

1-1 By: Armbrister S.B. No. 1165
1-2 (In the Senate - Filed March 8, 2005; March 21, 2005, read
1-3 first time and referred to Committee on Natural Resources;
1-4 April 26, 2005, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 11, Nays 0; April 26, 2005,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1165 By: Jackson

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

1-10
1-11 relating to authorizing the City of Aransas Pass to acquire certain
1-12 state property.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. The City of Aransas Pass may acquire all right,
1-15 title, and interest of the State of Texas in and to the real
1-16 property described by Section 5 of this Act in exchange for
1-17 conveyance to the State of Texas, for the benefit of the permanent
1-18 school fund, of the real property described by Section 6 of this
1-19 Act; provided, however, that the State of Texas, for the benefit of
1-20 the permanent school fund, shall retain any and all oil, gas, and
1-21 other minerals and mineral royalty rights in and to the property
1-22 described in Section 5 of this Act, and that the State of Texas
1-23 waives its right to use the surface of such property for the purpose
1-24 of exploration and development of the reserved oil, gas, and other
1-25 minerals and mineral royalty rights, which shall be accomplished by
1-26 directional drilling or pooling; unless the City of Aransas Pass
1-27 and the Commissioner of the General Land Office mutually agree not
1-28 later than August 31, 2009, to enter into a lease agreement
1-29 affecting the property described in Section 5 of this Act.

1-30 SECTION 2. Simultaneously with the conveyance of real
1-31 property described by Section 6 of this Act, together with
1-32 execution of a quitclaim deed of any interest of the City of Aransas
1-33 Pass in and to 9,644 acres, more or less, consisting of that portion
1-34 of Special Award No. 1, dated May 22, 1944, save and except the
1-35 tract of land described in Section 5 of this Act, to the General
1-36 Land Office for the use and benefit of the permanent school fund,
1-37 and, solely if necessary under the terms of this Act, delivery of
1-38 additional consideration by the City of Aransas Pass, the
1-39 Commissioner of the General Land Office shall convey on behalf of
1-40 the state the state's right, title, and interest in and to the
1-41 property described by Section 5 of this Act, subject to the mineral
1-42 and royalty reservation set forth in Section 1 of this Act.

1-43 SECTION 3. The legislature finds that the real property
1-44 described by Section 5 of this Act has a fair market value equal to
1-45 the fair market value of the real property described by Section 6 of
1-46 this Act. The Commissioner of the General Land Office shall request
1-47 the opinion of the attorney general on the question of whether the
1-48 tracts described in Sections 5 and 6 of this Act may be conveyed in
1-49 the manner prescribed by Sections 1 and 2 of this Act in compliance
1-50 with applicable law and the Constitution of the State of Texas.
1-51 Both the City of Aransas Pass and the General Land Office shall have
1-52 the opportunity to bring factual and legal arguments relevant to
1-53 such question to the attention of the attorney general.

1-54 SECTION 4. Solely in the event that the attorney general is
1-55 of the opinion that the tracts described in Sections 5 and 6 of this
1-56 Act cannot, under applicable law and the Constitution of the State
1-57 of Texas, be conveyed in the manner described in Sections 1 and 2 of
1-58 this Act, the Commissioner of the General Land Office and the City
1-59 of Aransas Pass shall follow the procedures outlined in this
1-60 section. The tracts described in Sections 5 and 6 of this Act shall
1-61 be appraised by an appraiser acceptable to both the City of Aransas
1-62 Pass and the Commissioner of the General Land Office, with the cost
1-63 of such appraisals paid by the General Land Office. In the event

2-1 that the City of Aransas Pass and the Commissioner of the General
 2-2 Land Office cannot agree on the market value of the tracts described
 2-3 in Sections 5 and 6 of this Act, the City of Aransas Pass and the
 2-4 Commissioner of the General Land Office shall submit the question
 2-5 of market value to a mutually acceptable mediator, with the cost of
 2-6 the mediator paid by the General Land Office, who shall determine
 2-7 the market value of the tracts described in Sections 5 and 6 of this
 2-8 Act. The mediator's determination of market value shall be binding
 2-9 on both the City of Aransas Pass and the General Land Office. In the
 2-10 event that the market value of the tract described in Section 5 of
 2-11 this Act is determined to exceed the market value of the tract
 2-12 described in Section 6 of this Act, the City of Aransas Pass and the
 2-13 Commissioner of the General Land Office shall negotiate an
 2-14 agreement whereby additional consideration, which may take the form
 2-15 of cash, a lien or similar encumbrance in favor of the permanent
 2-16 school fund, or some combination thereof, sufficient to equal the
 2-17 difference in value between the tract described in Section 5 of this
 2-18 Act and the tract described in Section 6 of this Act, as well as the
 2-19 cost of any survey and appraisal performed and mediator retained in
 2-20 accordance with the terms of this Act, shall be provided to the
 2-21 Commissioner of the General Land Office for the benefit of the
 2-22 permanent school fund, with the cash component of such
 2-23 consideration, including installment payments, if any, to be
 2-24 deposited in the special fund account of the permanent school fund
 2-25 created pursuant to Section 51.401, Natural Resources Code.

2-26 SECTION 5. The real property referred to in Sections 1 and 2
 2-27 of this Act is the real property described as Tracts 3, 4, 7 and 8 of
 2-28 the Bullitt-Hutchins, Inc. appraisal dated April 24, 2000,
 2-29 performed for the General Land Office under GLO Contract No.
 2-30 00-229R and on file in the records of the General Land Office,
 2-31 comprising 115 acres, more or less, which property shall be
 2-32 surveyed at the cost of the General Land Office prior to the
 2-33 appraisal described in Section 4 of this Act, if such survey and
 2-34 appraisal are required by the terms of this Act.

2-35 SECTION 6. The real property described in Sections 1 and 2
 2-36 of this Act is the following described land and sea bottom below
 2-37 high tide:

2-38 Beginning in the North line of a survey in the name of Wm.
 2-39 Docker, assignee of Lewis Von Zacharias as called for by Letters
 2-40 Patent issued February 7th, 1842, Abstract No. 272, said point
 2-41 being in the Southeast line of State F. M. Road No. 2725;

2-42 THENCE, with the North line of said Wm. Docker Survey,
 2-43 Abstract No. 272, N. 88 deg. 27 min. 53 sec. East 1013.81 feet set a
 2-44 2 inch iron pipe and a cedar post for the Northeast corner of said
 2-45 Wm. Docker Survey and a corner of this tract;

2-46 THENCE, S. 21 deg. 12 min. 53 sec. West 166.67 feet along the
 2-47 Southeast line of said Docker Survey to the Northwest corner of a
 2-48 survey made in the name of Samuel Kenney, Abstract No. 182 as called
 2-49 for in Letters Patent dated Dec. 4th, 1907;

2-50 THENCE, N. 88 deg. 27 min. 53 sec. East along the North line
 2-51 of said Samuel Kenney Survey at 2247.22 feet the Northeast corner of
 2-52 said Kenney Survey, and an internal corner of the Edmond St. John
 2-53 Survey, Abstract No. 250, as called for by Letters Patent dated July
 2-54 17th, 1880, and continuing along same course a total distance of
 2-55 3533.19 feet to the East line of said Edmond St. John Survey in the
 2-56 shoreline of Red Fish Bay for the Northeast corner of this tract;

2-57 THENCE, S. 35 deg. 27 min. 53 sec. West along the shoreline
 2-58 1089.37 feet;

2-59 THENCE, S. 01 deg. 32 min. 07 sec. West along the shoreline
 2-60 305.55 feet;

2-61 THENCE, S. 30 deg. 27 min. 53 sec. West along the shoreline
 2-62 26.41 feet to the Southeast corner of this tract;

2-63 THENCE, S. 88 deg. 27 min. 53 sec. West 2905.53 feet to the
 2-64 most Southerly Southwest corner of this tract;

2-65 THENCE, N. 01 deg. 32 min. 07 sec. East 1097.95 feet to a
 2-66 corner in the Southeast line of said Wm. Docker Abstract No. 272;

2-67 THENCE, N. 46 deg. 02 min 07 sec. West 215.5 feet to a corner;

2-68 THENCE, S. 88 deg. 27 min. 53 sec. West 829.05 feet to a
 2-69 corner, the most Westerly Southwest corner of this tract in the

3-1 Southeast boundary line of State F. M. Road No. 2725;
3-2 THENCE, N. 34 deg. 28 min. 19 sec. East along said road
3-3 boundary line 123.62 feet to the POINT OF BEGINNING, containing
3-4 89.5288 acres, more or less, and being partly out of the Wm. Docker
3-5 Survey Abstract No. 272, partly out of the Edmond St. John Survey
3-6 Abstract No. 250 and partly out of the Samuel Kenney Survey Abstract
3-7 No. 182;

3-8 SAVE AND EXCEPT THEREFROM the area contained in a narrow
3-9 strip out of the Northeast corner of the Wm. Docker Survey, Abstract
3-10 No. 272, which is more fully described in one certain Warranty Deed
3-11 dated January 15, 1969, executed by INGLESIDE LAND COMPANY, to
3-12 NATIONAL STEEL CORPORATION, recorded in Volume 382, Page 452, Deed
3-13 Records, San Patricio County, Texas, reference here being made to
3-14 Exhibit A, Tract 10, and being page 9 of said deed, for all
3-15 purposes.

3-16 EXCEPTIONS:

3-17 (1) Right-of-way Easement executed by SAN PATRICIO
3-18 COUNTY NAVIGATION DISTRICT No. 1, to CENTRAL POWER AND LIGHT
3-19 COMPANY, dated June 17, 1982, recorded in Volume 650, Page 493, Deed
3-20 Records, San Patricio County, Texas.

3-21 (2) Any visible and apparent roadways or easements
3-22 over or across the subject property, the existence of which does not
3-23 appear of record.

3-24 (3) Spoils Disposal Easement granted by INGLESIDE LAND
3-25 COMPANY, to Nueces County Navigation District No. 1, by instrument
3-26 dated April 22, 1952, recorded in Volume 177, Page 07, Deed Records,
3-27 San Patricio County, Texas.

3-28 (4) Those certain erosions thereof by the water of Red
3-29 Fish Bay and/or Red Fish Cove.

3-30 (5) Easement executed by INGLESIDE LAND COMPANY, to
3-31 UNITED STATES OF AMERICA, for the Gulf Intercoastal Waterway, dated
3-32 September 11, 1958.

3-33 (6) Any and all easements and sites for storage tanks,
3-34 separators, flow lines and roadways in the development and
3-35 operation of outstanding Mineral Lease recorded in Volume 173, Page
3-36 468, Deed Records, San Patricio County, Texas.

3-37 (7) Pipeline Right-of-way dated December 11, 1950,
3-38 executed by INGLESIDE LAND COMPANY, to HUMBLE PIPE LINE COMPANY,
3-39 recorded in Volume 168, Page 192, Deed Records, San Patricio
3-40 County, Texas.

3-41 (8) Pipeline Right-of-way dated June 8, 1965, executed
3-42 by INGLESIDE LAND COMPANY, to SHELL OIL COMPANY, recorded in Volume
3-43 318, Page 144, Deed Records, San Patricio County, Texas.

3-44 (9) Reservation of all of the oil, gas and other
3-45 minerals by virtue of the wording "Surface Estate Only" in Deed
3-46 dated January 15, 1969, executed by INGLESIDE LAND COMPANY, to
3-47 NATIONAL STEEL CORPORATION, recorded in Volume 382, Page 452 et
3-48 seq., Deed Records, San Patricio County, Texas. Title to said
3-49 interest not investigated subsequent to said date.

3-50 SECTION 7. This Act shall only apply to lands granted
3-51 pursuant to special awards issued by the Commissioner of the
3-52 General Land Office prior to January 1, 1945.

3-53 SECTION 8. If the appraisals, surveys, conveyances, and
3-54 transactions contemplated by this Act do not occur prior to August
3-55 31, 2009, this Act shall expire and be void.

3-56 SECTION 9. This Act takes effect immediately if it receives
3-57 a vote of two-thirds of all the members elected to each house, as
3-58 provided by Section 39, Article III, Texas Constitution. If this
3-59 Act does not receive the vote necessary for immediate effect, this
3-60 Act takes effect September 1, 2005.

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