



AGENDA MEMORANDUM

First Reading Ordinance for the City Council Meeting March 17, 2020
Second Reading Ordinance for the City Council Meeting March 24, 2020

DATE: March 5, 2020

TO: Peter Zaroni, City Manager

FROM: Daniel McGinn, AICP, Director of Planning and Environmental Services
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Disannexation of Occidental Chemical Corporation

CAPTION:

Ordinance disannexing approximately 869.2 acres, located north of Corpus Christi Bay and west of the City of Ingleside's extraterritorial jurisdiction, from the City of Corpus Christi, Texas; adjusting the City boundaries accordingly; providing for severance, publication, and an effective date.

SUMMARY:

This item provides for the disannexation of Occidental Chemical Corporation in San Patricio County from the boundaries of the City of Corpus Christi in exchange for an Industrial District Agreement under the City's standard terms.

BACKGROUND AND FINDINGS:

The City of Corpus Christi annexed approximately 3,047.80 acres of land along the north side of Corpus Christi Bay in San Patricio County on May 21, 2019. Approximately 662.51 acres were previously disannexed on July 23, 2019 in exchange for economic development agreements with the landowners.

Today, the City proposes disannexation of approximately 869.20 acres, which leaves the remaining annexed territory at 1,516.09 acres of land. The area being disannexed includes land owned by Occidental Chemical Corporation and affiliated entities ("Oxy"). City staff has negotiated an industrial district agreement with Oxy. A related item on the agenda provides for the expansion of the boundaries of Industrial District No. 8 and approval of the industrial district agreement with Oxy.

The boundaries of the disannexation do not include a corridor, approximately 1,100 feet wide, which connects the previous boundary of the City of Corpus Christi (the shoreline) to other property that remains in the City limits following this disannexation.

Staff recommends disannexation of the approximately 869.20 acres owned and controlled by Oxy in exchange for an industrial district agreement with Oxy. The proposed disannexation is a means by which the City can continue to support regional economic development and Oxy's presence in the Coastal Bend

Analysis of the Request:

The proposed disannexation is consistent with City policy and the Comprehensive Plan as follows:

- Plan CC's Vision Statements identifies that "Our broadly diversified economy provides opportunity for all."
- Plan CC's Future Land Use Plan indicates this area for industrial development.
- Plan CC Element 7, Goal 6 states "Annexation plans provide for orderly growth and industrial agreements in the ETJ."
- Plan CC Element 7, Goal 6, Strategy 6 states, "Support the evaluation of the use of industrial district agreements in lieu of annexation for industrial areas of the city and ETJ".

ALTERNATIVES:

In lieu of the proposed disannexation, staff considered further negotiating the industrial district agreement with Oxy. Staff chose not to pursue this option as other industrial partners in the area are subject to the same payment in lieu of taxation terms proposed in the Oxy agreement, which were originally proposed to the industrial partners at the time of the annexation.

FISCAL IMPACT:

The agreement requires rebate of any ad valorem taxes paid for tax year 2020 that exceed the contractual payment in lieu of taxes amount. This would require reimbursement of 37.5% of the ad valorem paid on improvements and 100% of the ad valorem paid on personal property. For future years, payment in lieu of taxes will be collected in the amount of 100% on land and 62.5% on improvements.

RECOMMENDATION:

Staff recommends approval.

LIST OF SUPPORTING DOCUMENTS:

Ordinance