

# Inner Harbor Water Supply Project

Authorizing Acquisition of Property

Michael Murphy, COO

December 20, 2022





# Cost and Basis of Terms

- Agreement between City and Flint Hills Resources Corpus Christi, LLC to acquire real property and easements.
- The City will have the right to terminate contract at any time during the Option period.
- Flint Hills Resources will have the right to re-purchase all property and easement rights within 5 years of closing if The City does not execute contracts to build a desalination facility.

# Cost and Basis of Terms

- \$5,455,000 – Based on Valbridge appraisal.
  - 12.5 acres fee simple Property in the amount of \$2,380,000 (\$4.37 per square ft).
  - 11 acres for easements in the amount of \$3,075,000.
  - Cost includes non-refundable Option Period fees.
- Prior to exercising Option and closing the purchase, The City will obtain:
  - Water rights permit from the Texas Commission on Environmental Quality (TCEQ).
  - Discharge permit from the TCEQ.
  - All necessary permits from the U.S. Army Corps of Engineers.
  - Disannexation of the Property.
  - Authorization to execute a 212 ETJ Development Agreement.
  - Encumbrance of the full amount of the Purchase Price (\$5,455,000).

# Recommendation

- Staff recommends approval.
  - Purchase of the Flint Hills property and associated easements.
  - Purchase of an easement from Union Pacific Railroad.
  - Authorize the use of eminent domain, if necessary, to acquire these property interests from Flint Hills and Union Pacific for public use for water supply projects.



Thank you!

