

1 AN ACT

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

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

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

21 SECTION 2. Simultaneously with the conveyance of real
22 property described by Section 5 of this Act, together with
23 execution of a quitclaim deed of any interest of the City of Aransas
24 Pass in and to 9,644 acres, more or less, consisting of that portion

1 of Special Award No. 1, dated May 22, 1944, save and except the
2 tract of land described in Section 4 of this Act, to the General
3 Land Office for the use and benefit of the Permanent School Fund,
4 and, solely if necessary under the terms of this Act, delivery of
5 additional consideration by the City of Aransas Pass, the
6 commissioner of the General Land Office shall convey on behalf of
7 the state the state's right, title, and interest in and to the
8 property described by Section 4 of this Act, subject to the mineral
9 and royalty reservation set forth in Section 1 of this Act.

10 SECTION 3. The commissioner of the General Land Office and
11 the City of Aransas Pass shall follow the procedures outlined in
12 this section. The tracts described in Sections 4 and 5 of this Act
13 shall be appraised by an appraiser acceptable to both the City of
14 Aransas Pass and the commissioner of the General Land Office, with
15 the cost of such appraisals paid by the General Land Office. In the
16 event that the City of Aransas Pass and the commissioner of the
17 General Land Office cannot agree on the market value of the tracts
18 described in Sections 4 and 5 of this Act, the City of Aransas Pass
19 and the commissioner of the General Land Office shall submit the
20 question of market value to a mutually acceptable mediator, with
21 the cost of the mediator paid by the General Land Office, who shall
22 determine the market value of the tracts described in Sections 4 and
23 5 of this Act. The mediator's determination of market value shall
24 be binding on both the City of Aransas Pass and the General Land
25 Office. In the event that the market value of the tract described
26 in Section 4 of this Act is determined to exceed the market value of
27 the tract described in Section 5 of this Act, the City of Aransas

1 Pass and the commissioner of the General Land Office shall
2 negotiate an agreement whereby additional consideration, which may
3 take the form of cash, a lien, or similar encumbrance in favor of
4 the Permanent School Fund, or some combination thereof, sufficient
5 to equal the difference in value between the tract described in
6 Section 4 of this Act and the tract described in Section 5 of this
7 Act, as well as the cost of any survey and appraisal performed and
8 mediator retained in accordance with the terms of this Act, shall be
9 provided to the commissioner of the General Land Office for the
10 benefit of the Permanent School Fund, with the cash component of
11 such consideration, including installment payments, if any, to be
12 deposited in the special fund account of the Permanent School Fund
13 created pursuant to Section 51.401, Natural Resources Code, in
14 order to effect the conveyances of property contemplated by this
15 Act.

16 SECTION 4. The real property referred to in Sections 1 and 2
17 of this Act is the real property described as Tracts 3, 4, 7, and 8
18 of the Bullitt-Hutchins, Inc. appraisal dated April 24, 2000,
19 performed for the General Land Office under GLO Contract No.
20 00-229R and on file in the records of the General Land Office,
21 comprising 115 acres, more or less, which property shall be
22 surveyed at the cost of the General Land Office prior to the
23 appraisal described in Section 3 of this Act.

24 SECTION 5. The real property described in Sections 1 and 2
25 of this Act is the following described land and sea bottom below
26 high tide:

27 Beginning in the North line of a survey in the name of Wm.

1 Docker, assignee of Lewis Von Zacharias as called for by Letters
2 Patent issued February 7th, 1842, Abstract No. 272, said point
3 being in the Southeast line of State F. M. Road No. 2725;

4 THENCE, with the North line of said Wm. Docker Survey,
5 Abstract No. 272, N. 88 deg. 27 min. 53 sec. East 1013.81 feet set a
6 2 inch iron pipe and a cedar post for the Northeast corner of said
7 Wm. Docker Survey and a corner of this tract;

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

12 THENCE, N. 88 deg. 27 min. 53 sec. East along the North line
13 of said Samuel Kenney Survey at 2247.22 feet the Northeast corner of
14 said Kenney Survey, and an internal corner of the Edmond St. John
15 Survey, Abstract No. 250, as called for by Letters Patent dated July
16 17th, 1880, and continuing along same course a total distance of
17 3533.19 feet to the East line of said Edmond St. John Survey in the
18 shoreline of Red Fish Bay for the Northeast corner of this tract;

19 THENCE, S. 35 deg. 27 min. 53 sec. West along the shoreline
20 1089.37 feet;

21 THENCE, S. 01 deg. 32 min. 07 sec. West along the shoreline
22 305.55 feet;

23 THENCE, S. 30 deg. 27 min. 53 sec. West along the shoreline
24 26.41 feet to the Southeast corner of this tract;

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

27 THENCE, N. 01 deg. 32 min. 07 sec. East 1097.95 feet to a

1 corner in the Southeast line of said Wm. Docker Abstract No. 272;

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

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

7 THENCE, N. 34 deg. 28 min. 19 sec. East along said road
8 boundary line 123.62 feet to the POINT OF BEGINNING, containing
9 89.5288 acres, more or less, and being partly out of the Wm. Docker
10 Survey Abstract No. 272, partly out of the Edmond St. John Survey
11 Abstract No. 250 and partly out of the Samuel Kenney Survey Abstract
12 No. 182;

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

21 EXCEPTIONS:

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

26 (2) Any visible and apparent roadways or easements over or
27 across the subject property, the existence of which does not appear

1 of record.

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

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

8 (5) Easement executed by INGLESIDE LAND COMPANY, to UNITED
9 STATES OF AMERICA, for the Gulf Intracoastal Waterway, dated
10 September 11, 1958.

11 (6) Any and all easements and sites for storage tanks,
12 separators, flow lines and roadways in the development and
13 operation of outstanding Mineral Lease recorded in Volume 173, Page
14 468, Deed Records, San Patricio County, Texas.

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

18 (8) Pipeline Right-of-way dated June 8, 1965, executed by
19 INGLESIDE LAND COMPANY, to SHELL OIL COMPANY, recorded in Volume
20 318, Page 144, Deed Records, San Patricio County, Texas.

21 (9) Reservation of all of the oil, gas and other minerals by
22 virtue of the wording "Surface Estate Only" in Deed dated January
23 15, 1969, executed by INGLESIDE LAND COMPANY, to NATIONAL STEEL
24 CORPORATION, recorded in Volume 382, Page 452 et seq., Deed
25 Records, San Patricio County, Texas. Title to said interest not
26 investigated subsequent to said date.

27 SECTION 6. This Act shall only apply to lands granted

1 pursuant to special awards issued by the commissioner of the
2 General Land Office prior to January 1, 1945.

3 SECTION 7. If the appraisals, surveys, conveyances, and
4 transactions contemplated by this Act do not occur prior to August
5 31, 2009, this Act shall expire and be void.

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

David Newkumst

President of the Senate

Tom Caslick

Speaker of the House

I certify that H.B. No. 1740 was passed by the House on May 13, 2005, by the following vote: Yeas 142, Nays 0, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 1740 on May 27, 2005, by the following vote: Yeas 141, Nays 0, 2 present, not voting.

Robert Haney

Chief Clerk of the House

I certify that H.B. No. 1740 was passed by the Senate, with amendments, on May 25, 2005, by the following vote: Yeas 31, Nays 0.

Latsy Spaw

Secretary of the Senate

APPROVED:

17 JUNE 05

Date

Rick Perry

Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
11:25 AM CLOCK

Roger Williams
Secretary of State