



**AGENDA MEMORANDUM**  
Action Item for the City Council Meeting of November 1, 2022

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**DATE:** November 1, 2022

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<b>Resolution Directing Staff to Prepare a Municipal Service Plan for the Annexation of Portions of County Roads 18 and 43</b>
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**CAPTION:**

Resolution directing the City's Planning Department to prepare a service plan for the annexation of County Right of Way for sections of County Roads 18 and 43, allowing for the annexation of the Caroline Heights subdivision, by Cypress Point Capital, LLC.

**SUMMARY:**

This resolution will direct staff to prepare a municipal service plan for portions of County Road (CR) 18 and CR 43. The Nueces County Commissioner's Court is requesting annexation of these portions of their roads in order to extend the City limit line to a 37.44-acre tract located near the corner of FM 2444 (S. Staples Street) and CR 43 owned by Cypress Point Capital LLC (the "developer"). Once contiguous with the City limit line, the developer will be eligible to request annexation of their land and proposes to develop a 28-unit single-family subdivision connected to City water. The developer will also request reimbursement from the City's Water Trust Fund for constructing an oversized water line required by the City's Water Master Plan. Staff recommends passage of this resolution.

**BACKGROUND AND FINDINGS:**

Cypress Point Capital LLC (the "developer") is intending to build a single-family residential development called Caroline Heights consisting of 28 half-acre lots. The development is on the southeast corner of FM 2444 (South Staples Street) and County Road (CR) 43 and will connect to City water, but each lot will have a private septic system. The developer will oversize the water line per the City's Water Master Plan and is, therefore, seeking reimbursement from the City's Water Trust Fund. The Trust Funds are defined in the City's Unified Development Code as "funds held in trust by the City for developers to provide for a fair and equitable expansion of water, wastewater, and stormwater infrastructure for new development."

To be eligible to connect to City water utilities and to receive reimbursement from the Trust Fund, the property must be within the City's limits. Because the subject property is not

contiguous with the current City limit line, which is a requirement of State law, the Nueces County Commissioner's Court is also petitioning the City to annex sections of CR 18 and CR 43, which will extend the City limit line to the developer's property and create "contiguity" for Cypress Point Capital's property.

The Nueces County Commissioners Court's annexation request will include the following road sections, totaling 9.78 acres of land:

- CR 18 between CR 41 and CR 43; and
- CR 43 between FM 2444 (South Staples Street) and CR 18.

Texas Local Government Code 43.065, which is applicable to the annexation of a road and right-of-way, requires that "[b]efore the publication of the notice of the first hearing required under Section 43.063, the governing body of the municipality proposing the annexation shall direct its planning department or other appropriate municipal department to prepare a service plan that provides for the extension of full municipal services to the area to be annexed."

The Service Plan outlines how the City will provide services to the subject property. The Service Plan for County Roads 18 and 43 will be limited to street maintenance. Of the two county roads, only CR 43 is improved with approximately 1,800 linear feet of asphalt pavement from FM 2444 to approximately the entrance to the proposed subdivision.

#### **ALTERNATIVES:**

Staff evaluated alternatives for creating "contiguity" for the property owned by Cypress Point Capital, such as selecting different road right-of-ways that would reach the property or requiring Cypress Point Capital to work with neighboring private property owners to create a connecting path to the City limit line. In the end, the Nueces County Commissioners Court agreed to provide the connection.

#### **FISCAL IMPACT:**

There is no immediate financial/fiscal impact associated with this resolution. In the future, the City will be responsible to fund road maintenance.

#### **FUNDING DETAIL:**

Fund: N/A

Organization/Activity: N/A

Mission Element: N/A

Project # (CIP Only): N/A

Account: N/A

#### **RECOMMENDATION:**

Staff recommends approval of the request to direct staff to prepare the service plan for the annexation of County Right of Way for sections of County Roads 18 and 43.

#### **LIST OF SUPPORTING DOCUMENTS:**

Exhibit Map: County Roads 18 and 43 Area Map

Resolution

Petition for Annexation (Resolution from Nueces County Commissioner's Court)