

ORDER NO. 2-24-2014

AN ORDER OF THE WILSON COUNTY COMMISSIONERS COURT, PURSUANT TO ITS PROJECT TO OBTAIN GRANT FUNDING FROM THE TEXAS DEPARTMENT OF TRANSPORTATION TO ALLEVIATE DEGRADATION CAUSED TO PUBLIC ROADS, BRIDGES, AND CULVERTS BY THE EXPLORATION, DEVELOPMENT, OR PRODUCTION OF OIL OR GAS, AND REGARDING: (1) THE DESIGNATION OF THE WILSON COUNTY ENERGY TRANSPORTATION REINVESTMENT ZONE NO. 1; (2) THE CREATION OF AN AD VALOREM TAX INCREMENT ACCOUNT FOR SAID ZONE; (3) THE DESIGNATION OF THE BASE YEAR AND EFFECTIVE DATE REGARDING SAID ZONE; (4) ALL RELATED ZONE OR PROJECT MATTERS; AND (5) ESTABLISHING AN EFFECTIVE DATE AND COMPLIANCE WITH THE TEXAS OPEN MEETING ACT.

WHEREAS, Wilson County, Texas (“County”) is a county of the State of Texas, having been duly created and organized under the constitution and laws of Texas, and further, the Wilson County Commissioners Court (“Commissioners Court”) is the governing body of said County; and

WHEREAS, pursuant to Article V, Section 18 of the Texas Constitution, Senate Bill 1747 enacted in 2013 by the Texas Legislature, Chapters 222 and 256 of the Texas Transportation Code, and other authority, the County may conduct a project to obtain grant funding from the Texas Department of Transportation (“TXDOT”) to alleviate degradation caused to public roads, bridges, and culverts by the exploration, development, or production of oil or gas, including the acquisition of grant funds for the planning, design, construction, reconstruction, and maintenance/repair of the aforesaid transportation infrastructure; and

WHEREAS, the Commissioners Court has initiated and desires to complete such a project pursuant to the aforesaid authority, in order to obtain grant funding from TXDOT for the aforesaid purposes, and further, pursuant to that project, the Commissioners Court finds that the (1) acquisition of grant funding from TXDOT regarding the project, and the successful implementation of the project resulting in the planning, design, construction, reconstruction, and maintenance/repair of the aforesaid transportation infrastructure through grant funding, will have a significant, positive, and beneficial effect on the public road system in the County and for the people of the County, including related public safety issues, and (2) public benefits associated with the project, as herein described, shall be obtained or substantially achieved through the County’s successful completion of the project; and

WHEREAS, the project requires certain administrative and procedural matters to be initiated and completed prior to or after the submission to TXDOT of the County’s grant funding application, including but not limited to the (1) creation, implementation, administration, and management of one or more County Energy Transportation Reinvestment Zones, (2) creation of

an advisory board for any such zone, (3) creation, implementation, administration, and management of an ad valorem tax increment account for any such zone, (4) designation of the base year for tax increment calculation and related fiscal procedures regarding any such zone, (5) designation of the effective date for any such zone, and (6) public notice and hearing requirements to properly predicate the creation of any such zone and the submission of the County's grant funding application to TXDOT for the project; and

WHEREAS, the Commissioners Court finds and determines that all public notice, hearing, administrative, and procedural matters required by law have been timely initiated and completed regarding the project;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Wilson County Commissioners Court, for and in behalf of said County and in the public interest, as follows:

Administrative Provisions

- (1) Singular nouns and pronouns shall include the plural, and the masculine gender shall include the feminine gender, where necessary for a correct meaning of this order.
- (2) All statements made in the caption, preamble, and preliminary recitals of this order, and all documents attached to this order, are true, correct, and incorporated by reference for all purposes.
- (3) All terms or phrases appearing in this order, unless specially defined, shall retain their ordinary meaning and customary usage. The following terms, however, have special definitions for purposes of this order:
 - (a) "Advisory Board" or "Board" shall mean the Advisory Board created by the Commissioners Court for the Wilson County CETRZ No. 1 pursuant to the authority described in this order.
 - (b) "Authority" shall mean all legal authority described in this order, including: (1) Article V, Section 18 of the Texas Constitution; (2) Senate Bill 1747 enacted in 2013 by the Texas Legislature; (3) Chapters 222 and 256 of the Texas Transportation Code; and (4) the active administrative regulations of TXDOT applicable to the project.
 - (c) "CETRZ" shall mean a County Energy Transportation Reinvestment Zone as described in this order pursuant to the aforesaid authority.

(d) “Chapter 222” shall mean Chapter 222 of the Texas Transportation Code, including but not limited to Sections 222.1071 and 222.1072 thereof;

(e) “Chapter 256” shall mean Chapter 256 of the Texas Transportation Code, including but not limited to Sections 256.101 through 256.105 thereof;

(f) “Commissioners Court” shall mean the Commissioners Court of Wilson County, Texas;

(g) “County” shall mean Wilson County, Texas;

(h) “Wilson County CETRZ No. 1” shall mean the Wilson County Energy Transportation Reinvestment Zone No. 1 designated and created by this order pursuant to the aforesaid authority;

(i) “Project” shall mean the project being conducted by the County under the aforesaid authority to obtain grant funding from TXDOT as described in this order.

(j) “Public road” shall mean the traveled portion of a public road as well as the public bridges, culverts, drainage ditches, and bar ditches that are adjacent or connected to said road.

(k) “SB 1747” shall mean Senate Bill 1747, enacted in 2013 by the Texas Legislature;

(l) “Tax Increment Account” shall mean the ad valorem tax increment account created by the Commissioners Court, as described in this order, for the Wilson County CETRZ No. 1;

(m) “Texas Open Meetings Act” shall mean Chapter 551 of the Texas Government Code; and

(n) “TXDOT” shall mean the Texas Department of Transportation, including its governing body, the Texas Transportation Commission.

(4) This order shall take effect immediately from and after its passage.

- (5) All prior acts of the County, including the acts of its elected officials, appointed officials, officers, employees, agents, attorneys, and representatives, are hereby ratified, confirmed, and approved regarding all matters related to the project, including but not limited to: (a) the January 27, 2014 order of the Commissioners Court regarding the project as hereafter described; and (b) the matters described in this order.
- (6) This order was considered, ordered, approved, and enacted at a public meeting of the Commissioners Court held in compliance with the Texas Open Meetings Act.

Public Notice

- (7) Pursuant to the authority described in this order, the public notice requirements of the project were accomplished in a timely manner to properly predicate the designation of the Wilson County CETRZ No. 1 and all related matters.
- (8) A Notice of Public Hearing was published in a timely manner on December 18, 2013 in a newspaper of general circulation in the County pursuant to Section 222.1071 of the Texas Transportation Code. It gave notice of the public hearing to be conducted by the Commissioners Court on December 27, 2013 at 9:30 a.m. in the Wilson County Commissioners' Courtroom at the Wilson County Courthouse Annex III, Suite 2, at 1103 Fourth Street, Floresville, Texas, regarding the creation, requirements, and administration of one or more County Energy Transportation Reinvestment Zones to be located in the County pursuant to the project. Public notice for the hearing also was accomplished properly pursuant to the Texas Open Meetings Act.
- (9) The public hearing for the project was conducted by the Commissioners Court on December 27, 2013 and public comment was obtained in accordance with the aforesaid Notice of Public Hearing, Section 222.1071 of the Texas Transportation Code, and the Texas Open Meetings Act.
- (10) Pursuant to Section 222.1071 of the Texas Transportation Code and the Texas Open Meetings Act, this order was enacted in a timely manner at a public meeting of the Commissioners Court held on the date described by this order.

Designation of Wilson County Energy Transportation Reinvestment Zone No. 1

- (11) Pursuant to the authority described in this order, the Commissioners Court finds that: (a) Wilson County, Texas, including the Wilson County CETRZ No. 1 as hereafter described, have been adversely affected

because of oil and gas exploration, production, and development activities, including the increased heavy truck and equipment traffic on public roads in the County due to the aforesaid activities; (b) the County, including said CETRZ, would benefit from state funding under Chapters 222 and 256; and (c) the creation of the Wilson County CETRZ No. 1 and the creation of the separate tax increment account for said CETRZ, as hereafter described, will assist the County in addressing its fiscal needs, permit enhanced stability in the county budgeting process, and provide a significant, positive, and beneficial effect on the public road system in the County, including related public safety issues.

- (12) The Commissioners Court hereby designates and creates the **Wilson County Energy Transportation Reinvestment Zone No. 1**, pursuant to the authority described in this order, to promote the transportation infrastructure projects located therein and as allowed by law, with the boundaries of said CETRZ being more particularly described in the attached Exhibit A as all that certain contiguous land area located in Wilson County, Texas, containing 457.71 acres, more or less, comprised of: (a) the parcels of land identified in Exhibit A for said CETRZ as Tract Nos. 12023, 12024, and 12025 pursuant to the records of the Wilson County Appraisal District and the Official Public Records of Wilson County, Texas; and (b) the public road identified in Exhibit A as being included in said CETRZ, same being County Road 217, said road being a transportation infrastructure project located in said CETRZ and said road having been degraded primarily because of traffic from the exploration, production, or development of oil or gas.
- (13) The Wilson County CETRZ No. 1 shall be operated and administered in compliance with the authority described in this order.

Tax Increment Account

- (14) Pursuant to the authority described in this order, the Commissioners Court directs the Wilson County Treasurer to establish the following interest bearing tax increment account: the Wilson County Energy Transportation Reinvestment Zone No. 1 Ad Valorem Tax Increment Account.
- (15) The aforesaid tax increment account, including all deposits and expenditures regarding said account, shall be collected, used, maintained, and monitored by the County in compliance with the authority described in this order.
- (16) The captured appraised value of real property located in the Wilson County CETRZ No. 1, pursuant to the authority described in this order, shall be dedicated or pledged by the County to transportation infrastructure projects as authorized by law.

Effective Date and Base Year

- (17) The Wilson County CETRZ No. 1 shall take effect immediately on the enactment of this order.
- (18) For purposes of determining the tax increment for the Wilson County CETRZ No. 1, the base year of said CETRZ shall be calendar year 2014/the county fiscal year 2013-2014, being the year of the enactment of this order.

Advisory Board

- (19) The following individuals, all residents and taxpayers of the County were appointed by the Commissioners Court by its order dated January 27, 2014 (the contents of which are incorporated by reference) to serve as the Advisory Board for any CETRZ created by the Commissioners Court: (a) Douglas Noll (identified as "Knoll" in the previous order), an oil and gas company representative who owns and is employed by Noil (identified as "Knoil" in the previous order), an oil and gas company, and who performs company activities in the County; (b) Joseph Couch, an oil and gas company representative who is employed by Hunt Oil, an oil and gas company, and who performs company activities in the County; (c) Joe Randall ("Randy") Cotter, an oil and gas company representative who owns and is employed by J.R. Cotter, Inc., an oil and gas service company, and who performs company activities in the County; (d) James C. ("Jim") Pruski, a public member; and (e) Keith Johanson, a public member. Said individuals shall serve as the members of the Advisory Board for the Wilson County CETRZ No. 1 designated and created by this order.
- (20) These Advisory Board members, in an advisory capacity to the Commissioners Court regarding the Wilson County CETRZ No. 1, shall: (a) meet not less than 2 times per calendar year regarding said CETRZ; (b) serve for 2 year terms regarding said CETRZ, with their successors to be appointed by the Commissioners Court in the event of vacancy or term expiration; (c) serve regarding said CETRZ without receiving compensation for service on the Board or reimbursement for expenses incurred in performing services as a member of the Board; (d) conduct business and hold meetings regarding said CETRZ pursuant to the Texas Open Meetings Act; and (e) perform such tasks and functions regarding said CETRZ as required by law and as directed by the Commissioners Court, including providing advice and recommendations to the Commissioners Court regarding the establishment, administration, and expenditures of said CETRZ, but such advice and recommendations shall be advisory only and not be binding on the Commissioners Court.

- (21) The County's staff and legal counsel are directed to assist the Advisory Board for the Wilson County CETRZ No. 1 regarding the timely and successful accomplishment of the their responsibilities.

Zone Duration

- (22) The Wilson County CETRZ No. 1 shall remain in effect for the initial term of 10 years from the date of formation pursuant to the authority described in this order.
- (23) The Wilson County CETRZ No. 1 shall terminate on December 31st of the tenth year after zone designation unless: (a) terminated earlier in conformity with law; or (b) extended as allowed by law.

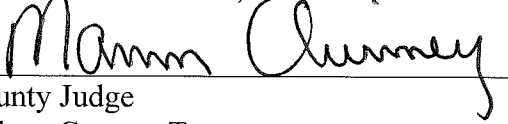
Authorization

- (24) The County Judge is directed and authorized to timely initiate and complete: (a) all public notice, administrative, and procedural issues required to properly predicate and complete the project; (b) the submission to TXDOT of the County's grant application and project documents as deemed necessary or advisable; (c) all required or advisable communication with TXDOT regarding the project; and (d) the preparation and execution of documents deemed necessary or advisable to properly accomplish project tasks.
- (25) The County's staff and legal counsel are directed and authorized to assist the County Judge regarding the timely and successful accomplishment of project tasks.

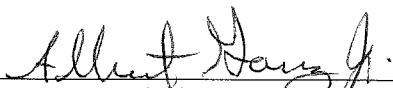
CONSIDERED, ORDERED, APPROVED, AND ENACTED on the 24 day of Feb, 2014.

SIGNED on the 24 day of Feb, 2014.

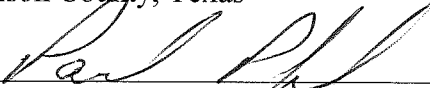
**THE COMMISSIONERS COURT OF
WILSON COUNTY, TEXAS**



County Judge
Wilson County, Texas

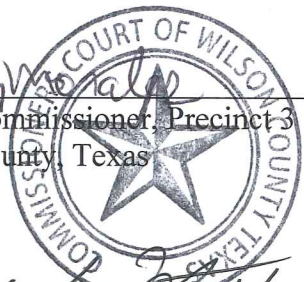


County Commissioner, Precinct 1
Wilson County, Texas



County Commissioner, Precinct 2
Wilson County, Texas

Ricky Morales
County Commissioner, Precinct 3
Wilson County, Texas



[Signature]
County Commissioner, Precinct 4
Wilson County, Texas

ATTEST:

Eva S. Martinez
County Clerk
Wilson County, Texas

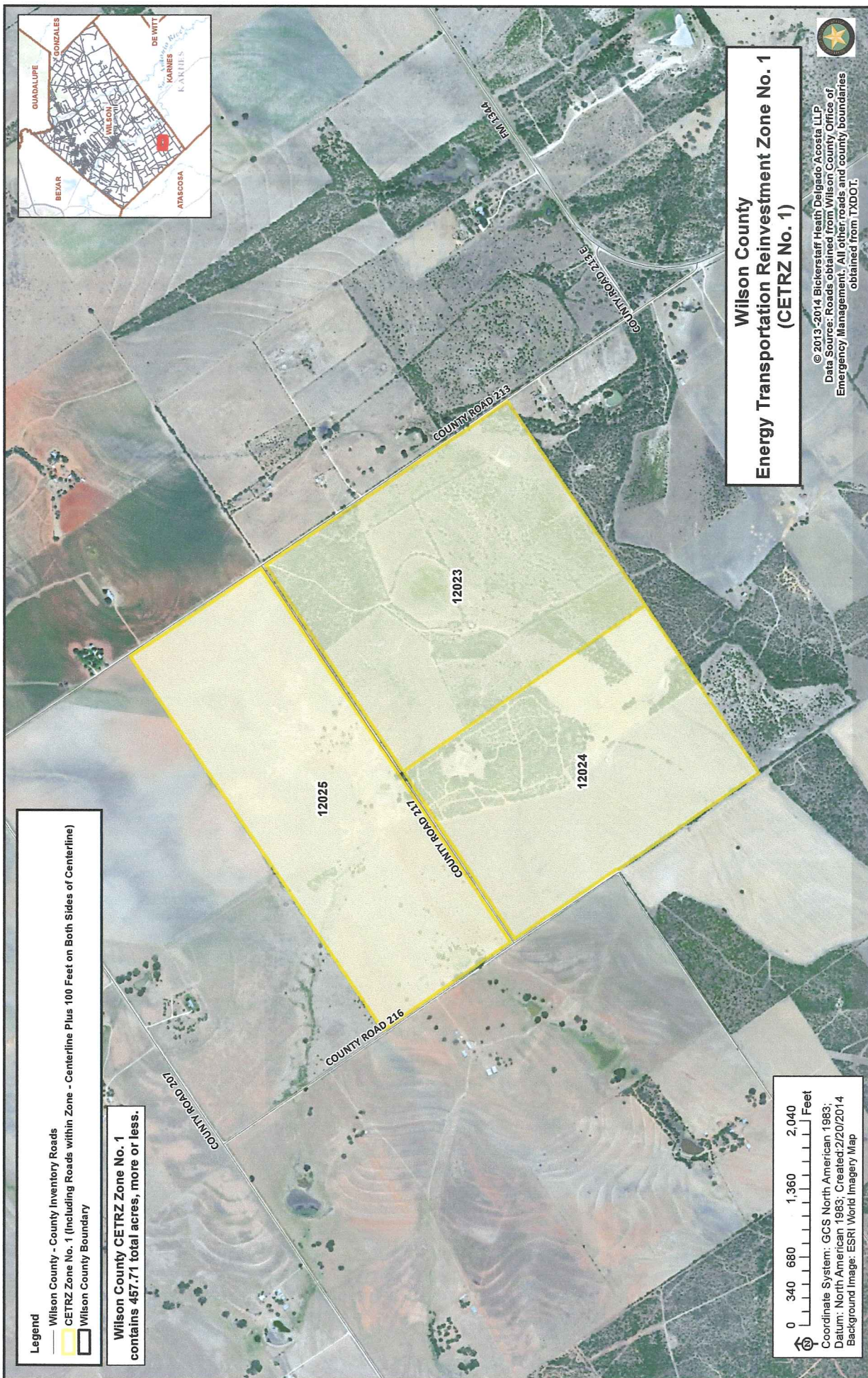
EXHIBIT A



Legend

- Wilson County - County Inventory Roads
- CETRZ Zone No. 1 (Including Roads within Zone - Centerline Plus 100 Feet on Both Sides of Centerline)
- Wilson County Boundary

Wilson County CETRZ Zone No. 1
contains 457.71 total acres, more or less.



**Wilson County
Energy Transportation Reinvestment Zone No. 1
(CETRZ No. 1)**



© 2013-2014 Bickerstaff Heath Delgado Acosta LLP
Data Source: Roads obtained from Wilson County Office of
Emergency Management; All other roads and county boundaries
obtained from TXDOT.

