



AGENDA MEMORANDUM

Action Item for the City Council Meeting August 19, 2025

DATE: August 15, 2025

TO: Peter Zaroni, City Manager

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Resolution for the negotiation of terms with Nueces County for a proposed Tax Increment Reinvestment Zone (TIRZ) in the London Area

CAPTION:

Resolution for the negotiation of terms with Nueces County for a proposed Tax Increment Reinvestment Zone (TIRZ) in the London Area for potential consideration of the Nueces County Commissioners Court on August 20, 2025.

SUMMARY:

The City of Corpus Christi is currently negotiating the interlocal agreement for the proposed TIRZ #7 with Nueces County and is requesting City Council direction on the remaining negotiation points for the agreement.

BACKGROUND AND FINDINGS:

The London area is a growth corridor for the region. The area is primarily vacant land which lacks infrastructure to support the current and planned growth. The proposed London Tax Increment Reinvestment Zone (TIRZ) #7 would help support and guide development in the area by utilizing the increment created by the development to help support the infrastructure needed for the area.

This TIRZ is different from the other TIRZ's currently in place since much of the area is outside the City limits and developments must annex into the city limits to receive incentives. By creating the larger zone, the base year will be set at the values as of tax year 2025. Nueces County will not contribute increment generated by the whole zone but rather choose which projects they want to contribute increment towards. As these developments are annexed into the City limits, a "subzone" or unique project will be created and the County can choose if they want to contribute increment to the project. Currently identified subzones include the Mirabella Development, The Proper, and Chapman Commercial.

On July 10, 2025, Nueces County provided initial terms for the interlocal agreement with the City of Corpus Christi for the creation of TIRZ #7 in the London area. The City countered on July 11, 2025, and a response was provided by the county on July 23, 2025. The negotiations are detailed below.

Nueces County Proposals:

- 1) Term of agreement
 - a. Nueces County agrees to a 10-year term with a 10-year renewal.
- 2) City Participation
 - a. City of Corpus Christi will commit to a 25-year term.
- 3) County Contribution
 - a. Nueces County's contribution shall only be applied to clearly defined written uses such as streets and drainage.
- 4) Septic/City Sewer
 - a. All use inside the TIRZ must have City sewer and not septic.
- 5) County Participation
 - a. Nueces County will participate at 45%.
- 6) Termination
 - a. Nueces County has the option to terminate interlocal if the funds are not spent in compliance with agreement.
- 7) Administrative Costs
 - a. Nueces County will be reimbursed \$50,000 over the life of the agreement, assuming the City's amount stays at \$100,000.
- 8) Board Composition
 - a. Nueces County will have 5 members of the TIRZ board and the vice chair position.
- 9) City Council Authority
 - a. Nueces County proposes that the City Council cannot override TIRZ board recommendations so long as they are consistent with the law, financing plan, and interlocal agreement.

City of Corpus Christi Responses:

- 1) Term of Agreement
 - a. Agreed. Nueces County will move to 20 years if City commits to 25 years.
- 2) City Participation
 - a. Agreed. The zone will be created for a 25-year term.
- 3) County Contribution
 - a. Staff Recommendation - Each sub-zone will have clearly defined written uses included in the Project and Financing Plan. The first sub-zone being considered will only contain the expenses for the Mirabella development. Proposed is an estimated \$65M in development costs with \$30.6M reimbursed with TIRZ funding, \$26.5M reimbursed from the City Public Improvement District (PID), and the remaining \$8.0M paid by the Developer. The TIRZ expenses will be for public sewer, stormwater, and water infrastructure within the development along with associated costs totaling \$30.6M. (See exhibit A below)
- 4) Septic/City Sewer
 - a. Staff Recommendation - Included in the Project and Financing Plan, to receive TIRZ incentive funding the development must be connected to City Sewer.
- 5) County Participation
 - a. Staff Recommendation - The City maintains that 50% participation is preferred but not required for this TIRZ.
- 6) Termination
 - a. Staff Recommendation- Funds can only be spent in compliance with the Project and Financing Plan. It is proposed that the Project and Financing Plan and all development agreements will be approved by Commissioner's Court before consideration by City Council.
- 7) Administrative Costs

- a. Staff Recommendation - Nueces County can be reimbursed for up to \$50,000 over the life of the agreement. The County will provide documentation detailing staff time spent on the administration of the TIRZ to receive the reimbursement. The City's amount will stay at up to \$100,000 per year with reimbursement based on staff time and resources spent.
- 8) Board Composition
- a. Staff Recommendation – the county has requested 5 seats as well as the vice chair position on the board. The updated city proposal is below.
 - i. City – 7 seats
 - ii. County – 5 seats
 - iii. Del Mar – 2 seats
 - iv. Development representative – 1 seat
 - v. Section 311.009 (f) of the Texas Tax Code provides details on the election and appointment of officers. The Chair will be appointed from City representatives and the Vice-Chair will be elected solely from the Nueces County representatives.
- 9) City Council Authority
- a. Staff Recommendation – By law, the City Council cannot be bound to consent to everything presented by any board. The City proposes that both the Commissioner's Court and Del Mar Board of Regents have the option to veto any development agreement approved by the TIRZ board prior to the consideration by City Council. If vetoed by either of the governing bodies, it will not move forward to City Council for consideration. In addition, any modifications to the Project and Financing Plan would be presented to each governing body for approval prior to approval by the City Council.

Exhibit A

Mirabella Summary				
	Total Cost	TIRZ	PID	Private
	Of Development	Project Costs	Non Project Costs	Non Project Costs
Contingency, Professional Fees, General Conditions, & Soft Cost	\$ 13,138,908.51	\$ 7,183,131.23	\$ 5,099,914.91	\$ 855,862.36
Site Work	\$ 601,886.82	\$ -	\$ -	\$ 601,886.82
Public Sewage, Storm, & Water	\$ 23,454,796.20	\$ 23,454,796.20	\$ -	\$ -
Franchise Utilities	\$ 2,021,424.00	\$ -	\$ -	\$ 2,021,424.00
Public Landscape Improvements	\$ 1,684,376.24	\$ -	\$ 1,684,376.24	\$ -
Private Landscape Improvements	\$ 721,875.53	\$ -	\$ -	\$ 721,875.53
Traffic and Street Improvements	\$ 16,652,551.81	\$ -	\$ 16,652,551.81	\$ -
Public Structures & Common Areas	\$ 3,094,901.70	\$ -	\$ 3,094,901.70	\$ -
Private Structures & Common Areas	\$ 3,787,000.00	\$ -	\$ -	\$ 3,787,000.00
Total	\$ 65,157,720.80	\$ 30,637,927.43	\$ 26,531,744.66	\$ 7,988,048.72
Design Subtotal	\$ 13,138,908.51	\$ 7,183,131.23	\$ 5,099,914.91	\$ 855,862.36
Development Cost	\$ 52,018,812.30	\$ 23,454,796.20	\$ 21,431,829.74	\$ 7,132,186.35

At the August 12, 2025, City Council meeting, these negotiations were discussed in executive session and staff was given direction to continue negotiations with the City Council's support. City staff is seeking direction and approval for the specific points proposed by Nueces County that City Council would consider for interlocal agreement between the City and Nueces County.

FISCAL IMPACT:

There is no fiscal impact associated with this action.

RECOMMENDATION:

Staff recommendations are included above.

LIST OF SUPPORTING DOCUMENTS:

Resolution
Presentation