

House Committee on County Affairs

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Verbal Testimony By:

Jaime Canales, County Commissioner - Precinct 4
Webb County, Texas (County Seat: Laredo)
October 24, 2012

Committee Charge # 1



Good Afternoon, My name is Jaime Canales, Webb County-Commissioner, Precinct 4. For the record, I also have been given the honor to serve as a member of the Eagle Ford Task Force of the Texas Railroad Commission.

**Our Community – Webb County,
Largest Urban Setting in the Eagle Ford Region**

Webb County is comprised of 250,304 in population and located in South Texas along the Texas-Mexico border region with a county jurisdiction approximate 3,300 square miles and 2.2 million acres.

Special Acknowledgement

I want to thank the leadership of Texas for support to South Texas in previous legislative sessions and specifically to Webb County. Your support has enabled our county to grow with a strong education base and economically aimed for continued progress.

**Webb County's Profile Added By
Eagle Ford Business Interest**

As you know, Webb County continues to build on its community to support a diverse business setting, and as a segment of our state, which significantly supplies our nation in the production of natural gas.

**Infrastructure
Vitaly Important and Roadway Safety**

As growth continues, our county also faces challenges that are combined with increased cost for public services as listed in charge #1 of your committee.

Our community leaders work hard to accommodate for basic infrastructure to keep pace with population and business development growth.

Webb County is unique in the Eagle Ford shale region. We have international trade commerce combined with energy industry activity.

These two major economic forces demand for improved roadway systems, housing and county roads are currently being used as alternative routes to handle spillover.

For decades, and now at a greater capacity because of new drilling technology, Webb County is a fracking shale play. Most noted in recognition for natural gas exploration and production.

As participants of this industry, In August, Texas Railroad Commission reported Texas ranked at 49% of all active oil/gas rigs in the U.S. This represents an accounted average of 900 land rigs.

Webb County’s contribution in energy production tax has become a significant added economic gain to the state.

Webb County - Severance Tax (Oil/Gas Tax on Production Paid To State)	
2011: \$123.2 million	2012: (first 6 mo.) \$56.9 million
Wells - Permits Approved Jan. 2011 to Sept. 2012	
357 - Natural Gas	
55 - Oil	

**Webb County - Largest and Only Urban County in Eagle Ford
Our International Port Serving As An Integral Supplier of the Eagle Ford Industry**

Both Precinct 4 and Precinct 2 are most impacted by the energy and commerce industries because of their regional proximity.

The north and eastern area of Webb County border other Eagle Ford counties which heavy truck traffic utilizes all available corridors. In some areas, surface transportation roadway systems are exhausted in carrying capacity combined with use by residents living in the area.

(Example of a daily observation of FM1472 / Mines Rd. – photo)

Another impacted area, along Hwy 359 going east in Precinct 2, various subsequent energy suppliers are currently located or making plans to move into this part of Webb County’s unincorporated area.

As an international port county that has exceeded over \$200 billion for the current year. This commerce system is also supporting service suppliers who channel products/goods throughout the state for the energy industry.

As stated, energy and commerce combined are playing a major role in our county's development in unincorporated areas.

Their associated establishments are moving away from city limits congestion and density.

Resulting in our need of land-use and management ordinance powers with the ability to impose fees to assist in basic infrastructure cost.

For example, Select Energy is a service provider to the energy industry with an \$8 million investment to employ over 100 employees. Yes, we are privileged and welcome these types of employers.

(The photo displayed is a view of subdivision development in north Webb County)

Unfortunately, this added growth will add to the existing traffic congestion on Mines Road / FM 1421 and demand for housing developments.

All combined, we have a responsibility to accommodate for this growth pattern by utilizing or adding basic infrastructure. We must ensure our roadways are sufficient and accessible for smooth mobility while our streets are designed with safety measures to even avoid minimal risk.

You can be certain; our local governments are always making preparations on short and long-term community plans by accommodating housing and added public services as an area with a projected population growth rate.

Last, but not least; as an urban county, we are also accommodating much needed housing for other Eagle Ford shale communities.

In closing, we can say we are enjoying a vibrant economy.

As you heard, we face challenges that require policy and funding mechanisms to enhance our potential and to continue successfully adding economic gains to our state's budget.

For your committee's consideration and for the next legislative session, we would like to request the following: (next page)

RECOMMENDATIONS

1. Transportation funding mechanisms for Eagle Ford communities

As we continue build and accommodate growth, we would like the state to consider funding sources to enhance commerce and energy industry to jointly operate in an area that will not hinder our state or local entities to generate revenues because of lack of transportation roadway systems.

2. Allow county to land-use control and management authorization for Eagle Ford Counties

Our county leaders need support from the state to assist us with land-use control and management in unincorporated areas to allow for proper planning and afforded basic infrastructure cost.

3. Close loophole to Hotel/Motel Tax for border counties for extended stays

Finally, we hope state leaders will allow to close a loophole in the Tax Code, Hotel/Motel Tax for extended stays beyond 30 days. These funds help Webb County promote economic development and tourism as an international border county.

Thank you for your time and attention. Glad to answer questions.