



AGENDA MEMORANDUM
Action Item for the City Council Meeting of July 22, 2025

DATE: July 7, 2025
TO: Peter Zaroni, City Manager
FROM: Arturo Marquez, CEcD, Director of Economic Development
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Approval of a Chapter 380 incentive agreement for Cinergy Family Entertainment Center

CAPTION:

Resolution authorizing the execution of a Chapter 380 Incentive Agreement with Cinergy 112, LLC to provide a rebate of up to \$4,150,000 of City of Corpus Christi ad valorem taxes and city sales taxes over a 15-year period for the development of Cinergy Family Entertainment Center, located at the corner of Rodd Field Road and South Padre Island Drive (SPID) in District 4.

SUMMARY:

This resolution authorizes an agreement with Cinergy 112, LLC in the amount of up to \$4,150,000 for the development of Cinergy Family Entertainment Center. This project will develop 10 acres of undeveloped land into a 90,000 square feet family entertainment center.

BACKGROUND AND FINDINGS:

Cinergy 112, LLC or "Cinergy" is proposing a family entertainment center (FEC) development on approximately 10 acres at the property located on the Southeast side of the undeveloped land near Rodd Field Road and SPID.

Cinergy is a Dallas, Texas based entertainment group that specializes in luxury cinemas and entertainment centers with 9 locations in Texas, Oklahoma, North Carolina, and Illinois. While Cinergy was established in 2009, the owners, Jeff and Jamie Benson, have been involved in cinema entertainment since 1999 and founded Movie Tavern in 2001, the largest chain of dine-in cinemas. All Cinergy Cinema Centers offer dine-in food and beverage service, and many offer a mixture of additional amenities such as arcade, bowling, ropes course, escape rooms, laser tag, axe throwing, VR/XD Rides, and event rooms. The Benson's and Cinergy are pioneers in family entertainment centers and were awarded the Brass Ring Award for the Top FEC of the World in 2019 from the International Association of Amusement Parks and Attractions (IAAPA).

Cinergy's total project investment will be over \$40,000,000 which includes construction, land acquisition, soft costs, and furniture, fixtures, and equipment. The development will be for 90,000

square feet of indoor family entertainment with multiple attractions. These attractions include a minimum of 6 movie screens, 10 bowling lanes, over 100 arcade games, full food and beverage service, a designated bar area with a sportsbook atmosphere, and additional interactive family attractions such as VR and sports simulators. The expected completion date is on or before September 30, 2028.

This project is expected to be a catalyst for development on the remaining 50 acres of undeveloped prime real estate land along SPID. The highest and best use for this property is retail or entertainment and, due to its location, will draw in hundreds of thousands of customers annually from the region generating additional sales and ad valorem tax dollars not only to support City operations but also for Nueces County, Del Mar College, Hospital District, and CCISD. This project will cater to families, group outings or events, students, and tourists which will add to the quality of life and provide diverse indoor entertainment options for locals and visitors alike.

This project is classified as an infill project since it is developing raw land to its highest and best use within the City limits on an established corridor. The City encourages these types of development since they utilize existing City infrastructure (Streets, Water, Wastewater, and Gas) and existing City Services (Police, Fire, Code, & Infrastructure Maintenance Schedules) which minimize the need for additional maintenance and operational budget expenses.

This development is projected to generate approximately \$1,948,000 in City property taxes over 15 years after completion. In addition, approximately \$6,890,000 will be generated for Nueces County, Del Mar College, Hospital District, and CCISD combined during the same period. Additionally, the City and other taxing entities will be able to capitalize on three years of roll back taxes from the removal of the agricultural exemption when the development begins. In 2024, the City collected \$722 in property taxes on these 10 acres with an additional \$2,616 collected for other taxing entities.

The property currently does not generate any sales tax. Over the 15-year period after completion, an estimated \$3,600,000 in the City's General Fund Sales Tax will be generated. In addition, \$1,800,000 will be generated by the City's Type A/B & Crime Control District combined.

The Developer is requesting a reimbursement of up to \$4,150,000 from the tax increment through City property tax and sales tax generated from the development to help offset \$9,000,000 in new utility infrastructure required for the development of the site. The Developer will be reimbursed annually from new tax revenue in an amount not to exceed \$4,150,000 or 15 years, whichever occurs first. Cinergy's reimbursement will have an annual reimbursement cap of \$375,000.

ALTERNATIVES:

City Council could not approve this agreement or limit the incentive amount.

FISCAL IMPACT:

There is no fiscal impact in the current fiscal year. Based on an estimated completion date, the first incentive payment is anticipated to be paid during fiscal year 2030 and will be a rebate of property taxes paid and sales tax collections on the entire property.

RECOMMENDATION:

City Staff recommends authorizing this agreement.

LIST OF SUPPORTING DOCUMENTS:

Resolution

380 Developer Agreement

Presentation