



AGENDA MEMORANDUM

City Council Meeting of November 12, 2019

DATE: November 7, 2019

TO: Peter Zanoni, City Manager

FROM: Arlene Medrano, Business Liaison
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361-826-3356

Authorizing Interlocal Cooperation Agreement with Nueces County for participation in North Beach TIRZ #4

CAPTION:

Resolution authorizing execution of an Interlocal Cooperation Agreement with the Nueces County for their 100% increment participation in the North Beach Tax Increment Reinvestment Zone No. 4 for a period ending December 31, 2039.

SUMMARY:

The City and the County desire to participate in the Reinvestment Zone for the purposes of development in the Reinvestment Zone Area commonly known as North Beach, for their mutual benefit and the benefit of their citizens.

BACKGROUND AND FINDINGS:

The County agrees to participate in the Reinvestment Zone by contributing into the Tax Increment Fund one hundred percent (100%) of its Tax Increment each year during the term of this Agreement on the Captured Appraised Value of real property within the Reinvestment Zone.

The agreement becomes effective as of the date of the final signature, and remains in effect through December 31, 2039, or the date on which the TIRZ #4 Project and Financing Plan has been fully implemented and all Project Costs paid in full.

The first payment of Tax Increment by the County under this agreement is based upon the tax increment base for the property within the Zone being determined as of January 1, 2019, and the payment shall be based upon those taxes as levied in the year 2019. The last payment of Tax Increment by the taxing units under this Agreement is for those taxes levied in the year 2038.

The County shall have the right to appoint one member to the Reinvestment Zone Board of Directors. At their November 6, 2019 Regular Meeting, the Nueces County Commissioners Appointed Commissioner Vaughn to the TIRZ #4 Board and nominated Judge Barbara Canales as an additional member to the TIRZ #4 Board for City Council consideration. The City Council will make board appointments on November 12, 2019 and the first meeting of the TIRZ #4 Board will be on the same day.

ALTERNATIVES:

Council could choose not to authorize, but then the County would not participate in the TIRZ and the Zone's ability to complete as projects will be decelerated.

FISCAL IMPACT:

The Nueces County will participate at a rate of 100% of its tax increment for the full twenty year life of the TIRZ. The projected total contribution from the County is \$11,829,540 over twenty years which is an average of \$591,477 per year. This amounts to 37% of the total anticipated revenue of \$31,753,624 over the life of the reinvestment zone. The City's twenty year contribution is estimated to be \$19,924,084 or 63% of the total increment.

Financial Detail:

Fund:	NA
Organization/Activity:	NA
Mission Element:	NA
Project # (CIP Only):	NA
Account:	NA

RECOMMENDATION:

Staff recommends approval of this Interlocal Cooperation Agreement with Nueces County. The participation of Nueces County in the Tax Increment Reinvestment Zone is

LIST OF SUPPORTING DOCUMENTS:

Resolution
Interlocal Cooperation Agreement