



AGENDA MEMORANDUM

First Reading Ordinance for the City Council Meeting of January 20, 2015
Public Hearing/Second Reading Ordinance for the City Council Meeting of January 27, 2015

DATE: January 14, 2015
TO: Ronald L. Olson, City Manager
THROUGH: Wes Pierson, Assistant City Manager
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First Reading Ordinance Designating Cheniere Reinvestment Zone

CAPTION:

Approving an ordinance designating the Cheniere Reinvestment Zone within the City limits under the Property Redevelopment and Tax Abatement Act (the "Act"), (Chapter 312 of the Texas Tax Code)

PURPOSE:

To designate the Cheniere reinvestment Zone, within the City of Corpus Christi, Texas and within the extra territorial jurisdiction, under the Act, thus allowing projects in that area to be eligible for certain economic incentives by other taxing entities.

BACKGROUND AND FINDINGS:

Cheniere plans to construct a natural gas liquefaction facility in three phases, or "trains", which will be constructed on land located within City limits and within City's extraterritorial jurisdiction. The first train of the Facility will be constructed at a cost of at least One Billion Five Hundred Million Dollars (\$1,500,000,000) and employ at least ninety (90) full-time employees; (ii) the second train of the Facility will be constructed at a cost of at least Seven Hundred Fifty Million Dollars (\$750,000,000) and employ at least thirty-five (35) full-time employees; and (iii) the third train of the Facility will be constructed at a cost of at least Seven Hundred Fifty Million Dollars (\$750,000,000) and employ at least thirty-five (35) full-time employees. This ordinance will allow projects on that site to be eligible for certain economic development incentives from taxing entities.

The Cheniere project will be on the La Quinta site but also extend from the water's edge into Corpus Christi Bay. Since these docks will extend into the city limits of Corpus Christi. The City of Corpus Christi needs to establish a reinvestment zone.

A city may establish reinvestment zones within its city limits. A reinvestment zone will be in effect for five years unless it is renewed by the City. Any agreements based on a reinvestment zone can extend beyond the five years.

ALTERNATIVES:

The City must create the reinvestment zone to grant a tax abatement and to allow other taxing entities to decide whether to grant a tax abatement.

OTHER CONSIDERATIONS:

This reinvestment zone should spur development at the La Quinta site, helping the Port, the Counties, and the City through increased tax revenues and job creation.

CONFORMITY TO CITY POLICY:

Defining and establishing the Reinvestment Zone is consistent with the City's stated goals of promoting economic development and incentivizing business to expand and thrive in Corpus Christi.

EMERGENCY / NON-EMERGENCY:

Non-Emergency

DEPARTMENTAL CLEARANCES:

Legal

FINANCIAL IMPACT:

Operating Revenue Capital Not applicable

Fiscal Year: 2014-2015	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget				
Encumbered / Expended Amount				
This item				
BALANCE				

RECOMMENDATION:

Staff recommends the Council designate the Cheniere Reinvestment Zone.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
Attachment A – Metes and Bounds