

AN ORDINANCE REESTABLISHING THE LAND AREAS LOCATED WITHIN THE EXTRATERRITORIAL JURISDICTION OF THE CITY OF CORPUS CHRISTI, TEXAS AS INDUSTRIAL DISTRICTS NOS. 1, 2, 4, 5, 6, 7, 8, 9, 10, AND 11; AUTHORIZING EXECUTION OF INDUSTRIAL DISTRICT AGREEMENTS; AUTHORIZING ANNEXATION OF THE LAND WHEN THE PROPERTY OWNER REMAINS DELINQUENT IN PAYMENTS IN LIEU OF TAXES AFTER NOTICE AND OPPORTUNITY TO CURE; AUTHORIZING VOLUNTARY ANNEXATION OF THE LAND UPON PETITION SUBMITTED BY LAND OWNERS; AND AUTHORIZING EXECUTION OF 380 AGREEMENTS IN THE EVENT OF ANNEXATION PURSUANT TO A BILL APPROVED BY THE TEXAS LEGISLATURE

WHEREAS, under Texas Local Government Code Chapter 42, Subchapter 42.044, the governing body of any city has the right, power and authority to designate any part of the area located in its extraterritorial jurisdiction as an Industrial District, and to treat such area from time to time as such governing body may deem to be in the best interest of the City; and

WHEREAS, included in such rights and powers of the governing body of any city is the permissive right and power to enter into written agreements with the owner or owners of land in the extraterritorial jurisdiction of a city to guarantee the continuation of the extraterritorial status of such land, and immunity from annexation by the city for a period of time, and other such terms and consideration as the parties might deem appropriate; and

WHEREAS, it is the established policy of the City Council of the City of Corpus Christi, Texas (the "City"), to adopt reasonable measures permitted by law that will tend to enhance the economic stability and growth of the City and its environs by attracting the location of new and the expansion of existing industries therein as being in the best interest of the City and its citizens; and

WHEREAS, under said policy and the provisions of Texas Local Gov't Code § 42.044, the City of Corpus Christi has enacted Ordinance No. 15898, approved November 26, 1980, as amended indicating its willingness to enter into industrial district agreements with industries located within its extraterritorial jurisdiction and designating the specified land areas as Corpus Christi Industrial Development Area No. 1 and Corpus Christi Industrial Development Area No. 2; and

WHEREAS, to correct certain boundary issues, Ordinance No. 029958, as amended, reestablished Corpus Christi Industrial Development Area No. 1 and Corpus Christi Industrial Development Area No. 2 and renamed such areas "Industrial District No. 1" and "Industrial District No. 2"; and

WHEREAS, Ordinance No. 030994 provided for disannexing from the City of Corpus Christi, Texas, an approximately 54.35-acre tract of land and an approximately 3.89-acre tract of land, both owned by Citgo Refining and Chemicals Company, L.P., ("Citgo") and adjusted the boundary of Industrial District No. 1 to include the disannexed tracts and authorized the execution of an Industrial District Agreement with Citgo requiring the payment in lieu of taxes in an amount equal to 100 percent of the ad valorem taxes that would be due if the tracts were in the City limits;

WHEREAS, Ordinance No. 031145 provided for disannexing from the City of Corpus Christi, Texas, an approximately 3.41-acre tract of land owned by Basic Equipment Company and

adjusted the boundary of Industrial District No. 1 to include the disannexed tract and authorizing the execution of an Industrial District Agreement with Basic Equipment Company requiring the payment in lieu of taxes in an amount equal to 100 percent of the ad valorem taxes that would be due if the tract was in the City limits; and

WHEREAS, Ordinance No. 031797 provided for expanding the boundary of Industrial District No. 2 to include approximately 213 acres; and

WHEREAS, Ordinance No. 032720 provided for disannexing from the City of Corpus Christi, Texas, an approximately 75.58-acre tract of land and adjusted the boundary of Industrial District No. 2 to include the disannexed tract and authorizing the execution of an Industrial District Agreement with Bootstrap Energy LLC requiring the payment in lieu of taxes in an amount equal to 100 percent of the ad valorem taxes that would be due if the tract was in the City limits; and

WHEREAS, an area of the City's extraterritorial jurisdiction has been informally referred to as Industrial District No. 3 and the use of such name for a new Industrial District may cause confusion; and

WHEREAS, Ordinance No. 031721, as amended, established Industrial District No. 4 in Nueces County; and

WHEREAS, Ordinance No. 031775 as amended established Industrial District Nos. 5, 6, and 7, in the City's extraterritorial jurisdiction in San Patricio County; and

WHEREAS, Ordinance No. 031817 as amended established Industrial District No. 8 in the City's extraterritorial jurisdiction in San Patricio County; and

WHEREAS, Ordinance No. 033161 as amended established Industrial District Nos. 9, 10, and 11 in the City's extraterritorial jurisdiction in San Patricio County; and

WHEREAS, Industrial District Nos. 1, 2, 4, 5, 6, 7, 8, 9, 10, and 11 are collectively referred to herein as the "Industrial Districts";

WHEREAS, the City Council previously authorized the entering into of contractual obligations known as the "Industrial District Agreements" with land and/or improvement owners located within the Industrial Districts, and the term of each Industrial District Agreement ends December 31, 2024;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CORPUS CHRISTI, TEXAS:

SECTION 1. The findings contained in the preamble of this Ordinance are determined to be true and correct and are hereby adopted as part of this Ordinance.

SECTION 2. Industrial District No. 1, Industrial District No. 2, Industrial District No. 4, Industrial District No. 5, Industrial District No. 6, Industrial District No. 7, Industrial District No. 8, Industrial District No. 9, Industrial District No. 10, and Industrial District No. 11 are hereby reestablished with boundaries as described by the ordinances referenced above and as depicted in the attached and incorporated **Exhibit A**. If any Industrial District boundary description is found

to be insufficient, then the boundary of said Industrial District shall incorporate the area for such Industrial District as depicted on **Exhibit A**.

SECTION 3. The City may create new Industrial Districts and expand or diminish the size of any Industrial District and the City hereby reserves all rights and powers it may have or acquire to revoke in whole or in part the creation of all or any part of an Industrial District, except to the extent that it has agreed not to do so in any industrial district agreement.

SECTION 4. The City Council approves and authorizes the entering of contractual obligations with property owners within the extraterritorial jurisdiction of the City in substantially the form of the Industrial District Agreement as shown in the document which is attached hereto and incorporated herein as **Exhibit B**. The City Manager, or his designee, is hereby authorized to execute such documents and all related documents on behalf of the City of Corpus Christi.

SECTION 5. Notwithstanding Section 4, the City Council approves and authorizes the entering of contractual obligations with Citgo Refining and Chemicals Company, L.P. in substantially the form of the Industrial District Agreement as shown in the document which is attached hereto and incorporated herein as **Exhibit C** to include the tracts disannexed by Ordinance 030994 and requiring the payment in lieu of taxes in an amount equal to 100 percent of the ad valorem taxes that would be due if the disannexed tracts were in the City limits. The City Manager, or his designee, is hereby authorized to execute such documents and all related documents on behalf of the City of Corpus Christi, with further changes approved by the City Attorney in a manner that retains 100% payments in lieu of taxes.

SECTION 6. Notwithstanding Section 4, the City Council approves and authorizes the entering of contractual obligations with Basic Equipment Company in substantially the form of the Industrial District Agreement as shown in the document which is attached hereto and incorporated herein as **Exhibit D** to include the tracts disannexed by Ordinance 031145 and requiring the payment in lieu of taxes in an amount equal to 100 percent of the ad valorem taxes that would be due if the disannexed tracts were in the City limits. The City Manager, or his designee, is hereby authorized to execute such documents and all related documents on behalf of the City of Corpus Christi, with further changes approved by the City Attorney in a manner that retains 100% payments in lieu of taxes.

SECTION 7. Notwithstanding Section 4, the City Council approves and authorizes the entering of contractual obligations with Bootstrap Energy LLC in substantially the form of the Industrial District Agreement as shown in the document which is attached hereto and incorporated herein as **Exhibit E** to include the tracts disannexed by Ordinance 032720 and requiring the payment in lieu of taxes in an amount equal to 100 percent of the ad valorem taxes that would be due if the disannexed tracts were in the City limits. The City Manager, or his designee, is hereby authorized to execute such documents and all related documents on behalf of the City of Corpus Christi, with further changes approved by the City Attorney in a manner that retains 100% payments in lieu of taxes.

SECTION 8. A copy of Section 55-96 of the City Code that is referenced in Section 1.06 of the Industrial District Agreements is attached hereto and incorporated as **Exhibit F** for purposes of Section 1.06 of the Industrial District Agreements.

SECTION 9. The City Manager or designee is authorized to take all steps necessary to initiate annexation proceedings, accept voluntary annexation documents, send required pre-annexation and post-annexation documents, and, subject to required City Council actions, complete any annexations of all lands identified in any of the aforementioned Industrial Districts:

- (1) upon which the owner of any property thereon has failed to execute an industrial district agreement and incorporated **Petition for Annexation and Agreement for Provision of Municipal Services** within the timeline established by the City Manager or designee, with said annexation to be effective only after the expiration of a prohibition of annexation pursuant to an effective industrial district agreement, non-annexation agreement, or 212 agreement concerning said land,
- (2) upon which the owner of any property thereon has defaulted in their industrial district agreement,
- (3) if a bill is approved by the Texas Legislature that will, in the sole but reasonable and continuing opinion of the CITY, result in a prohibition of annexation of all or part of the Land,
- (4) upon which an owner of land requested annexation in lieu of the application of the Industrial District Agreement, or
- (5) to the extent necessary to annex a corridor of property as provided for in Section 1.03 of each Industrial District Agreement.

SECTION 10. The City Manager or designee is authorized to execute 380 Agreements in substantially the form attached to the Industrial District Agreement(s) in the event of annexation pursuant to the Industrial District Agreement as a result of a bill is approved by the Texas Legislature that will, in the sole but reasonable and continuing opinion of the CITY, result in a prohibition of annexation of all or part of the Land.

Introduced and voted on the _____ day of _____, 2024.

PASSED and APPROVED on the _____ day of _____, 2024.

ATTEST:

Paulette Guajardo, Mayor

Rebecca Huerta, City Secretary

EXHIBIT A – Map of Industrial Districts Nos. 1, 2, 4, 5, 6, 7, 8, 9, 10, and 11.

EXHIBIT B – [To be inserted] Standard Form of Industrial District Agreement.

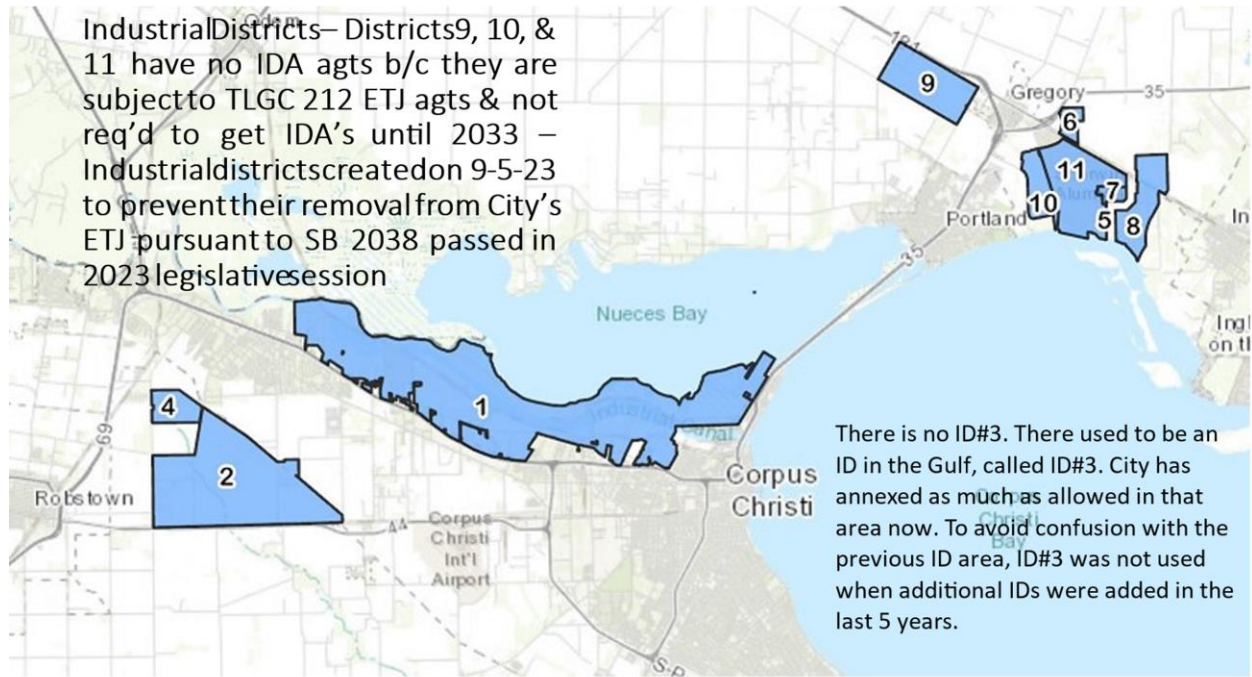
EXHIBIT C – [To be inserted] Industrial District Agreement with Citgo Refining and Chemicals Company, L.P. to include the tracts disannexed by Ordinance 030994 and requiring the payment in lieu of taxes in an amount equal to 100 percent of the ad valorem taxes that would be due if the disannexed tracts were in the City limits.

EXHIBIT D – [To be inserted] Industrial District Agreement with Basic Equipment Company to include the tracts disannexed by Ordinance 031145 and requiring the payment in lieu of taxes in an amount equal to 100 percent of the ad valorem taxes that would be due if the disannexed tracts were in the City limits.

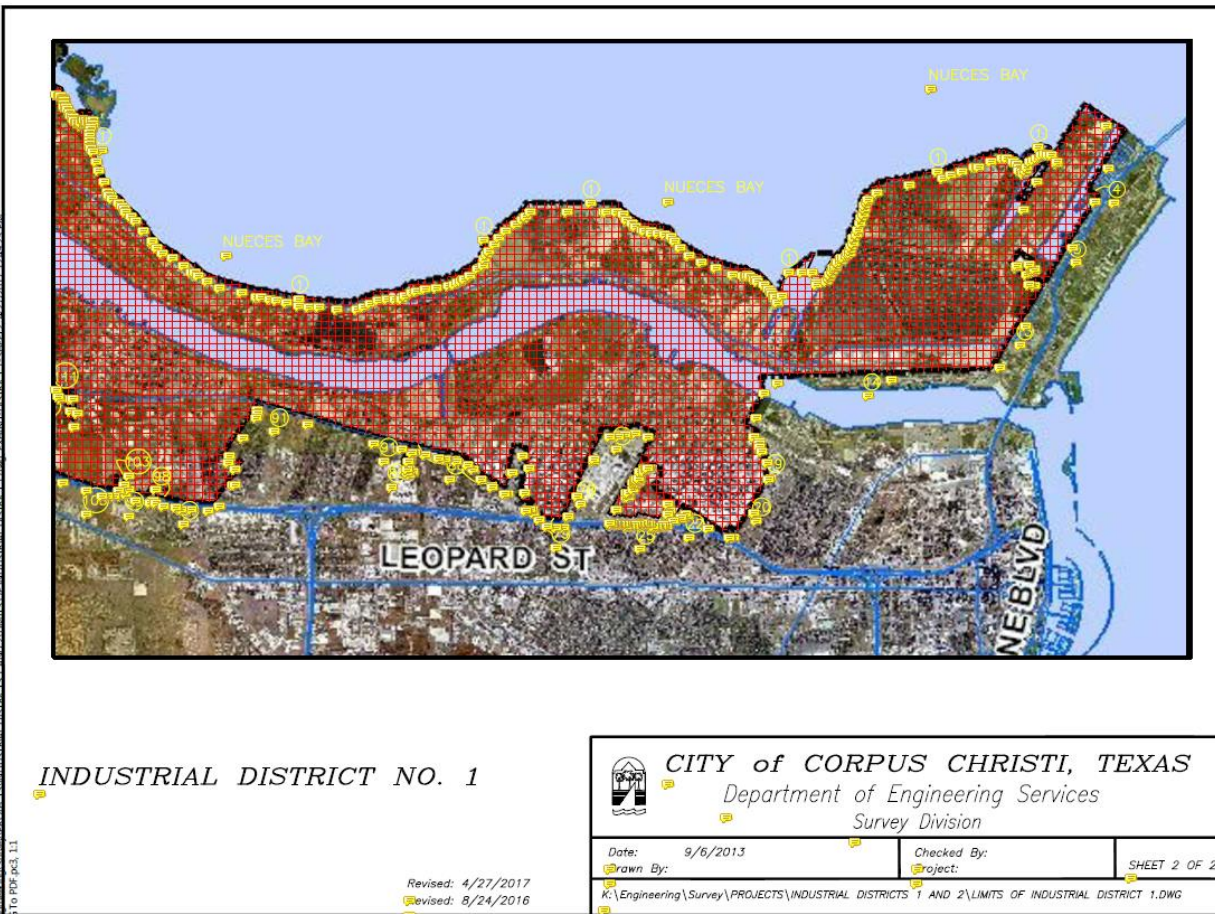
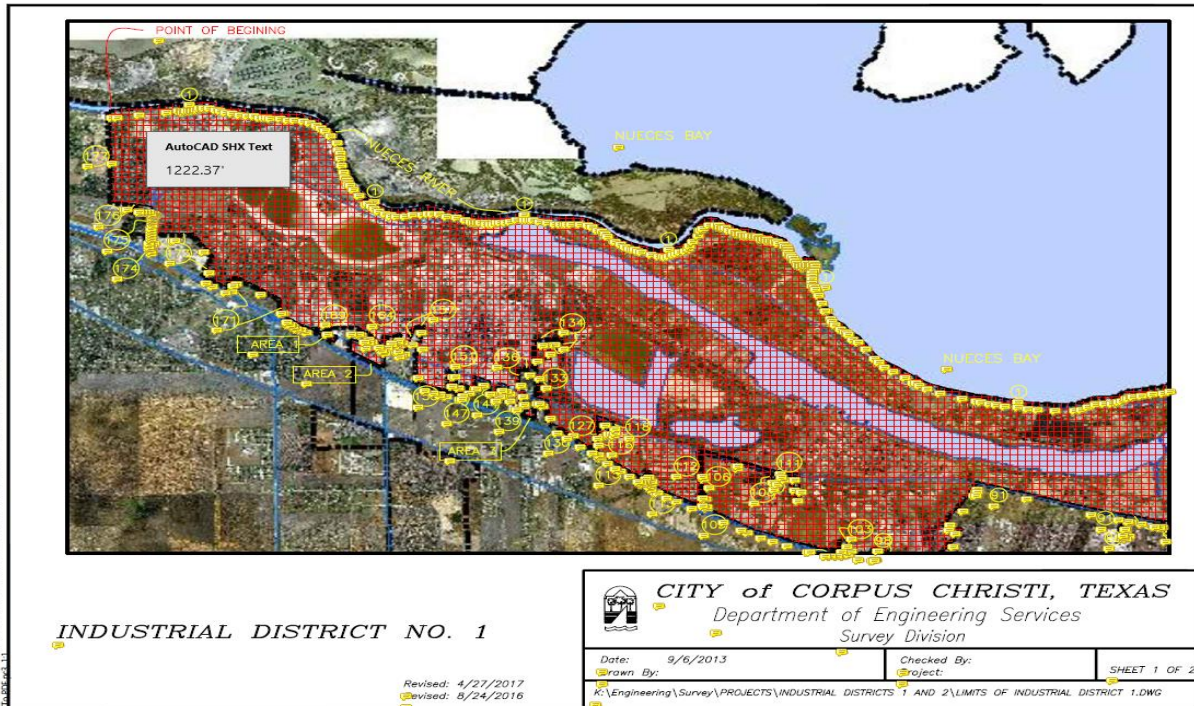
EXHIBIT E – [To be inserted] Industrial District Agreement with Bootstrap Energy LLC to include the tracts disannexed by Ordinance 032720 and requiring the payment in lieu of taxes in an amount equal to 100 percent of the ad valorem taxes that would be due if the disannexed tracts were in the City limits.

EXHIBIT F - A copy of Section 55-96 of the City Code referenced in Section 1.06 of the Industrial District Agreements.

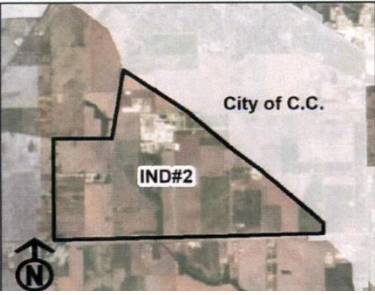
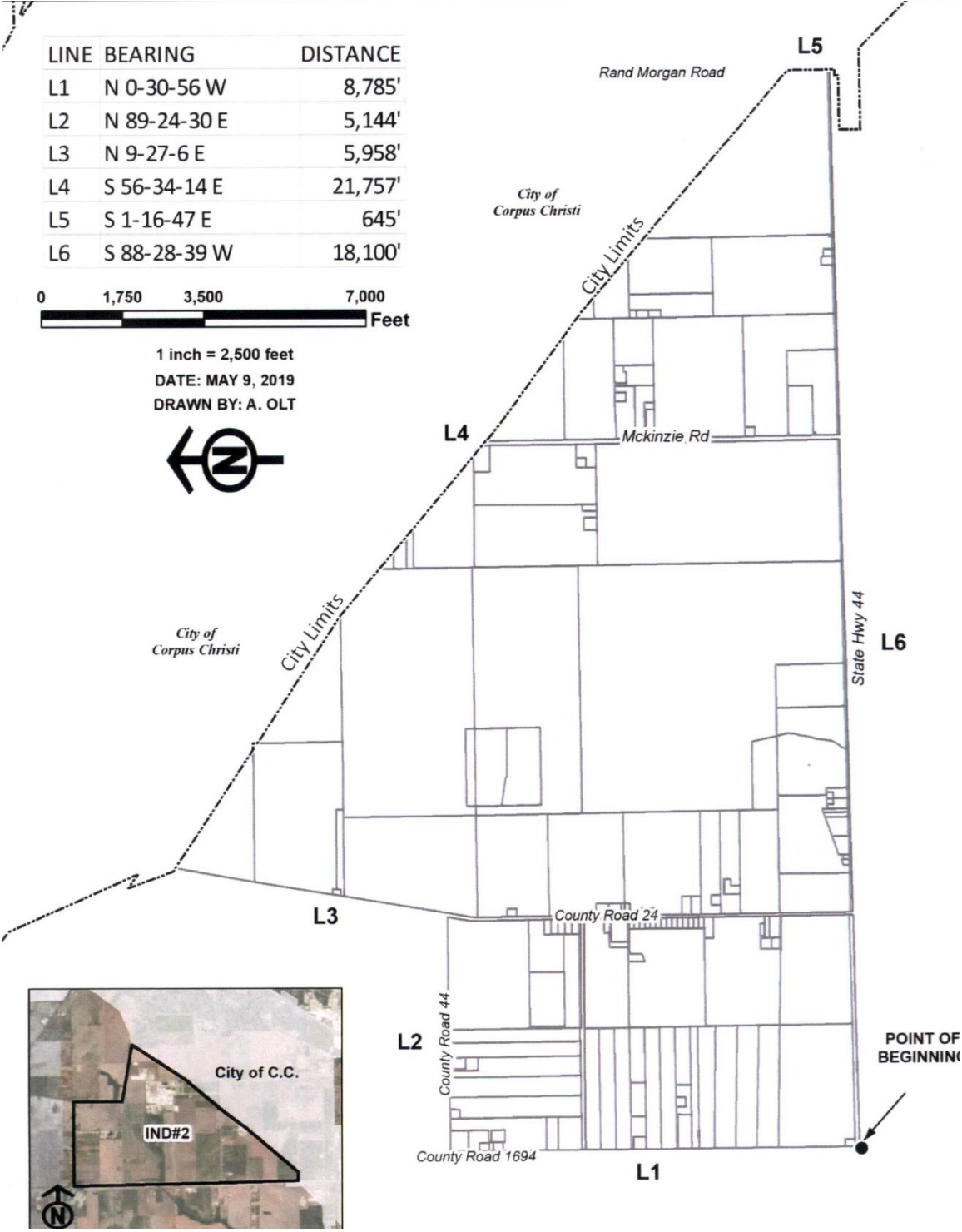
EXHIBIT A-Map of Industrial Districts No. 1, 2, 4, 5, 6, 7, 8, 9, 10, and 11



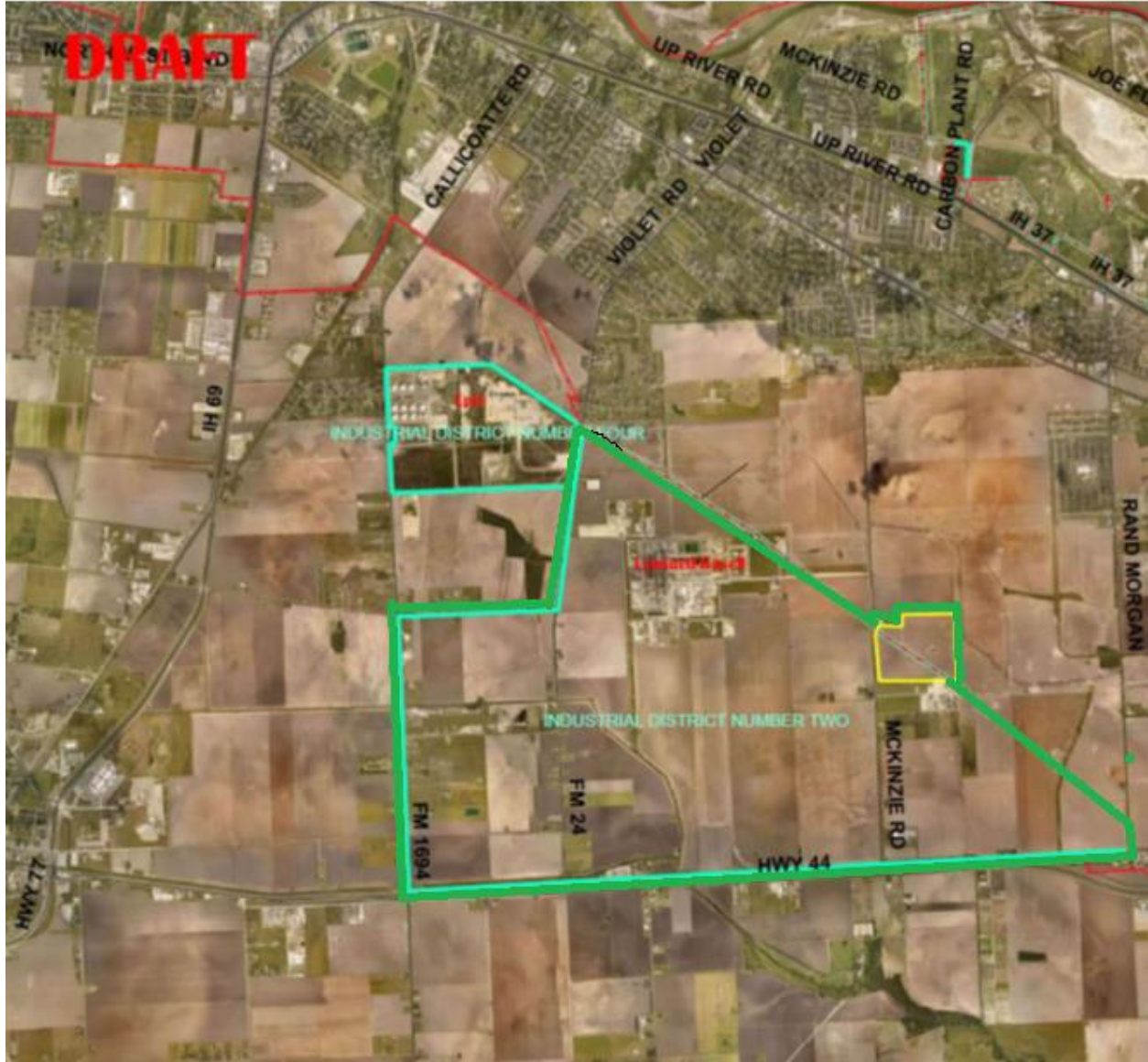
Industrial District No. 1 as depicted in Ordinance No. 031145



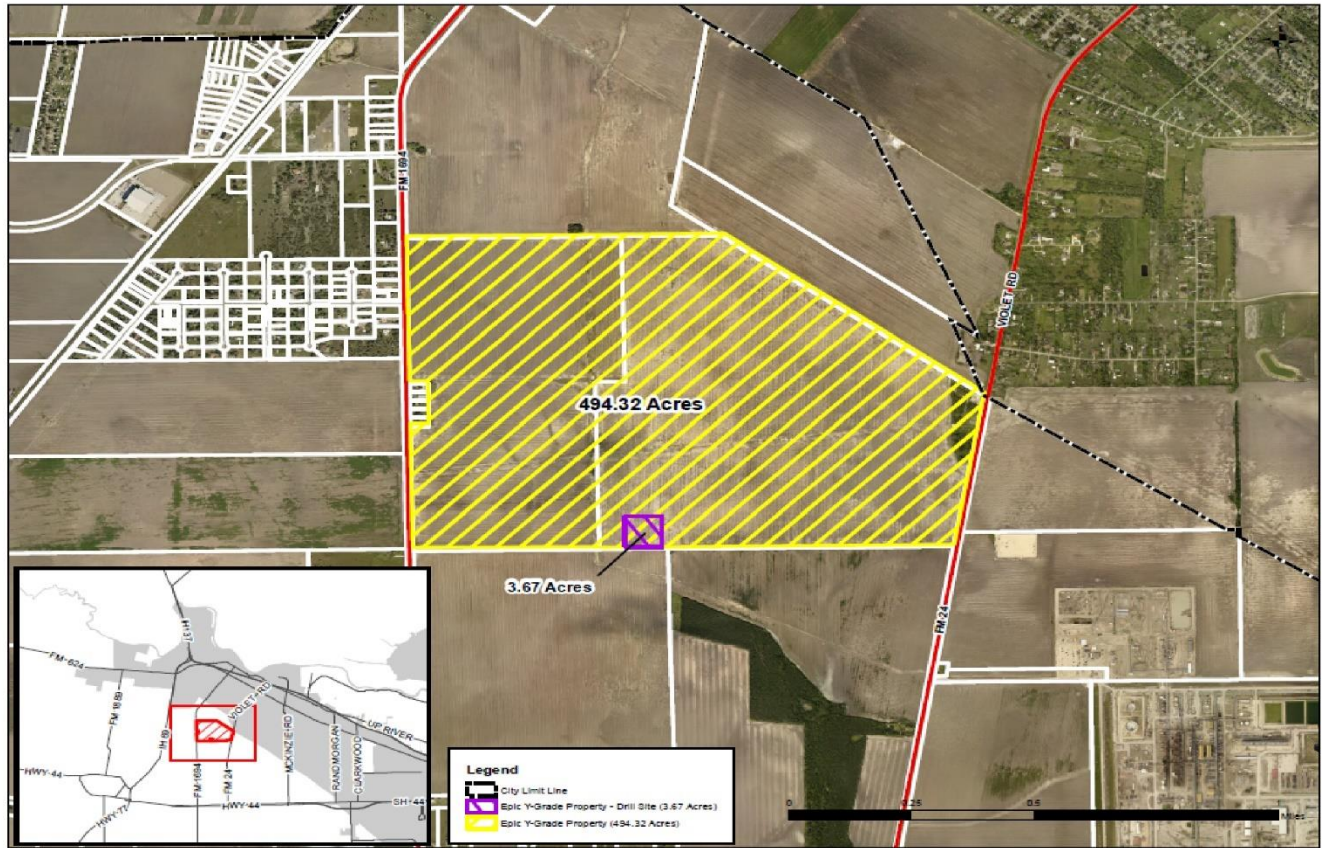
031797 Industrial District No. 2 without additional Bootstrap Area



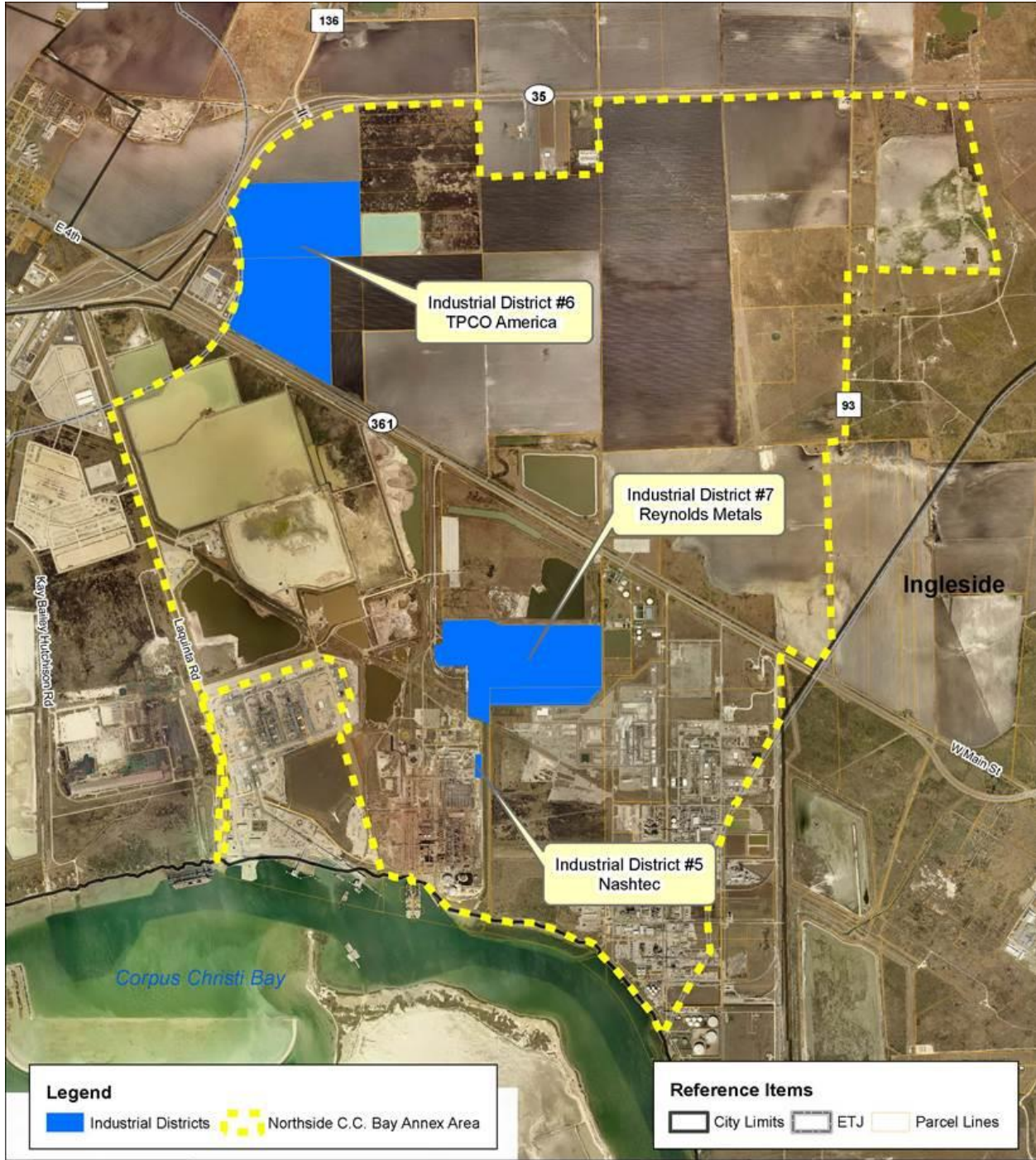
032720 Industrial District No. 2 with additional Bootstrap Area



031721 Industrial District No. 4



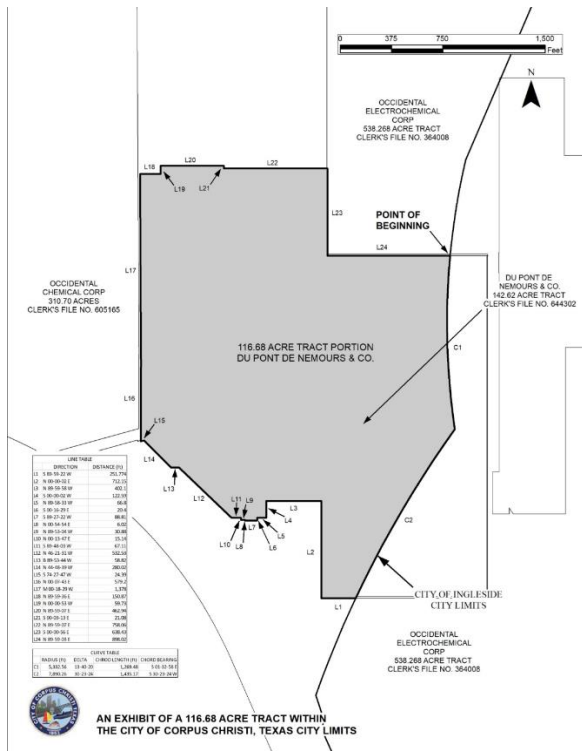
031775 Industrial District Nos. 5, 6, and 7



031817 Industrial District No. 8



Proposed Industrial District No. 8 For Chemours



033161 Industrial District Nos. 9, 10, and 11

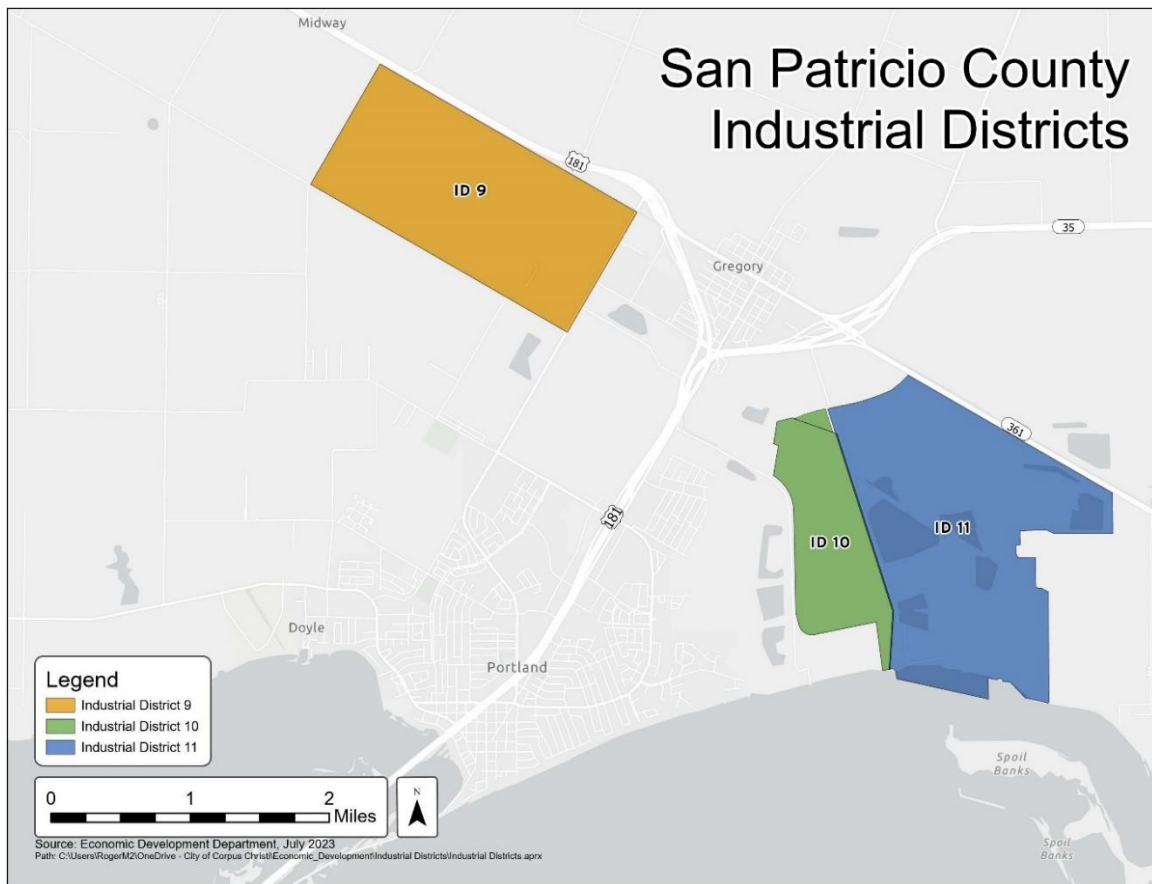


EXHIBIT F - A copy of Section 55-96 of the City Code referenced in Section 1.06 of the Industrial Districts.

“Sec. 55-96. Industrial backflow.

(a) All potable water connections between an industrial facility or industrial processing unit and the city's water system must be equipped with a reduced pressure backflow preventer (assembly) or air gap, which will prevent backflow and back-siphonage. A reduced pressure backflow preventer (assembly) or air gap must be installed directly after each city meter servicing potable water and meet Texas Commission on Environmental Quality and Municipal Code requirements. If an industrial facility is in compliance with all TCEQ regulations related to backflow prevention, the city's chief operating officer may, at his discretion and in writing, approve the facility's use of a backflow prevention method that is an alternative to the reduced pressure backflow preventer (assembly) or air gap, is in addition to fully-effective cross-connection control in accordance with TCEQ requirements, and is fully verifiable by the city at or adjacent to each city meter. Approval of such system requires a chief operating officer determination that such system provides better protection of the city's water system than a reduced pressure backflow preventer (assembly) or air gap.

(b) Fire service lines must have a double-check assembly directly after the city meter or tap.

(c) All backflow preventers (assemblies), excluding air gaps, must be inspected and certified to be operating within specifications on an annual basis by a state-licensed backflow prevention assembly tester. In addition, the backflow prevention assembly tester must file a copy of the test report with the city's third-party database within ten (10) days of the testing.

(d) Upon installing, repairing, or replacing a reduced pressure backflow preventer (assembly) or an air gap on a property with an industrial facility or industrial processing unit, an industrial district affidavit must be immediately submitted by a Texas licensed professional engineer to the utilities department for each city water meter on the property. In addition, upon relocating a water meter, an industrial district affidavit must be immediately submitted by a Texas licensed professional engineer to the utilities department. The industrial district affidavit must confirm there is no cross-connection between the city meter(s) and backflow preventer(s) and will be on a form designated by the city. The industrial district affidavit also identifies the location of each backflow preventer(s).

(e) The city has the right to inspect any connections to the city's water system, including any valves and backflow prevention devices.

(f) If the owner or operator of an industrial facility or industrial processing unit fails to comply with this section, the city may refuse to connect the industrial facility or industrial processing unit or disconnect the property, facility, or unit from the city's water supply system. Failure to comply with the requirements of this section will result in termination of the water service.

(g) A violation of this section is a nuisance punishable by a fine of up to two thousand dollars (\$2,000.00). Each day any violation of this section continues constitutes a separate offense.

(h) If an industrial facility is in compliance with all TCEQ regulations related to backflow prevention as of the effective date of the ordinance codified in this section, then the chief operating officer of the city may, at his discretion and in writing, provide the facility a time period of up to one hundred eighty (180) days to bring the facility into compliance. Regardless of any time period provided for compliance with this section, if an imminent threat to the city's water system exists, the city will terminate the customer's water service immediately.”

(Ord. No. 032617, § 1, 12-7-2021)