



AGENDA MEMORANDUM

Public Hearing & One-Reading Ordinance for the
City Council Meeting of December 20, 2022

DATE: December 20, 2022

TO: Peter Zaroni, City Manager

FROM: Daniel McGinn, AICP, Director of Planning
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Public Hearing and one-reading ordinance for voluntary annexation of sections of County Roads 43 and 18 south of Farm to Market Road (FM) 2444, approximately 37.44 acres of land per owner petition, and a three-mile section of FM 2444

CAPTION:

One-reading ordinance annexing sections of County Road (CR) 43 and CR 18 south of Farm to Market Road (FM) 2444 and being approximately 9.78 acres, annexing approximately 37.44 acres of land per owner petition, and annexing a section of FM 2444 from CR 41 to CR 47 into the territorial limits of the City of Corpus Christi; and approving related service plans.

SUMMARY:

The purpose of this item is to hold a public hearing and take action on annexing land in the London area. The annexation area includes an approximately 37.44-acre tract of land on the southeast corner of FM 2444 (South Staples Street) and County Road (CR) 43 that Cypress Point Capital LLC will develop into single-family residential lots; an approximately three-mile stretch of FM 2444 from CR 41 to CR 47; and approximately one-mile sections (or 9.78 acres) of CR 43 from FM 2444 to CR 18 and CR 18 from CR 43 to 41. Public hearings for the annexation of CR 43 and CR 18 were held on November 15, 2022, to comply with State law. Staff recommends approval of the annexations.

BACKGROUND AND FINDINGS:

Description of the Request

Cypress Point Capital LLC (the developer) is requesting annexation of its 37.44-acre property and intends to build a single-family residential development called Caroline Heights located on the southeast corner of FM 2444 (South Staples Street) and County Road (CR) 43. The development will consist of 28 half-acre lots connected to City water but not connect to City wastewater. Each lot will have a private septic system. The developer will oversize the public water line per the City's Water Master Plan and is, therefore, also seeking reimbursement from the City's Water Trust Fund in a separate request. 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 developer's property must be located within the City's limits. To be eligible for annexation, a property must be contiguous with the existing City limit line as required by State law. To assist the developer in achieving "contiguity," 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 Cypress Point Capital's property to create the necessary condition of "contiguity."

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

- Approximately a 1-mile section of CR 18 between CR 41 and CR 43; and
- Approximately a 1-mile section of CR 43 between FM 2444 and CR 18.

Additionally, this annexation includes three miles of the State's FM 2444 right-of-way from the current City limit line at CR 41 to CR 47, which is west of the Crosstown Expressway (SH 286).

City Services to Subject Property

The Service Plan for CR 18 and CR 43 outlines how the City will provide services to the subject property. The Service Plan for CR 18 and CR 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.

The landowners have agreed to a Municipal Service Plan Agreement with the City for the Caroline Heights subdivision, and the City Manager is authorized by City Charter to execute the agreement. Although the subject property is outside of the City of Corpus Christi water certificate of convenience and necessity (CCN), the developer intends to connect to City water. Each lot will be served by a private septic system. The proposed development does not reach a threshold at which additional City Police substations, Fire stations, City Library, Health, Animal Control, or Parks and Recreation services are needed.

ALTERNATIVES:

Staff evaluated alternatives for creating "contiguity" for the property owned by Cypress Point Capital, such as selecting different road ROWs 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.

Additionally, in evaluating the limits of the FM 2444 right-of-way annexation, staff recommended limiting the annexation to only that section of the road located within the City's London Area Development Plan.

FISCAL IMPACT:

The developer estimates that the construction of 28 units will be completed in five years. The sale of the 28 residential dwellings at an average sales price of \$600,000 per unit results in a neutral fiscal impact with property tax revenues expected to cover the additional operating costs associated with providing City services to residents of this new subdivision. Future changes in the housing market or municipal service costs are not projected and could impact these findings.

RECOMMENDATION:

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

LIST OF SUPPORTING DOCUMENTS:

Ordinance with Property Maps and Service Plans
Map of Combined Annexation Areas
Presentation
Nueces County Commissioners Court Resolution
Petition for Annexation from Cypress Point Capital