

Petition Requesting Annexation by Area Landowners at FM 2444 and CR 43

Public Hearing and Emergency Ordinance



City Council Presentation
December 20, 2022



Overview of Annexation Tract

- **Tract A:** 37.44 acres owned by Cypress Point Capital LLC and an approximately 3-mile stretch of FM 2444/S. Staples Street.
- **Tract B:** 9.78 acres being portions of CR 18 and CR 43 owned by Nueces County





Background

- The purpose of annexing County Roads 18 and 43 is to extend the City limit line to a 37.44-acre property at the corner of FM 2444/South Staples Street and CR 43, which is owned by Cypress Point Capital LCC.
- Once “contiguous” to the City limit line, Cypress Point Capital will be eligible to request annexation and later reimbursement from the Water Trust Fund to support the development of a 28-unit single-family subdivision.



Background

- Texas Local Government Code Section 43.028 provides for a process that allows a property owner to petition for annexation.
 - Texas Local Government Code section 43.1055 provides a process for a city to annex road right-of-way (ROW) upon the request of who owns/maintains the ROW.
 - On September 20, 2022, a petition requesting annexation for the Caroline Heights subdivision was received from the landowners (Cypress Point Capital, LLC).
 - On October 19, 2022, a petition requesting annexation for portions of County Road 43 and County Road 18 was received from the landowner (Nueces County).
 - Staff developed the required service plan and conducted the required public notices.
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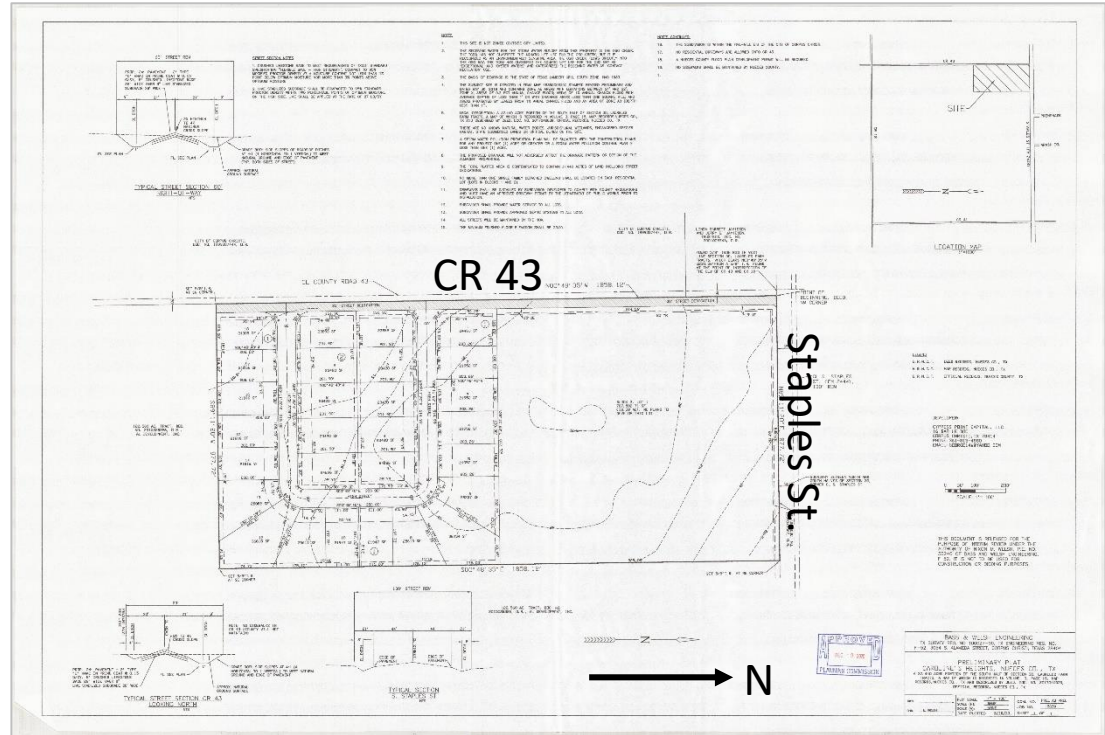
Planned Development

Caroline Heights Subdivision

- ❖ 37.44 acres
- ❖ 28 residential lots
- ❖ Approximate buildout = 4-5 years
- ❖ Average Home Size = 2,500 sq. ft.
- ❖ Average Lot Price = \$210K to \$260K
- ❖ Estimated Average Sales Price = \$600,000

NEUTRAL FISCAL IMPACT

Note: Buildout and sales price assumptions provided by petitioner.





Fiscal Impact Analysis – General Fund

NEUTRAL FISCAL IMPACT

Estimated Operating Property Tax *Revenues* at 5 year Buildout:

- (28 units) x (\$600,000 avg. sales price) = \$16,800,000 property value
- $(\$16,800,000 / \$100) \times \$0.386806 = \text{\textcolor{teal}{\$65,000}}$

Estimated *Cost* to Serve (General Fund):

- FY2021-2022 Amended General Fund Expenditures / Service Population = $\$311 + M / 387,152 = \804 per capita
- (28 units) x (2.7 persons per household) = 76 increased population
- $76 \times \$804 = \text{\textcolor{red}{\$61,100}}$

\text{\textcolor{teal}{+\\$3,900} difference at 5-year buildout

(1) Maintenance and Operation Ad Valorem rate per \$100 in assessed value, 2021-22 Amended Budget

(2) 2020 U.S. Decennial Census, U.S. Census Bureau and professionally accepted standard

(3) 2016-2020 American Community Survey S1101: Households and Families, U.S. Census Bureau



Staff Recommendation

Approve the petition for annexation
