

## **BILL ANALYSIS**

S.B. 835  
By: Hinojosa  
Defense & Veterans' Affairs  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

In 1987, the Port of Corpus Christi Authority (PCCA) of Nueces County, Texas conveyed over 576 acres of land to the U.S. Navy for the construction and operation of Naval Station Ingleside (NSI). The deed states that ownership of this property will revert to PCCA when the property is no longer used for maritime purposes by the U.S. Department of Defense (DoD).

In its 2005 defense base closure and realignment recommendations, the DoD recommended the closure of NSI. The DoD estimated, assuming no economic recovery, that this recommendation, along with the recommended realignment of Naval Air Station Corpus Christi, could result in the loss of over 6,800 jobs (nearly 3,180 directly and 3,680 indirectly). NSI will close in September 2010, if not sooner.

S.B. 835 authorizes PCCA to redevelop the NSI property and PCCA's adjacent 433 acres in diversified ways that will foster the creation of new jobs, economic development, industry, commerce, manufacturing, housing, recreation, and the installation of additional infrastructure. The bill facilitates the redevelopment of NSI by giving PCCA economic development powers it would not otherwise have with respect to the subject property.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

S.B. 835 amends Chapter 397, Acts of the 68th Legislature, Regular Session, 1983, to authorize the Port of Corpus Christi Authority of Nueces County, Texas, to use the naval property as defined in the bill in ways that replace and enhance the economic benefits generated by Naval Station Ingleside through diversified activities, including uses to foster the creation of new jobs, economic development, industry, commerce, manufacturing, housing, recreation, and the installation of infrastructure on the naval property. The bill authorizes the authority to contract with another person for assistance in accomplishing these purposes by competitive bidding or negotiated contract as the port commission considers appropriate, desirable, and in the best interests of the authority. The bill authorizes the port commission to declare as surplus property any portion of the naval property not needed for a navigation-related project and to sell or lease the surplus property on the terms the port commission considers advisable to carry out the purposes of these provisions. The bill authorizes the authority to sell or lease surplus property with or without public bidding, prohibits surplus property from being sold for less than its fair market value, and requires the authority to obtain an appraisal of the surplus property, which is then conclusive evidence of the property's fair market value.

S.B. 835 establishes that these provisions are cumulative of and in addition to other law applicable to or affecting the authority and do not limit the power of the authority to use other law not in conflict with these provisions to the extent necessary or convenient to carry out a

power expressly or impliedly granted under these provisions.

S.B. 835 defines "adjacent property," "authority," "naval property," and "port commission."

**EFFECTIVE DATE**

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.