



AGENDA MEMORANDUM
One-Reading Ordinance for the City Council Meeting Sept 5, 2023

DATE: August 22, 2023

TO: Peter Zaroni, City Manager

FROM: Heather Hurlbert, CPA, CGFO-Assistant City Manager
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Creation of Industrial Districts No. 9, 10, and 11 in San Patricio County

CAPTION:

One-Reading Ordinance authorizing the designation of Industrial Districts No. 9, 10, and 11 within the extraterritorial jurisdiction of the City of Corpus Christi, Texas.

SUMMARY:

To create new industrial districts in San Patricio County covering the areas that are subject to existing City economic development agreements.

BACKGROUND AND FINDINGS:

The City has created industrial districts in its extraterritorial jurisdiction (ETJ) which include three industrial districts in Nueces County and four industrial districts in San Patricio County. Following the passage of SB 2038, which went into effect on September 1, 2023, entities owning property in the City's ETJ have some authority to remove themselves from the ETJ without the need for City approval. There is an exception in the statute for property that is included in an industrial district.

This action will create the industrial districts but not the industrial district agreements (IDA). The City has economic development agreements with Gulf Coast Growth Ventures, Voestalpine, and Cheniere that require them to enter into IDA's in 2033. If they fail to do so, they will be required to pay ten years of Payments in Lieu of Taxes (PILOT). To protect the City's ability to enforce these agreements, the Legal Department has recommended that City Council create new industrial districts covering these properties. The creation of the industrial districts ensures that the properties will remain in the City ETJ and will not be able to remove themselves under the new statute.

Staff recommends the creation of three new Industrial Districts No. 9, 10, and 11 in the

City's ETJ in San Patricio County to encompass the boundaries of the Gulf Coast Growth Ventures, Voestalpine, and Cheniere.

ALTERNATIVES:

Council could choose not to create the new industrial districts, but that would leave the City vulnerable to challenges to its ability to enforce the existing economic development agreements in the future.

FISCAL IMPACT:

This item will have no fiscal impact this year.

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 this ordinance.

LIST OF SUPPORTING DOCUMENTS:

Ordinance