

NOTICE OF PUBLIC HEARING

Notice is hereby given that the Board of Directors (the "Board") of the Houston Ship Channel Security District (the "District") has called and will hold and conduct a public hearing on Tuesday, October 20, 2020, at 2:00 p.m., **via telephone conference call** (pursuant to Texas Government Code, Section 551.125, as amended, and as modified by the temporary suspension of various provisions thereof effective March 16, 2020, by the Governor of Texas in accordance with the Texas Disaster Act of 1975, all as related to the Governor's proclamation on March 13, 2020, certifying that the COVID-19 pandemic poses an imminent threat of disaster and declaring a state of disaster for all counties in Texas) 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. Such hearing shall be open to the public and shall be conducted by the Board. Any interested person, including, without limitation, any owner of any facility within the District, or any such owner's representative(s), shall have the right to appear and offer testimony or documentary evidence for, against or on the advisability of the District's proposed Security Project and Security Services and the District's proposed assessments to finance such Security Project and Security Services. **The telephone conference call phone number is 1-877-304-9269 and the access code is 946103#.**

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.

Any documentary evidence for, against, or on the advisability of the District's proposed Security Project and Security Services and the District's proposed assessments to finance such Security Project and Security Services should be provided to the District via its administrator, the Greater Houston Port Bureau at 4400 Highway 225, Suite 200, Deer Park, Texas 77536 at least three (3) days before the date of the hearing so that same may be provided to the Board.

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 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 support, (b) acquisition of a night vision goggle compliant cockpit for use on existing air patrol and response assets of law enforcement partners, and (c) acquisition of a video downlink system and rescue equipment for deployment of first responders and evacuation of victims for use on existing air patrol and response assets of law enforcement partners; (ii) increased waterside patrol and response capabilities through (a) fuel support, (b) acquisition of additional specialized watercraft and operational equipment to enhance incident prevention and response capabilities of waterborne units, search and rescue teams, and dive teams of law enforcement partners, (c) associated specialized marine operations and dive team training, and (d) enhancement of shipboard firefighting training assets; (iii) increased landside patrols and incident management by virtue of (a) fuel support, (b) acquisition by law enforcement partners of hazardous material response vehicles and chemical threat detection equipment, (c) acquisition by law enforcement partners of explosive ordnance disposal equipment, and (d) acquisition by law enforcement partners of equipment and training to enhance high-angle and low-angle technical rescue capabilities; (iv) enhanced secured multi-agency communications through enhancement of regional communication network assets; (v) recapitalization, enhancements, expansions, upgrades, maintenance 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; (vi) 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; 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 \$5,876,905 for infrastructure, improvements, equipment and training course materials and costs. The estimated District share of such infrastructure, improvements, equipment and materials is \$1,567,799. The estimated District share of the Security Services, including operations, maintenance, upkeep, and training, is \$1,328,640. 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 \$344,758.

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

Income (\$1,000's):	2020-2021
Assessments	\$ 2,080.6
Use of Surplus Funds /Carry Forward	\$ 1,087.0
Interest Earnings	\$ 20.0
Contract Revenue	\$ 53.6
<i>Subtotal</i>	<i>\$ 3,241.2</i>
Expenses (\$1,000's):	
Security Project (Equipment, Infrastructure, Improvements, and Training Materials and Programs)	\$ 1,567.8
Security Services (O&M)	\$ 1,328.6
District Administration	\$ 344.8
<i>Subtotal</i>	<i>\$ 3,241.2</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	1,750
<100	5,375
<250	8,875
<500	16,125
<1000	23,250
<1500	33,875
<2500	53,625
<3500	71,375
>3499	89,125

MTSA/Waterside Facility Assessment Table

		Acreage							
		<10	<25	<50	<150	<500	<1000	<5000	>5000
Headcount	<40	1,750	5,375	8,875	16,125	23,250	33,875	53,625	71,375
	<100	5,375	5,375	8,875	16,125	23,250	33,875	53,625	71,375
	<250	8,875	8,875	8,875	16,125	23,250	33,875	53,625	71,375
	<500	16,125	16,125	16,125	16,125	23,250	33,875	53,625	71,375
	<1000	23,250	23,250	23,250	23,250	23,250	33,875	53,625	71,375
	<1500	33,875	33,875	33,875	33,875	33,875	33,875	53,625	71,375
	<2500	53,625	53,625	53,625	53,625	53,625	53,625	53,625	71,375
	<3500	71,375	71,375	71,375	71,375	71,375	71,375	71,375	71,375
	>3499	89,125	89,125	89,125	89,125	89,125	89,125	89,125	89,125

- 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**.
- The total assessment of each facility within the District under this assessment plan is proposed to be payable either: (i) in a single payment due not later than January 31, 2021, or (ii) in two (2) equal installments, the first of which is due not later than January 31, 2021, and the second of which is due not later than May 31, 2021. The decision of whether to pay the assessment in a single payment or in two (2) equal installments shall be at the election of the facility owner, which shall be made no later than January 31, 2021. In the event a facility owner elects to pay its assessment in two (2) equal installments, no penalties shall be imposed nor shall any interest accrue so long as each

installment payment is timely paid. If a facility owner has not paid at least half of the total assessment of the facility under this assessment plan by January 31, 2021, the facility owner shall be deemed to have elected to pay the total assessment in a single payment, and penalties and interest shall accrue on the total unpaid amount from February 1, 2021 in accordance with Section 68.314, Texas Water Code.