



AGENDA MEMORANDUM

Public Hearing/First Reading for the City Council Meeting November 19, 2019
Second Reading Ordinance for the City Council Meeting December 10, 2019

DATE: October 28, 2019
TO: Peter Zanoni, City Manager
FROM: Daniel McGinn, AICP, Director of Planning & Environmental Services
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Voluntary Annexation of 281.03 acres for King's Lake Phase 2 in the London Area

CAPTION:

Ordinance annexing into the territorial limits of the City of Corpus Christi approximately 281 acres of land located in the area west of the Oso Creek and southeast of Farm-to-Market 43 and County Road 43.

SUMMARY:

Upon request by the landowner, John C. Tamez, this ordinance annexes 281.03 acres of land that will be developed as "King's Lake Phase 2" in the area west of the Oso Creek and southeast of the intersection of TxDOT's Farm-to-Market (FM) 43 and County Road (CR) 43. Staff recommends approval of the annexation and municipal service plan agreement.

BACKGROUND AND FINDINGS:

Description of the Request

The subject property is 281.03 acres of land located south of FM 43, east of CR 43, north of CR 20A, and on the west side of the Oso Creek across from King's Lake Phase 1, which is located on Yorktown Boulevard. The landowner is John C. Tamez and his application states the purpose of the request is to build wastewater to land continuous to the City of Corpus Christi for the purposes of mixed-use development. The developer expects to create 1,000 single-family lots on the subject property. The dwellings are expected to be priced as follows: 250 units at \$225,000, 250 units at \$275,000, 250 units at \$325,000, and 250 units at \$425,000, with an average sale price of \$312,500 per unit. The developer anticipates full buildout to occur within seven years. The current use of the land is farming with no residents. As required by State law, the subject property is contiguous to the current City limit line.

City Services to Subject Property

The landowner has agreed to a Municipal Service Plan agreement with the City and the City Manager is authorized by City Charter to execute this agreement. The subject property can be served by an existing 48-inch transmission main in CR 43. Wastewater is currently not available to the subject property, but the developer will pursue an amendment to the City's Wastewater Master Plan so that he can install a line in accordance with the Plan. The subject property does not have adequate vehicular access, but the developer will construct CR 43 (or ensure it is

constructed) to provide access to FM 43 and other City master planned streets within the subject property. The developer will construct drainage improvements in accordance with engineering best practices since no City Stormwater Master Plan is adopted for this area. In its initial phases, the proposed development does not reach a threshold at which additional City Police substations, Fire stations, or City Library, Health, Animal Control, or Parks and Recreation services are needed.

Analysis of the Request

In order to make a recommendation, staff conducted an internal review with each City department responsible for providing services to determine any impact to operations and any need to expand City facilities. No City-funded expansions are necessary during the initial phases of the project. Then, staff conducted a fiscal impact analysis using assumptions provided in the application to review the costs of providing City services against the potential revenues generated by the development. Staff estimates that the annual impact to the City's General Fund is net neutral.

Staff also reviewed the proposed land uses in relation to nearby Navy Accident Potential Zones since the subject property is south of Cabaniss Airfield. Only a small portion of the subject property is located in an Accident Potential Zone 2, where a maximum density of two dwelling units per acre is considered compatible with the Navy's flight operations. Staff discussed this issue with the landowner, who will need to request a zoning change consistent with the recommended density.

Staff also finds other positive benefits to annexing the subject property. Those benefits include gaining the authority to prohibit the development of incompatible land uses through zoning, which protects property values and quality of life; and the authority to ensure development meets City standards in an area already served by City water lines.

Future Council Actions

In order to develop lots connected to City wastewater lines rather than septic systems, the developer will have to construct wastewater infrastructure in accordance with the City's Wastewater Master Plan and Unified Development Code. The landowner is currently seeking an amendment to the City's Wastewater Master Plan to expand service across the Oso Creek to serve this area and the amendment is pending Planning Commission and Council action.

ALTERNATIVES:

Since the proposed development's financial impact to the City is net neutral and there are other positive benefits to annexation described previously, no alternatives to the developer's request for annexation were considered.

FINANCIAL IMPACT:

Constructing 1,000 single-family dwellings at an average sales price of \$312,500 per unit results in an annual impact to the City's General Fund of \$140,600 at buildout. Details are summarized in the table below. Decreasing the average sales price per dwelling unit to \$270,000 results in a negative net annual General Fund impact of **(\$48,000)** at buildout.

<u>Projected Increase in General Fund Costs & Revenues¹</u>	<u>Buildout</u>
Projected Increase in Annual General Fund Expenditures	(\$1,685,300)
Projected Increase in Annual Ad Valorem Tax Revenues (M&O) ²	\$1,208,800
Projected Increase in Annual Sales Tax Revenues (General Fund)	\$178,600
Projected Increase in Annual Other General Fund Revenues ³	\$438,500
<i>Projected Net Annual General Fund Impacts</i>	<i>\$140,600</i>

⁽¹⁾ Rounded to Nearest \$100

⁽²⁾ Excludes ad valorem tax revenues that are designated for residential street reconstruction

⁽³⁾ Examples include but are not limited to various solid waste fees and revenue from emergency calls.

RECOMMENDATION:

Staff recommends approval of the annexation to support efficient land use where City water lines already exist and to exercise land use controls in this growing area of the community.

LIST OF SUPPORTING DOCUMENTS:

Ordinance with Service Plan and Map
Landowner's Petition for Annexation
Presentation