



## **AGENDA MEMORANDUM**

Action Item for the City Council Meeting December 20, 2022

**DATE:** December 14, 2022

**TO:** Peter Zaroni, City Manager

**FROM:** Michael Murphy, Chief Operations Officer for Water Utilities  
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Determining Public Necessity and authorizing acquisition of property  
by eminent domain for the Inner Harbor Desalination Water Supply Project

### **CAPTION:**

One-Reading Ordinance authorizing execution of all documents necessary to acquire approximately 12.4 acres of real property and 11.3 acres of easements from Flint Hills Resources Corpus Christi, LLC, and related entities across property owned by said company and related entities at or near Nueces Bay Boulevard and Broadway Street, extending into the Corpus Christi Industrial Canal, for public use as water supply projects, including approval of development agreements in a total amount of up to \$5,455,000 previously approved by City Council; declaring a public necessity; providing for the City of Corpus Christi to authorize the use of the power of eminent domain to acquire the aforementioned areas for water supply projects; the consideration of the use of eminent domain to condemn property by a single record vote for all units of property to be acquired herein; and delegating authority to initiate condemnation proceedings and execute related documents to the City Manager

### **SUMMARY:**

The ordinance authorizes the City Manager or designee to execute all real estate purchase contracts and instruments, including a Purchase and Sale Agreement, a Development Agreement and an Easement Agreement in the previously authorized amount of \$5,455,000. This ordinance also authorizes the use of the power of eminent domain should it become necessary to proceed with condemnation proceedings in order to acquire the property interests needed for this water supply project. City Council must first determine that a public use and necessity exists for the project and then must delegate its authority to use the power of eminent domain to the City Manager. Eminent domain proceedings will be necessary only if the City and the landowner cannot reach an agreement on the terms of the property acquisition.

### **BACKGROUND AND FINDINGS:**

The City of Corpus Christi has been working on alternative water sources for decades.

Following the 2011-2013 drought, the City of Corpus Christi along with stakeholders formed a group to investigate potential water sources for a new, uninterrupted water supply for the region. Following extensive evaluations of the quality, quantity, and reliability of alternative water supplies, seawater desalination was determined to be the most safe, reliable, and cost-effective alternative.

On July 23, 2020 the City of Corpus Christi was approved to receive funding through the State Water Implementation Fund for Texas (SWIFT) loan program in an amount not to exceed \$222,475,000 from the Texas Water Development Board (TWDB) to fund the design and construction of a seawater desalination plant within the Inner Harbor to provide a future water supply.

On August 25, 2020, City Council authorized the financial agreement to accept the first part of the loan, \$11,425,000, from the TWDB. Pursuant to the plan presented to City Council, this item proceeds with Land Acquisition, Easements, Right of Ways, and Site Mitigation.

On May 10, 2022, City Council authorized the preparation of final contract documents for the purchase of approximately 12.5 acres of property and 11 acres of easements from Flint Hills Resources Corpus Christi, LLC in the amount of \$5,455,000. This ordinance is to authorize the execution of the final contract documents

**ALTERNATIVES:**

No alternatives are available for a governmental entity to be able to use of its power of eminent domain. Under Texas law, Council must adopt a resolution or ordinance at a public meeting by a record vote delegating its authority.

**FISCAL IMPACT:**

The fiscal impact for FY 2023 is an amount of \$5,455,000 for property acquisition with funding available from the State Water Implementation Fund Texas Loan-2020.

**RECOMMENDATION:**

Staff recommends approval of resolution to acquire property for the Inner Harbor Desalination project.

**LIST OF SUPPORTING DOCUMENTS:**

Ordinance  
Purchase and Sale Agreement with Exhibits  
COF  
Presentation