



## AGENDA MEMORANDUM

Action Item for the City Council Meeting April 26, 2022

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**DATE:** April 13, 2022

**TO:** Peter Zanoni, City Manager

**FROM:** Andrea Gardner, Assistant City Manager  
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**Resolution to Accept a Public Improvement District (PID) Petition for the Proposed  
Whitecap Preserve Development**

**CAPTION:**

Resolution by the City Council of the City of Corpus Christi to accept a Petition by Diamond Beach Holdings, LLC to create the Whitecap Preserve Public Improvement District (PID) for the proposed Whitecap Preserve Development and set a public hearing for May 17, 2022 under Section 372.009 of the Texas Local Government Code to consider feasibility and advisability of establishing the district, authorizing, and directing the publication, mailing of notices of the public hearing, providing for a severability clause, and providing an effective date.

**SUMMARY:**

Resolution to accept the Petition for the Creation of a Public Improvement District (PID) within the corporate limits of the City of Corpus Christi, Texas and to call for a public hearing.

**BACKGROUND:**

In March 2020, the City Council adopted a Public Improvement District (PID) policy to guide the creation of City PIDs. On September 22, 2021, a PID application was received for the proposed Whitecap Preserve Development. On February 9, 2022, the City received a PID petition from Ashlar Development for the proposed PID that was followed by a revised petition received on April 8, 2022. On March 29, 2022, City staff, bond counsel, Norton Rose Fulbright, and the contract PID Administrator, P3 Works, provided a briefing to City Council on the concepts of PIDs, an overview of Texas Local Government Code Chapter 372 and included a comparison to other economic development tools.

On April 12, 2022, Ashlar Development introduced the Whitecap Preserve Development. The development is proposed to consist of 242 total acres, of which 50-acres is currently anticipated

to be commercial development and the balance will be residential, hotel, marina, mixed-use and a nature preserve. The first phase of the project is anticipated to break ground in late spring or early summer of 2022. The last phase is scheduled to reach full buildout in seven to ten years.

Texas Local Government Code (LGC) 372.005 requires the PID petition to state (1) the general nature of the proposed improvement; (2) the estimated cost of the improvement; (3) the boundaries of the proposed assessment district; (4) the proposed method of assessment, which may specify included or excluded classes of assessable property; (5) the proposed apportionment of cost between the public improvement district and the municipality or county as a whole; (6) whether the management of the district is to be by the municipality or county, the private sector, or a partnership between the municipality or county and the private sector; (7) that the persons signing the petition request or concur with the establishment of the district; and (8) that an advisory body may be established to develop and recommend an improvement plan to the governing body of the municipality or county.

Texas LGC 372.009 requires a public hearing before a public improvement district may be established and improvements provided by the district may be financed. City staff is proposing the public hearing to be held on Tuesday, May 17, 2022 at 11:30 a.m. held in City Hall Council Chambers at 1201 Leopard, Corpus Christi, TX 78401. Notice of the hearing must be given in a newspaper of general circulation in the municipality. The final publication of notice must be made before the 15<sup>th</sup> day before the date of the hearing. Publication will be placed in the Corpus Christi Caller-Times on May 1<sup>st</sup>, 2022. A written notice containing the required information outlined in Sec. 372.009 (c) must be mailed before the 15<sup>th</sup> day before the date of the hearing. The notice must be addressed to "Property Owner" and mailed to the current address of the owner, as reflected on tax rolls, of property subject to assessment under the proposed public improvement district. City staff will be mailing the notices by no later than Friday, April 29, 2022.

Texas LGC 372.007 authorizes the City to utilize the services of a consultant to prepare a report to determine whether an improvement should be made as proposed by the filed petition or whether the improvement should be made in combination with other improvements authorized by Tx LGC 372.

The City entered a contract with P3 Works to complete a feasibility report and include estimates of the cost of the improvement or combination of improvements made.

For purposes of determining the feasibility and desirability of an improvement district, the governing body may take other preliminary steps before the hearing and before establishing a public improvement district or before entering into a contract to consider the following items:

- (1) the advisability of the improvement;
- (2) the nature of the improvement;
- (3) the estimated cost of the improvement;
- (4) the boundaries of the public improvement district;
- (5) the method of assessment; and
- (6) the apportionment of costs between the district and the municipality.

**PROCUREMENT DETAIL:**

N/A

**ALTERNATIVES:**

After the public hearing, the City Council could decide to delay action to approve the PID petition submitted by Ashlar Development.

**FISCAL IMPACT:**

The fiscal impact to the City of Corpus Christi is expected to be an \$800 million development that includes 242-acres and is planned for full buildout in 7 to 10 years.

**FUNDING DETAIL:**

N/A

**RECOMMENDATION:**

Staff recommends City Council approve the resolution to accept a Public Improvement District (PID) Petition by Diamond Beach Holdings, LLC for the proposed Whitecap Preserve Development and to set the date for the required public hearing as May 17, 2022, at 11:30 a.m. held in City Hall Council Chambers at 1201 Leopard, Corpus Christi, TX 78401.

A recommended motion is attached in Exhibit B, enclosed in the Letter from Norton Rose Fulbright, "I move that City Council adopt a resolution accepting the petition, authorizing a public hearing and publication and mailing of notices."

**LIST OF SUPPORTING DOCUMENTS:**

Resolution  
Revised PID Petition by Diamond Beach Holdings, LLC  
PID Application by Diamond Beach Holdings, LLC  
Letter from Norton Rose Fulbright – Resolution Accepting Petition  
Presentation