



AGENDA MEMORANDUM

First Reading for the City Council Meeting of December 10, 2024
Second Reading for the City Council Meeting of January 14, 2025

DATE: December 5, 2024
TO: Peter Zaroni, City Manager
FROM: Daniel McGinn, AICP, Director of Planning and Community Development
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Disannexation and Amendment to Industrial District #1 Boundaries

CAPTION:

Ordinance disannexing approximately 129.44 acres of land in between Interstate Highway 37 and Industrial District No. 1; amending the boundaries of Industrial District No. 1 to include the disannexed area; and approving Industrial District Agreement with Flint Hills Resources Corpus Christi, LLC, Koch Refining Co LP, and Osage Power Inc requiring payment in lieu of taxes in the amount of 100% of the ad valorem taxes that would be due if the property remained in the City.

SUMMARY:

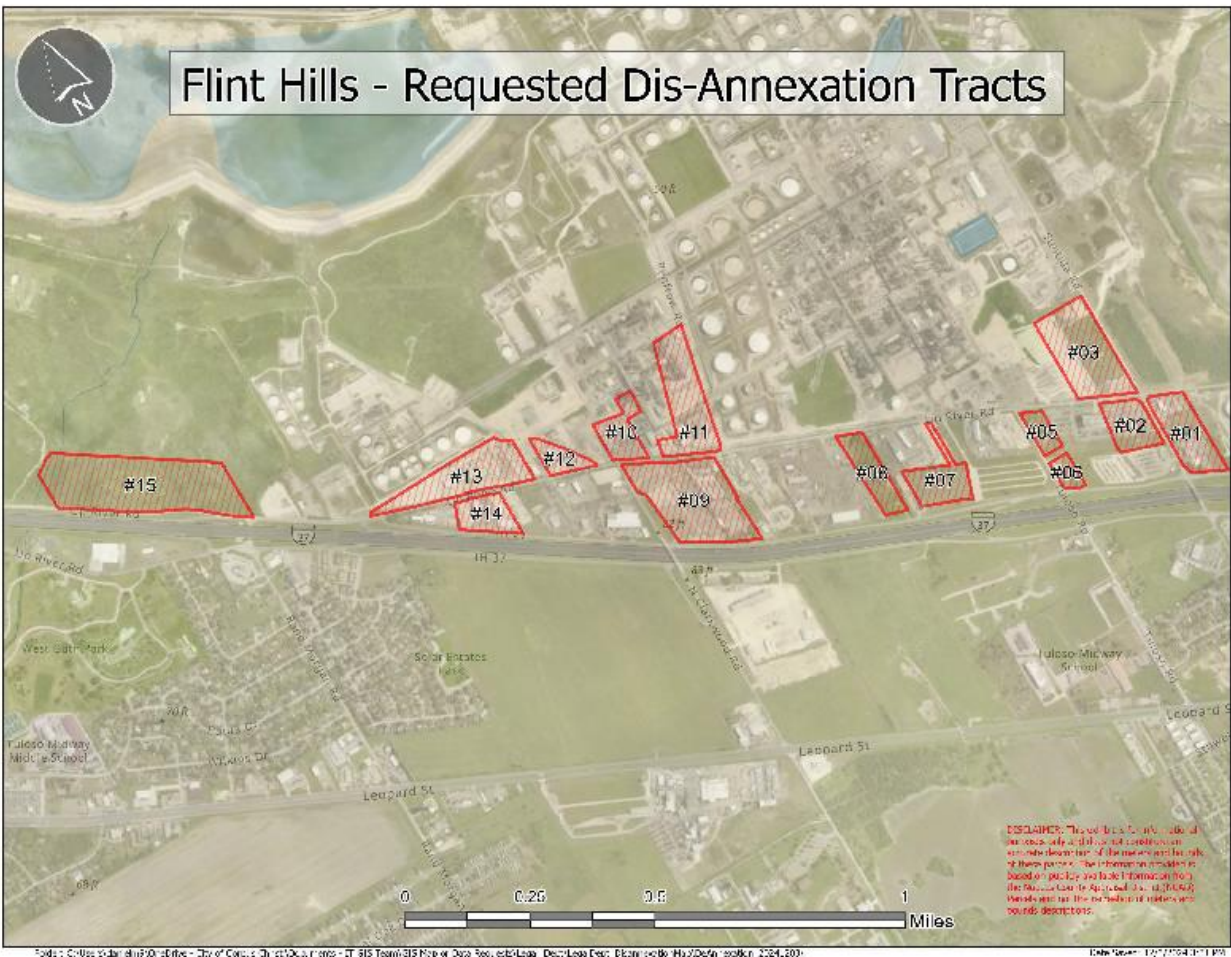
This ordinance authorizes the disannexation of 129.44 acres of land owned by Flint Hills Resources Corpus Christi, LLC, ("Flint Hills") and located between Interstate Highway 37 and Industrial District No. 1 from the City's boundaries and amends the boundaries of Industrial District #1 by incorporating the disannexed land so that Flint Hills can execute an Industrial District Agreement.

BACKGROUND AND FINDINGS:

Flint Hills Resources Corpus Christi, LLC, has requested that the City add approximately 129.44 acres of their land to Industrial District No. 1 and is agreeable to an Industrial District Agreement with 100% Payment in Lieu of Taxes (PILOT) and setback requirements for hydrocarbon improvements along the IH-37 corridor. Flint Hills Resources Corpus Christi, LLC, owns the majority of the 129.44 acres of land. Affiliated companies Koch Refining Co LP owns NCAD Property ID 187161 (1.57 acres) and Osage Power Inc owns NCAD Property ID 317162 (0.33 acres).

Prior to 2013, the Master IDA included a "contiguous property" clause, which created an avenue to allow contiguous property to be treated as though the property was in the Industrial District. In September 2013, the City Council approved a Master IDA with modifications to key financial provisions, including the removal of a clause regarding the treatment of "contiguous property" in the City limits.

Another key provision in the current Master IDA is the Most Favored Nations clause, which states the City cannot offer any more favorable treatment to one landowner in the Industrial District. Flint Hills has agreed to a 100% PILOT.



ALTERNATIVES:

Deny Flint Hills' request to disannex.

FISCAL IMPACT:

There is no budgetary impact as Flint Hills will pay a fee in lieu of property taxes equal to the amount of taxes required if the property is inside city limits.

FUNDING DETAIL:

| | |
|------------------------|-----|
| Fund: | N/A |
| Organization/Activity: | N/A |
| Mission Element: | N/A |
| Project # (CIP Only): | N/A |
| Account: | N/A |
| Amount: | N/A |

RECOMMENDATION:

Staff recommends approval of the disannexation and amendment of Industrial District #1 Boundaries.

LIST OF SUPPORTING DOCUMENTS:

Ordinance