

BILL ANALYSIS

Senate Research Center
81R28841 SKB-D

C.S.S.C.R. 59
By: Jackson, Mike, Ellis
Jurisprudence
5/12/2009
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

MBP Corp. alleges that in May 1990, the Board of Trustees of the Galveston Wharves (board) entered into a lease and development agreement with The Woodlands Corporation. In January 1993, The Woodlands Corporation assigned all of its rights, title, and interest in the lease to Strand Harborside Joint Venture, a Texas joint venture of The Woodlands Corporation and MBP Corp.

In January 1994, The Woodlands Corporation assigned all of its interest in the joint venture to MBP Corp., effectively dissolving the joint venture, and leaving MBP Corp. as the successor in interest to the lease. Under the terms of the lease, MBP Corp., as successor in interest to the lease, would develop tourist-related facilities at its own cost within a time frame dictated by the board while paying rent to the board for the property, and on termination of the lease, all developments made by MBP Corp. would be owned by the board. The property affected by the lease includes the rooftop of the Mallory Building, also known as the Galveston Cruise Ship Terminal, and the aerial rights above the Mallory Building.

In 1999 and 2003, the board and MBP Corp. negotiated amendments to the lease agreement; the parties have a dispute over the lease; in addition, other disputes have developed between MBP Corp. and the board over the lease; MBP Corp. seeks legislative approval to file suit in order to resolve any and all disputes between the parties regarding the lease.

RESOLVED

That the 81st Legislature grants MBP Corp. permission to sue the Board of Trustees of the Galveston Wharves subject to Chapter 107 (Permission to Sue the State), Civil Practice and Remedies Code.

That the Chairman of the Board of Trustees of the Galveston Wharves be served process as provided by Section 107.002(a)(3) (relating to the requirement of service of citation and other required process to be made on the attorney general and on a person named in the resolution as a representative of the affected state agency), Civil Practice and Remedies Code.