



Legislation Text

File #: DIS 18-172, **Version:** 1

Discussion of issues relating to a petition for voluntary annexation of four tracts of land totaling 49.0146 acres and a petition totaling 83 square feet in the City's ETJ located along the west side of Independence Parkway and north of State Highway 225 into the Deer Park city limits.

Summary:

Pursuant to the Molto Properties annexation presentation given by Chad Parrish at the December 4, 2018 Council Workshop, the City has now received two petitions for voluntary annexation of property in the City's ETJ located along the west side of Independence Pkwy and North of State Highway 225 into the Deer Park city limits. The first petition is for four (4) tracts totaling 49.0146 acres owned by Geo Specialty Chemicals, Inc. The second petition is for 83 square feet owned by RBD Development, LLC. (see attached letter from Molto Properties and exhibits). State law states that after the 5th day but on or before the 30th day after the date the petition is filed, the city council shall hear the petition and the arguments for and against the annexation and shall grant or refuse the petition as the city council considers appropriate. Therefore, pursuant to state statute, the City Council must now consider this petition and grant or refuse it, as the Council considers appropriate. The action of granting the petition does **not** approve the annexation. If the petition is granted Council will need to schedule two (2) public hearings on the proposed annexation on March 5, 2019 and April 2, 2019. Also, prior to final approval of the annexation ordinance, the City and property owners will have reach an annexation service agreement. The owner is requesting water and sanitary sewer service from the City, but understands it will be the property owner's responsibility to pay for the cost of extension of said services from their site to the point of connection in the City as designated by the City.

Since the property is currently in the industrial district in the ETJ and falls under an industrial district contract paying an in-lieu-of tax payment annually to the City, if the tract is annexed it will be removed from the industrial district but would be subject to full City ad valorem taxation.

The property is currently vacant, undeveloped land. The proposed use is two Class A industrial/office/warehouse buildings featuring concrete tilt-wall construction totaling approximately 555,000 square feet. The proposed Project will add approximately \$40,000,000 of assessed value to the Property. The City will benefit from the additional value and the City taxes after annexation and will eliminate the need for an Industrial District Agreement on this property. The proposed project will have a relatively low impact on the City's water and sewer resources as typical industrial/warehouse and distribution uses are low consumers of water and sewer. The City will have to provide City services, such as Police Fire/EMS. A municipal service agreement will be required to be approved.

The Developer and Owner/Applicant are also contemplating a possible second phase to the project that would include +/- 12 acres and an additional +/-171,000 SF industrial/warehouse/distribution building.

Fiscal/Budgetary Impact:

Additional taxable value would result after annexation. City services would have to be provided.

Discussion only in Council Workshop. Items are included on the City Council Regular Meeting

Agenda to 1) hear the petition and the arguments for and against the annexation and grant or refuse the petition, and if granted 2) schedule two (2) public hearings on the voluntary annexation.