



ARANSAS PASS CITY NEWS

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PUBLIC STATEMENT CITY OF ARANSAS PASS

(September 23, 2021)

The Aransas Pass City Council met on September 23, 2021 and approved the following statement:

Recently, on September 2, 2021, the Aransas Pass City Council voted to settle two lawsuits that had been brought against the City to challenge three annexation ordinances that the Council had adopted in 2019. It was thought that the settlement disposing of the lawsuits would end the controversy. It apparently has not, however: the interests opposing the annexations have continued their public attacks on the City regarding the annexations and the lawsuits. Accordingly, the City Council is issuing this public statement to respond to those continued criticisms.

The purpose of the 2019 annexations was two-fold: first, to maintain an appropriate balance between industrialization and protection of the environment in the areas adjacent to the City; and second, to protect Aransas Pass from future annexation efforts by the City of Corpus Christi that would have effectively "landlocked" the City of Aransas Pass. The Aransas Pass City Council believed then, and continues to believe to this day, that the 2019 annexation ordinances were in the best interests of the citizens of Aransas Pass and in compliance with legal requirements.

Soon after the annexation ordinances were adopted, private interests opposed to the annexations sued the City to invalidate them. Later, after persuading the district attorneys of San Patricio and Aransas Counties to join them, those same interests brought a second lawsuit to challenge the annexations.

While the trial of the second lawsuit was in progress (the first lawsuit having been placed "on hold" pending the outcome of the second case), the City Council concluded that continuing to defend against the lawsuits was no longer financially feasible. It had simply become too expensive for the City, standing alone, to continue the litigation. Accordingly, at the September 2 meeting, the City Council reluctantly agreed to the settlement of the lawsuits and to the entry of a judgment invalidating the annexations and awarding expenses and attorney's fees to the opposing parties.

The City Council's decision to agree to the settlement was purely financial, due to the prohibitive cost of continuing to defend the lawsuits. The City Council maintains that the 2019 annexations were legally proper and in the public interest. The parties aligned against the City did not win because they were right; they won because the City of Aransas Pass could no longer afford to fight them.



City's Annual "State of the City" Address Reveals Continued Progress Property Tax Lowered for FY22

The State of the City, as was pointed out by City Manager Gary Edwards during a September 9th Chamber of Commerce Luncheon, remains strong. The audience was updated on various ongoing projects, such as the American Rescue Plan; the CDBG-DR work, the Euclid Pump station (see related story in this newsletter); and the Harbor Bulkhead. Edwards said our work with FEMA is mostly complete and the Conn Brown Harbor infrastructure work is finished. At the time of the address, the budget preparation was virtually concluded and again this year, it is a strong document.

Even during the pandemic, sales tax continued to not only perform well, but it has set new records. The sales tax is a good indicator of a City's economic health. Property tax and property valuation have regained their post-Harvey dip. In FY22, property tax revenue is up and we are able to reduce the property tax rate.

Large numbers of new homes are being built. Rooftops are essential to help a community move forward.

The full text of the State-of-the-City speech can be seen on the City's webpage.

City Council Approves 489 Single-Family Homes for AP

On September 20th, the Aransas Pass City Council approved the preliminary Plat for a major subdivision requested by Braselton Development. Their plan is to build 489 homes. Braselton is a major real estate developer in Corpus Christi. In the case of Aransas Pass, they have coordinated with D.R. Horton, America's largest home builder, to construct the homes. The building sizes will range from 1,400 sf to 2,000 sf. The homes will be built in three phases. Below is a pic of a sample home of the kind that will be built in the subdivision.





Shrimp Boats Seek Shelter At Conn Brown Harbor

In mid-September a major tropical storm or a Category 1 Hurricane was predicted for this area. Shrimp boat from throughout this area then began going to Conn Brown Harbor for shelter (see above pic). Fortunately, the storm completely missed Aransas Pass and this area.

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FY22 BUDGET APPROVED

On September 7th the City Council approved the FY22 Operating Budget. The General Fund Balance is over 35% - well above what it was three years ago, but down slightly from FY 21. This budget allowed for the lowering of the property tax.



Euclid Pump Station Work Mostly Completed

On September 20th, Contractors began installing the repaired Euclid Street pumps back into the pump station. (see pics above and below) Completed work included repairs to the 100HP motor and pump. Work also included repairs to the diesel engine and pump. The pump station is now back to full operation. The city will continue to keep one portable pump at the site for emergency situations and still will have other portables available if needed. In October, the City also is currently preparing to install a trash catcher rack across the concrete ditch at Euclid to catch large debris before it gets into the wet well. Replacement of the Maddox pump station and one of the pumps at the Goodnight pump station also are forthcoming. That work now is being designed.



Aransas Pass Maintains A Strong S&P Credit Rating

Even in light of extraordinary and unexpected expenses during FY21, the City of Aransas Pass not only maintained our AA- Credit rating with Standard and Poor (S&P), but we also maintained our “Stable” rating. Immediately after Hurricane Harvey we were placed on a “watch” because of Harvey related expenses and because of our financial history. About two years ago, S&P was satisfied with the post-hurricane financial progress being made in Aransas Pass and removed us from their watch list. We now are “stable”. They would have raised our rating even higher except they would like to see a stronger local economy. Hence, the need for more rooftops and stronger tourism, which lead to more retail. That is the direction we have been going, but we are not there yet. The S&P report had a section on financial management. That is something for which we all—the City Council, City Staff, Finance Department and Citizens—are responsible. The first line in that section reads, “We view the City’s financial management as strong.” They also say the City of Aransas Pass has a “Strong budgetary performance”. As is always the case with any report such as this, there are some things we need to monitor, but the bottom line is that it is a good S&P report.

