

NOTICE OF PUBLIC HEARING

Notice is hereby given that the Board of Directors of the Houston Ship Channel Security District (the "District") has called and will hold and conduct a public hearing on Tuesday, October 17, 2017, at 2:00 p.m., at The Mustang Building, 2nd Floor, Shell Learning Center, 4400 HWY 225, Deer Park, Texas 77536, within the boundaries of the District, on the advisability of the District's proposed Security Project and Security Services and the proposed assessments to be made by the District against facilities within the District to finance the costs of same.

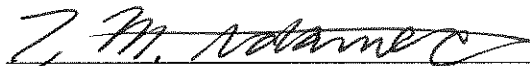
The general nature of the Security Project and Security Services are described in Attachment I hereto, which is hereby incorporated by reference and made a part hereof for all purposes.

The estimated costs of the Security Project and Security Services are set forth in Attachment II hereto, which is hereby incorporated by reference and made a part hereof for all purposes.

The proposed method of assessment against facilities within the District to finance the costs of the Security Project and Security Services is set forth in Attachment III hereto, which is hereby incorporated by reference and made a part hereof for all purposes.

YOU WILL THEREFORE TAKE NOTICE OF THE FOREGOING.




Secretary, Board of Directors
Houston Ship Channel Security District

ATTACHMENT I

GENERAL NATURE OF SECURITY PROJECT AND SECURITY SERVICES

Includes blanket intruder detection, incident mitigation, response and recovery, and enhanced security coverage for waterside and landside facilities along the Houston Ship Channel and the associated supply chain and support industries located within the boundaries of the Houston Ship Channel Security District.

Deliverables include: (i) increased air patrols and incident management by virtue of (a) fuel and maintenance support, (b) acquisition of navigation and mapping systems, (c) acquisition of high definition low light and thermal imaging systems, (d) acquisition of search and rescue equipment and supplies, and (e) acquisition of personal protective equipment and aircraft replacement equipment; (ii) increased waterside patrol and response capabilities through (a) fuel and maintenance support, (b) acquisition of personal protective and operational equipment to enhance incident prevention and response capabilities of waterborne units of law enforcement partners, (c) acquisition of thermal imaging, air quality detection, vessel identification, radar, and sonar systems, (d) acquisition of personal protective and communications equipment, and (e) acquisition of replacement equipment for patrol vessels; (iii) increased landside patrols and incident management by virtue of (a) fuel and maintenance support, (b) acquisition of x-ray, radiation detection, and related equipment, and (c) acquisition of chemical detection and hazardous material response equipment; (iv) recapitalization, enhancements, expansions, upgrades and repairs to existing wireless and fiber optic-wired communications system that features closed circuit video cameras and radar detection systems along waterways, roadways and bridges; (v) enhanced intelligence, threat detection and communications capabilities and interoperability among first responders and law enforcement partners through provision of dedicated maritime sector specific analyst positions within the State fusion center; (vi) associated support systems, technology, law enforcement, management and administrative services and personnel, including information sharing, alerts and notifications through a consolidated, multi-agency operational and strategic command and control emergency response structure; and (vii) training programs to promote or aid in security within the District, including, but not limited to, programs addressing incident prevention, management and response.

ATTACHMENT II

ESTIMATED COSTS

The total estimated costs of the Security Project are approximately \$5,580,443 for infrastructure, improvements, equipment and training course materials and costs. The estimated District share of such infrastructure, improvements, equipment and materials is \$1,422,768. The total estimated costs of the Security Services are approximately \$1,487,019. The estimated District share of the Security Services, including operations, maintenance, upkeep, and training, is \$1,415,019. The balance of the Security Project and Security Services costs, if any, will be funded by federal grant funds or other sources, persons or agencies. The total estimated District administration costs are \$418,264.

The Security Project and the Security Services will be deliverable in a single phase, as follows:

Income (\$1,000's):	2017-2018
Assessments	\$ 1,674.5
Use of Surplus Funds /Carry Forward	\$ 1,533.6
Interest Earnings	\$ 5.1
Contract Revenue	\$ 42.9
<i>Subtotal</i>	<i>\$ 3,256.1</i>
Expenses (\$1,000's):	
Security Project (Equipment, Infrastructure, Improvements, and Training Materials and Programs)	\$ 1,422.8
Security Services (O&M)	\$ 1,415.0
District Administration	\$ 418.3
<i>Subtotal</i>	<i>\$ 3,256.1</i>
Net (\$1,000's)	\$ 0.0

ATTACHMENT III

PROPOSED PLAN AND METHOD OF ASSESSMENT

The security and protection of human life, including employees, contractors and other personnel of the owners of facilities within the District, may require different methods, equipment, tactics and technology, implemented at different cost levels, than the security and protection of facility sites with direct or indirect water access from the Houston Ship Channel and/or subject to the Maritime Transportation Security Act ("MTSA"). Similarly, the costs of protection of personnel may increase disproportionately in areas of higher population concentration, while the costs of protecting such facility sites with water access may decrease disproportionately with the size of the land area. Equitable apportionment of the costs of the proposed Security Project and Security Services, taking into account these varying circumstances, requires a comparison of these factors to determine the benefits to each facility and, therefore, the proper resulting allocation of costs proportionate to the benefits to be realized. Accordingly, the proposed method and plan of assessment apportions costs to a facility based upon the greater of the costs incurred and benefits received through each approach, as follows:

Landside Facility Assessment Table

Employees/Contract Personnel	Assessment
<40	1,400
<100	4,300
<250	7,100
<500	12,900
<1000	18,600
<1500	27,100
<2500	42,900
<3500	57,100
>3499	71,300

MTSA/Waterside Facility Assessment Table

		Acreage							
		<10	<25	<50	<150	<500	<1000	<5000	>5000
Headcount	<40	1,400	4,300	7,100	12,900	18,600	27,100	42,900	57,100
	<100	4,300	4,300	7,100	12,900	18,600	27,100	42,900	57,100
	<250	7,100	7,100	7,100	12,900	18,600	27,100	42,900	57,100
	<500	12,900	12,900	12,900	12,900	18,600	27,100	42,900	57,100
	<1000	18,600	18,600	18,600	18,600	18,600	27,100	42,900	57,100
	<1500	27,100	27,100	27,100	27,100	27,100	27,100	42,900	57,100
	<2500	42,900	42,900	42,900	42,900	42,900	42,900	42,900	57,100
	<3500	57,100	57,100	57,100	57,100	57,100	57,100	57,100	57,100
	>3499	71,300	71,300	71,300	71,300	71,300	71,300	71,300	71,300

- Multiple facilities within the District under one ownership or holding company may, but need not, be aggregated by number of personnel and acreage by the District for purposes of assessment and/or security and collection of such assessment.
- The number of personnel associated with each facility will be determined by the District on the basis of the best and most reliable information available to the District, including information from self-reporting by owners, and other sources or estimates.
- The acreage of facility sites within the District will be determined by the District on the basis of the best and most reliable information available to the District, including information from self-reporting by owners, public records and/or the Harris County Appraisal District.
- The **Landside Facility Assessment Table** will be applied to facilities or aggregated facilities in which no portion of any of the facility or facilities are located on a site with access to the Houston Ship Channel or its navigable tributaries and waterways and/or a “facility” as defined in §70101 of MTSA. All other facilities or aggregated facilities shall be assessed per the **MTSA/Waterside Facility Assessment Table**.