

January 14, 2020

Kevin Evans  
City Manager  
McGregor Economic Development Corporation  
303 South Main Street  
McGregor, TX 76657

Dear Mr. Evans:

Thank you for your participation in the Quest Site Solutions<sup>1</sup> Certification Program. Quest Site Solutions (Quest) has conducted an exhaustive analysis of the McGregor Industrial Park and has certified the **McGregor Industrial Park** as a **Mega Site/Super Park**.

We have certified the McGregor Industrial Park as meeting the following criteria:

- **The property must be at least 1,500 total acres with at least one 800-acre contiguous, developable parcel that would be acceptable for a single industrial user (Mega Site). The remainder of the property acreage must be at least 60% developable.** Based on the boundary surveys dated January 9, 2019 (Mega Site) and June 12, 2019 (Super Park), as well as the Master Development Plan dated October 10, 2019, the property is a total of 2,011.89 acres. The Mega Site is comprised of 1,014.32 acres with 878.4 contiguous, developable acres, and the Super Park is 997.57 acres with 861.94 developable acres.
- **The property must be available for sale or lease (with a documented price and terms) to prospective industrial investors. If the industrial park is only available for lease, the lease term must be a minimum of 25 years.** The property is owned by the City of McGregor, Texas. In a letter from Kevin Evans (City Manager) dated February 15, 2018, he indicates that it is the City's policy to sell the land when long term lease is not an option. An asking price has been established and may be negotiable depending on the prospective investment and other factors. The property is currently leased for agricultural purposes through August 2021. The lease can be terminated at the City's sole discretion for economic development purposes according to the terms of the lease. Title attorney opinions dated July 1, 2019 indicate that title is vested in the City of McGregor, Texas. Easements and other property restrictions are listed in the title documents.
- **The property must be free of any known rights-of-way, easements, judgments, liens, restrictive covenants, and any other items that might impact the park's developability.** A Site Concept Plan dated October 10, 2019 has been created that takes into consideration rights-of-way, wetlands, existing roads, existing easements, and other impediments to developability. Additional restrictions are indicated in title documents, deeds, and covenants. A process has been outlined if groundwater monitoring well GAS-41 needs to be relocated for development.

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<sup>1</sup> Upon the closure of McCallum Sweeney Consulting in May 2018, McCallum Sweeney's certification programs were transferred to Quest Site Solutions.

- **The property's developable acreage must be located outside of the 100-year flood zone or be able to be filled within 180 days. If the schedule for filling is longer than 180 days, filling must be completed prior to certification.** Approximately 85 acres are located in FEMA Zone A – inside the 100-year flood zone. The remainder of the property is located in FEMA Zone X – outside the 100- and 500-year flood zones.
- **The property must be free of recognized environmental concerns or have recognized environmental concerns remediated and/or resolved prior to certification.** A Phase I ESA was conducted on approximately 2,100 acres in June 2019. The report does not follow the typical ASTM 1527-13 due to remediation actions that have taken place on-site due to the previous land uses associated with the Bluebonnet Ordnance Plant/Naval Weapons Industrial Reserve Plant (NWIRP) McGregor. This assessment has revealed evidence of past contamination and remediation activities. The US EPA has granted a Ready for Reuse designation for the former Naval Weapons Industrial Reserve Plant McGregor with the successful completion of remediation for soil and groundwater contamination and appropriate deed mechanisms under the Texas Risk Reduction Program to limit land uses to commercial and industrial activities with limited groundwater usage, including no potable water usage. The Area of Interest, which included Area S and portions of Area Z, has been determined to be either in post-response action remediation for environmental concerns or free from environmental concerns as undertaken during this limited review of documentation and site visits. The Area S Plume Management Zone (PMZ) will continue to be monitored through the active monitoring wells for 30 years or until the contaminants of concern (COC) meet the appropriate Groundwater Class 3 Protective Concentration Level (PCL). Based on the data reviewed, the engineer does not recommend any additional testing for the COC within Areas S and Z. Land use will need to be limited to the deed restrictions and other covenants designated for the property. Continued monitoring of the COC would be limited to the discrete monitoring wells identified as active.
- **The property's developable acreage must be free of wetlands or be able to be mitigated within 180 days. If the schedule for mitigation is longer than 180 days, mitigation must be completed prior to certification.** Wetlands delineation dated November 9, 2018 identified 3.78 acres (12,634 linear feet) of tributaries, 3.083 acres of wetlands, and 6.955 acres of ponds. The tributaries and wetlands would be considered jurisdictional and subject to regulation under Section 404 of the CWA, but the ponds would not be. The approved jurisdictional determination letter from the U.S. Army Corps of Engineers dated October 24, 2019 indicates that the Corps concurs with the delineation of 12,634 linear feet of non-wetland waters and 3.08 acres of wetlands.
- **The property's developable acreage must be free of threatened and endangered species or be able to be mitigated within 180 days. If the schedule for mitigation is longer than 180 days, mitigation must be completed prior to certification.** A Project Review for Biological Resources was completed on the entire property in November 2018. The assessment indicated that the proposed project is not expected to have any impacts on any state or federally protected species. The report was provided to both US Fish and Wildlife Service and Texas Parks and Wildlife Department. As a project is not expected to have any impact on any state or federally protected species, concurrence was not provided by either agency.

- **The property's developable acreage must be free of areas of archaeological or historical significance or be able to be mitigated within 180 days. If the schedule for mitigation is longer than 180 days, mitigation must be completed prior to certification.** A Cultural Resources Survey was completed in February 2019 upon receipt of letter from the Texas Historical Commission (THC) regarding permit #8607. The letter from the THC dated January 28, 2019 indicates that no historic properties are present or affected by the project as proposed. THC and the State Historic Preservation Office (SHPO) concurs with the information provided.
- **The property's developable acreage must have soils compatible with industrial development.** A Preliminary Geotechnical Investigation was completed on the Mega Site in April 2019. Sixteen borings were drilled to a depth of 25 feet. Seismic Site Class is B. A Geotechnical Engineering Report was completed in July 2019 on a portion of the Super Park. Sixty borings were drilled ranging in depths up to 75 feet. The Seismic Site Class is C.
- **The property must be zoned appropriately or be able to be rezoned for industrial use within 90 days (if applicable). The surrounding properties must also be compatible with industrial uses.** The Mega Site is zoned Heavy Industrial (HI) and the Super Park is zoned Medium Industrial (MI). A zoning change will not be required for industrial uses.
- **The property must be within five miles of an interstate or four-lane limited-access divided highway. The property must be directly served or be able to be served within 12 months by a road that is compatible with standards for tractor-trailer access (80,000 pounds / 20,000 pounds per axle).** The property is accessed via Bluebonnet Parkway, Judith Drive, McGuffey Road, Highway 317, and SR 2671. The property is approximately 10 miles to the limited access portion of US Highway 84. I-35 miles is approximately 14 miles via the southern route and 20 miles via the northern route. A cost estimate has been provided for paving Judith Road and proposed improvements can be completed within 11 months.
- **The property must be served or be able to be served within 12 months by rail.** The existing BNSF rail line is located east of the property across Highway 317. Rail plan from Walker Partners shows approximately \$11.4 million (March 9, 2019 estimate) and 12 months (schedule dated June 27, 2019) to extend rail to the Mega Site. The schedule includes TDOT permitting for the road crossing and property acquisition.
- **The property must be served or be able to be served by industrial quality power that can meet a minimum of 30 MW demand. The first 15 MW must be able to be provided to the property within 12 months with an additional 15 MW to follow in the next 12 months. The property must also be served or be able to be served within 12 months by redundant electric service, preferably with feeds from two substations.** Two providers can serve the property – Oncor and Heart of Texas Electric Cooperative. Oncor can be the electric transmission and distribution provider to the property. Per the Electric Questionnaire (Heather Ledbetter – Economic Development Project Manager) dated February 2, 2018, a 25 kV line runs along the eastern and southern edges of the property. A 69 kV line runs on the northern section, and a 138 kV switch is located just north of the wastewater treatment plant on the eastern boundary of the property. To serve the required load, the infrastructure plan from Walker Partners dated March 9, 2019 indicates a cost of \$1,581,250, taking a power line refund into consideration, and a schedule of 12 months for Oncor switching station improvements and overhead power lines.

Brazos Electric Power Cooperative Inc. can be the transmission provider and Heart of Texas Electric Cooperative the distribution provider to the property. Per the Electric Questionnaire (Rick Haile – CEO, Heart of Texas Electric Cooperative) dated January 29, 2018, a 25 kV line is 7,000 feet from the property and a 138 kV line is 150 feet. While the capacity is available, a new substation would be required at an estimated cost of \$3.52 million. A new substation typically takes 12-15 months to design, procure, and construct. The City of McGregor owns the property and/or rights-of-way required for the upgrades, improvements, and extensions associated with the electric infrastructure.

- **The property must be served or be able to be served within 12 months by natural gas. Natural gas service must provide at least 50,000 mcf per month.** Per the Natural Gas Questionnaires (Rick Herbelin – Account Manager) dated February 6, 2018, Atmos Mid-Tex is the natural gas distribution provider and Atmos Pipeline is the transmission provider to the property. Based on a memo dated June 27, 2019 from Walker Partners, Atmos has a four-inch line with 24 psig approximately 2,600 feet from the property, but this line has limited availability to serve the Mega Site and/or Super Park. Therefore, a new main will need to be constructed to serve a new user depending on the required capacity. A new eight-inch line extended 8,200 linear feet into the middle of the Mega Site is estimated to cost \$1,947,500 based on the cost estimate dated June 27, 2019 from Walker Partners. The estimated schedule is 12 months, including the US Army Corps of Engineers permitting. The City of McGregor owns the property and/or rights-of-way required for upgrades, improvements, and extensions associated with natural gas infrastructure.
- **The property must be served or be able to be served within 12 months by water infrastructure and a water system with a minimum excess capacity of 1,200,000 gallons per day.** The City of McGregor is the water provider serving the property. The City of McGregor purchases water from Bluebonnet WSC of which they are one of the owners. Per the Water Questionnaire (Gary Graham – Manager, Walker Partners) dated February 12, 2018, a 16-inch line with 2,700 gallons per minute excess capacity is located at the property along Bluebonnet Parkway. In order to provide adequate flow and pressure to serve both the Mega Site and Super Park, water system improvements are needed including new 16-inch and 8-inch water lines and three storage tanks based on the information from Walker Partners dated June 27, 2019. These improvements total \$6,327,870 and can be completed within 12 months, including permitting. The City of McGregor owns the property and/or rights-of-way required for the upgrades, improvements, and extensions associated with the water infrastructure.

The Bluebonnet WSC water system has a total permitted capacity of 8 million gallons per day, an allocated capacity of 6.8 million gallons per day, an average utilization of 2.5 million gallons per day, and a peak utilization of 4 million gallons per day. Excess capacity factoring in allocated utilization is 1.2 million gallons per day. Bluebonnet WSC holds the water rights to expand their water treatment plant to 16 million gallons per day.

- **The property must be served or be able to be served within 12 months by wastewater infrastructure and a wastewater treatment plant with a minimum excess capacity of 1,000,000 gallons per day.** The City of McGregor is the wastewater provider serving the property and the Wastewater Treatment Plant (WWTP) is located adjacent to the Super Park along Highway 317. Per the Wastewater Questionnaire (Gary Graham – Manager, Walker Partners), the WWTP has 1.1 million gallons per day permitted capacity, 0.22 million gallons per day average utilization, and 0.6 million gallons per day excess capacity.

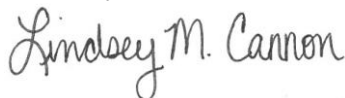
In order to provide 1,000,000 gallons per day to the property, WWTP and wastewater infrastructure improvements are required. Based on a cost estimate dated June 27, 2019 by Walker Partners, the 0.57 million gallons per day WWTP expansion will cost \$6,673,095. The cost estimate for the wastewater lines, lift station, and related infrastructure is \$4,641,308. Both projects are estimated to take 12 months to complete. The City of McGregor owns the property and/or rights-of-way required for the upgrades, improvements, and extensions associated with the wastewater infrastructure.

- **The property must be served or be able to be served within 12 months by fiber telecommunications infrastructure.** AT&T and Spectrum/Charter Communications both serve the property. AT&T has fiber along Highway 317, Bluebonnet Parkway, and Johnson Drive. Spectrum/Charter Communications has fiber on the property. The City of McGregor owns the property and/or rights-of-way required for the upgrades, improvements, and extensions associated with the telecommunications infrastructure.
- **A Site Concept Plan must be provided that shows total and developable acreage, potential building pad, road access points, potential rail layout, location of utilities (existing and proposed), and easements. The Site Concept Plan should take into consideration and note the location of development limitations, such as wetlands, floodplains, and permanent easements.** A Site Concept Plan dated October 10, 2019 shows the Mega Site of which 878.4 acres are contiguous and developable, and proposed lots in the Super Park ranging from 34 to 215 acres. The Plan takes utilities, wetlands, floodplains, easements, and other development restrictions into consideration.
- **A set of draft protective covenants that at a minimum address the following: building type, landscaping, parking, outdoor storage, setback specifications, and sign control must be submitted.** Deeds provide development restrictions. City of McGregor, and successors and assigns, shall not utilize any portion of the property for residential type purposes without the prior written authorization from the U.S. Government. Prohibited uses shall include, but not be limited to nurseries, child or full-time adult care facilities or any playground area. The City shall protect the integrity of any existing and all future groundwater monitoring or extraction wells to be installed by the government until such wells are no longer needed for environmental investigation or remediation purposes. Users are prohibited from installing any wells for extraction of groundwater (at any depth) without prior written authorization from the Navy and TCEQ.

The information outlined in this letter has been incorporated into the Site Concept Plan dated October 10, 2019, which is enclosed. This certification will expire on **January 14, 2025**. Upon certification expiration, the property will need to resubmit for recertification.

Congratulations are in order to the McGregor team for their hard work and for achieving certification. If you have questions regarding our analysis, please contact us.

Sincerely,

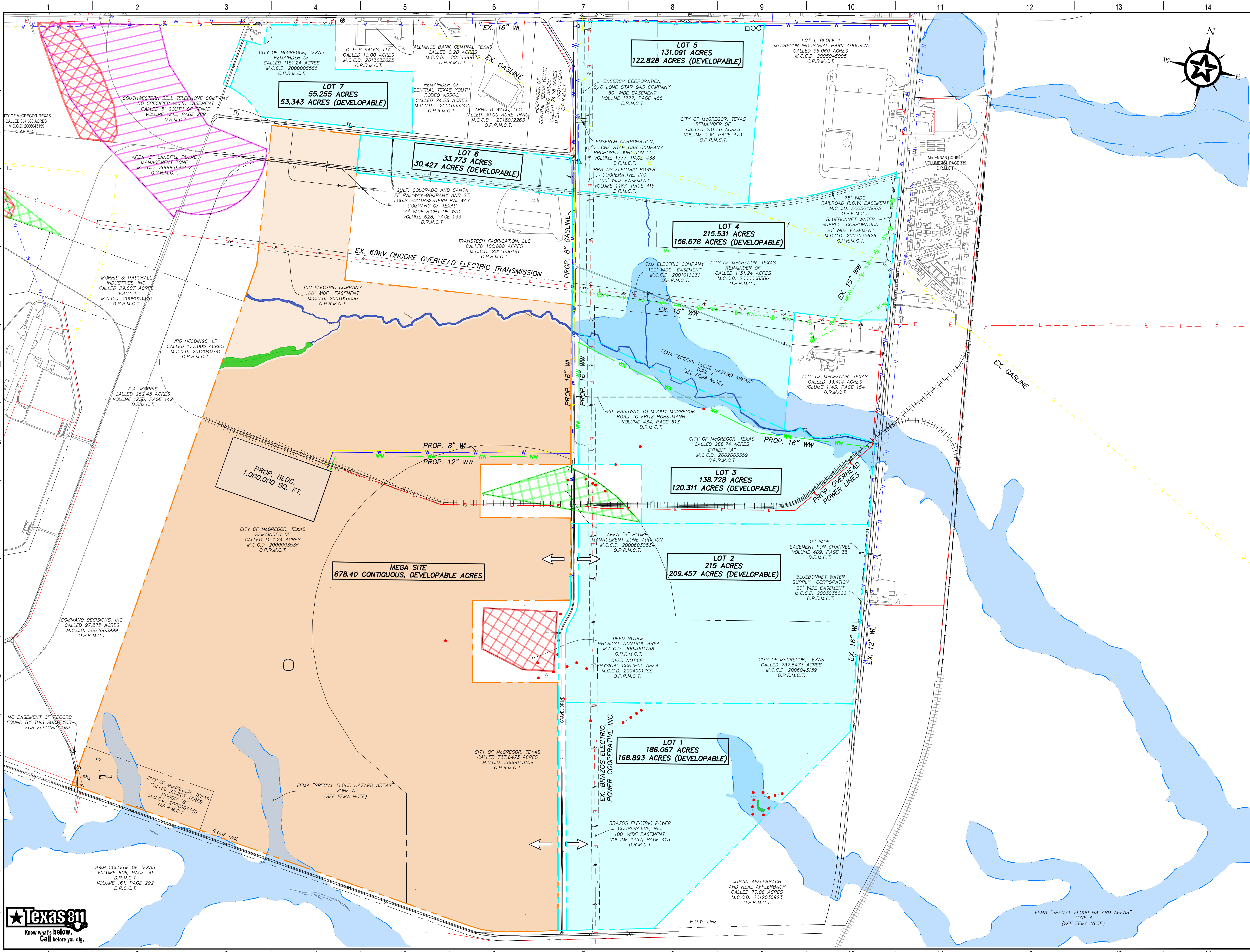


Lindsey M. Cannon  
Director

cc: Sarah Roberts, KSR  
Andrew Smith, McGregor Chamber



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### MEGA SITE AREA CALCULATIONS

GROSS AREA.....	1014.32 ACRES
AREA IN FLOODPLAIN.....	18.10 ACRES
WETLANDS.....	2.97 ACRES
WATERS OF THE US.....	2.5 ACRES
NET ACREAGE.....	990.75 ACRES

### SUPER PARK AREA CALCULATIONS

GROSS AREA.....	997.57 ACRES
WATERS OF THE US/BUFFER.....	1.39 ACRES
AREA IN FLOODPLAIN.....	67.32 ACRES
EX. EASEMENTS.....	41.09 ACRES
PROP. ACCESS EASEMENT.....	25.84 ACRES
NET ACREAGE.....	861.94 ACRES

### LEGEND

	PROPOSED MEGASITE
	PROPOSED SUPERPARK
	EXISTING WETLANDS
	WATERS OF THE US
	PHYSICAL CONTROL AREA
	PLUME MANAGEMENT ZONE
	LANDFILL PLUME MANAGEMENT ZONE
	FEMA ZONE 'A'
	MONITORING WELL
	PROPOSED ACCESS POINTS
NOTE: THE LOCATIONS ARE PRELIMINARY RECOMMENDATIONS ONLY AND CAN BE ADJUSTED BASED UPON THE FINAL SITE PLAN	
	EX. WATERLINE
	PROP. WATERLINE
	EX. WASTEWATER
	PROP. WASTEWATER
	EX. GAS
	PROP. GAS
	EX. ELECTRIC
	PROP. ELECTRIC

0 400 800 1600  
GRAPHIC SCALE (FEET)

REV.	DESCRIPTION	DATE

**Walker Partners**  
engineers ★ surveyors  
T.B.P.E. Registration No. 8053

## McGREGOR EDC

### MEGA SITE

### SITE CONCEPT PLAN

### PRELIMINARY FOR REVIEW ONLY

THIS DOCUMENT IS RELEASED FOR THE PURPOSE OF INTERIM REVIEW UNDER THE AUTHORITY OF PROFESSIONAL ENGINEER GEORGE E. WALKER, JR. #65360 ON THE DATE SHOWN ON THE DATE STAMP. IT IS NOT TO BE USED FOR CONSTRUCTION, BIDDING, OR PERMIT PURPOSES.	PM	GEW
	DESIGNED	GEW
	DRAFTED	MAC
	CHECKED	GEW
	PROJECT NO.	1-02852

EXHIBIT NO.

# 33