 of this Act may be conveyed in
17 the manner prescribed by Sections 1 and 2 of this Act in compliance
18 with applicable law and the Constitution of the State of Texas.
19 Both the City of Aransas Pass and the General Land Office shall have
20 the opportunity to bring factual and legal arguments relevant to
21 such question to the attention of the attorney general.

22 SECTION 4. Solely in the event that the attorney general is
23 of the opinion that the tracts described in Sections 5 and 6 of this
24 Act cannot, under applicable law and the Constitution of the State
25 of Texas, be conveyed in the manner described in Sections 1 and 2 of
26 this Act, the Commissioner of the General Land Office and the City
27 of Aransas Pass shall follow the procedures outlined in this

1 section. The tracts described in Sections 5 and 6 of this Act shall
2 be appraised by an appraiser acceptable to both the City of Aransas
3 Pass and the Commissioner of the General Land Office, with the cost
4 of such appraisals paid by the General Land Office. In the event
5 that the City of Aransas Pass and the Commissioner of the General
6 Land Office cannot agree on the market value of the tracts described
7 in Sections 5 and 6 of this Act, the City of Aransas Pass and the
8 Commissioner of the General Land Office shall submit the question
9 of market value to a mutually acceptable mediator, with the cost of
10 the mediator paid by the General Land Office, who shall determine
11 the market value of the tracts described in Sections 5 and 6 of this
12 Act. The mediator's determination of market value shall be binding
13 on both the City of Aransas Pass and the General Land Office. In the
14 event that the market value of the tract described in Section 5 of
15 this Act is determined to exceed the market value of the tract
16 described in Section 6 of this Act, the City of Aransas Pass and the
17 Commissioner of the General Land Office shall negotiate an
18 agreement whereby additional consideration, which may take the form
19 of cash, a lien or similar encumbrance in favor of the permanent
20 school fund, or some combination thereof, sufficient to equal the
21 difference in value between the tract described in Section 5 of this
22 Act and the tract described in Section 6 of this Act, as well as the
23 cost of any survey and appraisal performed and mediator retained in
24 accordance with the terms of this Act, shall be provided to the
25 Commissioner of the General Land Office for the benefit of the
26 permanent school fund, with the cash component of such
27 consideration, including installment payments, if any, to be

1 deposited in the special fund account of the permanent school fund
2 created pursuant to Section 51.401, Natural Resources Code.

3 SECTION 5. The real property referred to in Sections 1 and 2
4 of this Act is the real property described as Tracts 3, 4, 7 and 8 of
5 the Bullitt-Hutchins, Inc. appraisal dated April 24, 2000,
6 performed for the General Land Office under GLO Contract No.
7 00-229R and on file in the records of the General Land Office,
8 comprising 115 acres, more or less, which property shall be
9 surveyed at the cost of the General Land Office prior to the
10 appraisal described in Section 4 of this Act, if such survey and
11 appraisal are required by the terms of this Act.

12 SECTION 6. The real property described in Sections 1 and 2
13 of this Act is the following described land and sea bottom below
14 high tide:

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

19 THENCE, with the North line of said Wm. Docker Survey,
20 Abstract No. 272, N. 88 deg. 27 min. 53 sec. East 1013.81 feet set a
21 2 inch iron pipe and a cedar post for the Northeast corner of said
22 Wm. Docker Survey and a corner of this tract;

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

27 THENCE, N. 88 deg. 27 min. 53 sec. East along the North line

1 of said Samuel Kenney Survey at 2247.22 feet the Northeast corner of
2 said Kenney Survey, and an internal corner of the Edmond St. John
3 Survey, Abstract No. 250, as called for by Letters Patent dated July
4 17th, 1880, and continuing along same course a total distance of
5 3533.19 feet to the East line of said Edmond St. John Survey in the
6 shoreline of Red Fish Bay for the Northeast corner of this tract;

7 THENCE, S. 35 deg. 27 min. 53 sec. West along the shoreline
8 1089.37 feet;

9 THENCE, S. 01 deg. 32 min. 07 sec. West along the shoreline
10 305.55 feet;

11 THENCE, S. 30 deg. 27 min. 53 sec. West along the shoreline
12 26.41 feet to the Southeast corner of this tract;

13 THENCE, S. 88 deg. 27 min. 53 sec. West 2905.53 feet to the
14 most Southerly Southwest corner of this tract;

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

17 THENCE, N. 46 deg. 02 min 07 sec. West 215.5 feet to a corner;

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

21 THENCE, N. 34 deg. 28 min. 19 sec. East along said road
22 boundary line 123.62 feet to the POINT OF BEGINNING, containing
23 89.5288 acres, more or less, and being partly out of the Wm. Docker
24 Survey Abstract No. 272, partly out of the Edmond St. John Survey
25 Abstract No. 250 and partly out of the Samuel Kenney Survey Abstract
26 No. 182;

27 SAVE AND EXCEPT THEREFROM the area contained in a narrow

1 strip out of the Northeast corner of the Wm. Docker Survey, Abstract
2 No. 272, which is more fully described in one certain Warranty Deed
3 dated January 15, 1969, executed by INGLESIDE LAND COMPANY, to
4 NATIONAL STEEL CORPORATION, recorded in Volume 382, Page 452, Deed
5 Records, San Patricio County, Texas, reference here being made to
6 Exhibit A, Tract 10, and being page 9 of said deed, for all
7 purposes.

8 EXCEPTIONS:

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

13 (2) Any visible and apparent roadways or easements
14 over or across the subject property, the existence of which does not
15 appear of record.

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

20 (4) Those certain erosions thereof by the water of Red
21 Fish Bay and/or Red Fish Cove.

22 (5) Easement executed by INGLESIDE LAND COMPANY, to
23 UNITED STATES OF AMERICA, for the Gulf Intercoastal Waterway, dated
24 September 11, 1958.

25 (6) Any and all easements and sites for storage tanks,
26 separators, flow lines and roadways in the development and
27 operation of outstanding Mineral Lease recorded in Volume 173, Page

1 468, Deed Records, San Patricio County, Texas.

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

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

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

15 SECTION 7. This Act shall only apply to lands granted
16 pursuant to special awards issued by the Commissioner of the
17 General Land Office prior to January 1, 1945.

18 SECTION 8. If the appraisals, surveys, conveyances, and
19 transactions contemplated by this Act do not occur prior to August
20 31, 2009, this Act shall expire and be void.

21 SECTION 9. This Act takes effect immediately if it receives
22 a vote of two-thirds of all the members elected to each house, as
23 provided by Section 39, Article III, Texas Constitution. If this
24 Act does not receive the vote necessary for immediate effect, this
25 Act takes effect September 1, 2005.