

CITY OF CORPUS CHRISTI
OFFICE OF THE CITY MANAGER

TO: Peter Zaroni, City Manager

FROM: Constance P. Sanchez, Chief Financial Officer

COPY: Mayor & City Council; TIRZ #5 Board Members

SUBJECT: **TIRZ #5 Bohemian Colony**

DATE: December 14, 2022

On July 14, 2020, the City Council was presented with an overview of a developer-petitioned Tax Increment Reinvestment Zone (TIRZ) (Ch 311 Tax Code) called Bohemian Colony (BOCO) for developer reimbursement of street, sewer, stormwater, and water infrastructure and development and subsequent maintenance of a 10-acre park. The proposed 258.9-acre development is located on the southwest corner of South Padre Island Drive (SPID) and Crosstown Expressway and is currently used primarily for agricultural purposes. The proposed development was to have 999 multi-family units, 777 townhomes, and 450,000 square feet of commercial space.

In October 2022, City staff discovered that the landowner for the property located in the TIRZ sold approximately one-third of the land to another developer who is proposing a different type of development. The new developer indicated that they have the option to purchase more of the land for future development.

Staff reached out to the original developer in November. The developer indicated that despite his best efforts, the development as proposed would not be going forward. With the remaining land, the developer will be patiently looking for the right time to continue its development. At this time, the developer has no objection to canceling the existing development agreement within the TIRZ.

City staff recommends canceling the developer agreement with the original developer and keeping the TIRZ in place to explore future opportunities while preserving the original base value of the property in the TIRZ. A meeting of the TIRZ #5 board is being recommend to be held in January 2023 to update the board members on what has transpired and for the board members to consider a motion to recommend to the City Council cancelation of the developer agreement. Subsequently, an agenda item will be placed on the City Council agenda for approval the cancelation.