



AGENDA MEMORANDUM

Action Item for the TIRZ #2 Board Meeting April 18, 2023

DATE: February 16, 2023

TO: Peter Zanoni, City Manager

FROM: Heather Hurlbert, CPA, CGFO Director of Finance and Procurement
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Discussion and possible action on fixing the City's revenue contribution amount and addition of future projects to the Project and Financing Plan for the Tax Increment Financing Zone #2 (TIRZ #2).

CAPTION:

Discussion and possible action on amendments to the Project and Financing Plan for the Tax Increment Financing Zone #2 (TIRZ #2), including a recommendation to fix the amount of the City's tax revenue contribution at 100% for the first five years, 75% for year 6, 5% decrease each year for years 7-10, and 50% for years 11-20 and recommending the addition of up to \$150,950,000 in projects and programs that benefit the TIRZ.

SUMMARY:

This item will provide items for discussion about the potential future projects and additions to the current Project and Financing plan for TIRZ #2 and setting the revenue contribution percentage.

BACKGROUND AND FINDINGS:

In October and November the TIRZ #2 met to consider extension of the Zone for an additional 20 years. The following motions were considered and approved:

- Extension of the TIRZ through December 31, 2024
- Modification of boundaries to include two sections of the Whitecap PID that were not currently included in the zone and areas that contain Nueces County assets include the Nueces County Nature Park and R Briscoe King Pavilion
- Amendment to the Project and Financing Plan to include a total of \$50,050,000 in expenses including:
 - \$2,000,000 for improvements to the R Briscoe King Pavilion
 - \$36,400,000 for ongoing Packery Channel maintenance.
 - \$11,500,000 for developer reimbursements for public infrastructure in the Whitecap development for public mobility bridges, water exchange bridges/connections, and public walking trails
 - \$150,000 for a multi-mobility plan

The County has fixed their tax revenue contribution at the following, which will generate an estimated \$60,900,000 in TIRZ revenue over the next 20 years:

- 75% for year 1-5
- 70% for year 6
- 65% for year 7
- 60% for year 8
- 55% for year 9
- 50% for years 10-20

With the extension approved, additional items for consideration include:

- Fixing the City's tax revenue contribution at the following which will generate an estimated \$140,100,000 in TIRZ revenue over the next 20 years:
 - 100% for year 1-5
 - 75% for year 6
 - 70% for year 7
 - 65% for year 8
 - 60% for year 9
 - 55% for year 10
 - 50% for years 11-20
- Addition of up to \$150,950,000 in projects and expenses that benefit the zone to the Project and Financing Plan. Potential projects totaling \$185,030,000 include:

○ Water/Wastewater projects	\$113,030,000
○ Park and Infrastructure Projects	\$ 34,800,000
○ Mobility Projects	\$ 17,300,000
○ Developer Reimbursement	\$ 17,900,000
○ Administration	\$ 2,000,000

Del Mar College has indicated that they would consider participation in the TIRZ extension. If they choose to participate, the project and financing plan can be amended to include additional projects to be funded with the additional revenue.

ALTERNATIVES:

The Board could choose to change the City's tax revenue contribution or add projects to the project and financing plan or propose a different contribution amount or different projects.

FISCAL IMPACT:

There is no current year fiscal impact associated with the actions in this agenda item because the City of Corpus Christi currently has 100% tax revenue budgeted in the FY 2023 operating budget for TIRZ #2.

Funding Detail:

Fund:

Organization/Activity:

Mission Element:

Project # **(CIP Only)**:

Account:

RECOMMENDATION:

Staff recommends discussion and action on these items.

LIST OF SUPPORTING DOCUMENTS:

Presentation