



AGENDA MEMORANDUM

Motion for the City Council Meeting of May 21, 2024

DATE: April 12, 2024

TO: Peter Zaroni, City Manager

FROM: Heather Hurlbert, CPA, CGFO Assistant City Manager
Heatherh3@cctexas.com
361-826-3506

Elsy Borgstedte, CM, Assistant Director Office of Economic Development
elsyb@cctexas.com
361-826-3682

Motion authorizing a Developer Participation Agreement with Ashlar Interests, LLC to reimburse and compensate developer up to \$1,500,000 for the construction of Effluent Waterline Improvements and capacity as part of the Whitecap Public Improvement District development.

CAPTION:

Motion authorizing a Development Participation Agreement with Ashlar Interests, LLC, located in the Tax Increment Reinvestment Zone No. 2 in an amount not to exceed \$1,500,000 for public infrastructure improvements to the Effluent Waterline from the Whitecap Wastewater Treatment Plant.

SUMMARY:

This motion will authorize a reimbursement agreement with the Whitecap Preserve developer in the amount up to \$1,500,000 for public improvements. The City has requested that the Developer construct improvements to the existing Effluent Waterline from the Whitecap Wastewater Treatment Plant and will enter into a participation agreement for the requested public improvements with the Developer. The term of this agreement is to terminate upon the earlier of either the completion and reimbursement of the eligible projects to the developer or twenty-four months.

BACKGROUND AND FINDINGS:

In the Fiscal Year 2024 TIRZ #2 Capital Budget includes a project for the repair and expansion of the effluent waterline rehabilitation and extension. The existing effluent waterline supplied the old golf course at North Padre Island and the line has been inoperable. The effluent waterline must be rehabilitated and extended to provide water to the Whitecap NPI development for the ponds in the nature preserve areas and extended to provide effluent water to the future development of Commodores Park. This project is deemed a priority by ISAC and the use of the water at the

nature preserve ponds and the future development of Commodores Park is environmentally friendly.

Corpus Christi Water (CCW) determined the project cost for the effluent water line based on the following milestones:

- 1) Condition assessment testing of the existing line from the treatment plant to Whitecap development, making any required point repairs, assessment of the effluent lift station at Whitecap WWTP.
- 2) Connection of the new effluent waterline inside Whitecap Development nature preserve.
- 3) Connection of the line at Whitecap WWTP, design of new pipeline and pumps, refurbishment of the pumping station, and installation of new pumps and piping at Whitecap WWTP.

On January 23, 2024, the TIRZ board approved an amendment to the TIRZ#2 Development Reimbursement Agreement with Ashlar Development to add additional public improvement projects, that included construction of a new effluent waterline inside the Whitecap development to provide water for the ponds within the natural area. At that time the TIRZ #2 Board made a recommendation to enter into a participation agreement with the Whitecap developer to perform the existing effluent waterline rehabilitation and extension improvement and capacity project had been approved in the FY24 CIP and that would otherwise have been completed by the city.

The City and Developer have agreed to enter into a Development Participation Agreement to fund the public improvements to the existing effluent line and capacity in an amount up to \$1,500,000. The Developer, Ashlar Interests, LLC., will be reimbursed through the developer participation agreement for the work on the existing effluent waterline.

ALTERNATIVES:

The City Council can choose not to approve the Motion or to make revisions.

FISCAL IMPACT:

The Developer Participation Agreement is a maximum amount, not to exceed \$1,500,000 from funding available in the FY2024 Capital Budget TIRZ #2 CIP.

Funding Detail:

Fund: 3278 – TIF2 Capital Fund
Organization: 89
Department: 17 - Infrastructure
Project # (**CIP Only**): 24132 - Whitecap Effluent Waterline Rehab & Extension
Activity: 24132
Account: 550910 – Construction contracted

RECOMMENDATION:

Staff recommends approval of the Developer Participation Agreement. The redevelopment of the Whitecap areas will enhance economic development, stimulate business and commercial activity, and add public infrastructure that will benefit the surrounding community.

LIST OF SUPPORTING DOCUMENTS:

Participation Agreement
Exhibit with Location Map
Presentation