



AGENDA MEMORANDUM

Action Item for the City Council Meeting December 12, 2023

DATE: November 14, 2023
TO: Peter Zanoni, City Manager
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Resolution approving a Master Development Agreement for the
Whitecap Public Improvement District No. 1

CAPTION:

A Resolution of the City Council of the City of Corpus Christi, Texas; Approving and Authorizing the Execution of a Development Agreement Relating to the Whitecap Public Improvement District No. 1; and Resolving Other Matters Related thereto.

SUMMARY:

This item will approve a Master Development Agreement (MDA) for the Whitecap Public Improvement District No. 1 which will contain details about the development and all other agreements in relation to the Whitecap development including the TIRZ agreement, Planned Unit Development (PUD) agreement, Public Improvement District agreement (PID) and any future 380 agreements.

BACKGROUND AND FINDINGS:

In September 2021 Diamond Beach Holdings submitted an application for a Public Improvement District (PID) on North Padre Island for a master planned community that would come to be known as Whitecap. In February 2022 the City received a PID petition from Diamond Beach for the proposed PID that was followed by a revised petition received on April 8, 2022. A PID allows for an additional amount to be assessed on properties within the district which can be used to pay for the cost of public infrastructure or amenities that benefit the properties within the district. These costs can be reimbursed on a pay-as-you-go basis, or the City can issue bonds secured by the assessments. On May 17, 2022 City Council held a public hearing and then approved a resolution authorizing the creation of Whitecap Public Improvement District No. 1.

Since the creation of the PID, the PID working group has been working together to negotiate and finalize the required PID documents which include the Service and Assessment Plan (SAP) and resulting levy of assessments along with a master development agreement. The working group includes:

- City Staff
- Norton, Rose Fullbright-City's bond council
- Specialized Public Finance, Inc-City's financial advisor
- FMSbonds, LLC-Bond underwriter
- P3 Works-PID consultant and administrator
- Ashlar Development-Developer
- Shupe Ventrua, PLLC-Developer's council
- Diamond Beach Holdings, LLC-Property owner

Due to the complexity of the Whitecap development and the different agreements between the City and the developer, a master development agreement is being used to accumulate and record all agreements and parameters for the Whitecap development. These agreements include the:

- Tax Increment Financing Zone #2 (TIRZ #2) reimbursement and development
- Public Improvement District (PID)
- Any future economic development agreements including a 380 Agreement
- Planned Unit Development Overlay (PUD)

These agreements are approved separately by the respective bodies but will be recorded and referenced within the MDA so that all agreements can be found in a single document. The MDA also details infrastructure ownership and maintenance responsibilities for the public infrastructure, canals and bulkheading, and infrastructure reimbursed by the TIRZ.

ALTERNATIVES:

City Council could choose to not approve the MDA or make changes to the proposed agreement.

FISCAL IMPACT:

There is no fiscal impact of this action.

RECOMMENDATION:

Staff recommends approval of the MSA as presented.

LIST OF SUPPORTING DOCUMENTS:

Development Agreement Whitecap North Padre Island