



AGENDA MEMORANDUM

Public Hearing & First Reading Ordinance City Council Meeting September 9, 2025
Second Reading City Council Meeting September 23, 2025

DATE: August 26, 2025
TO: Peter Zaroni, City Manager
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Ordinance designating a Tax Increment Financing Zone to be known as Reinvestment Zone Number Seven for the development of currently undeveloped land in the London Area

CAPTION:

An ordinance of the City Council of the City of Corpus Christi, Texas, designating a contiguous geographic area within the corporate limits of the city as a reinvestment zone pursuant to Chapter 311 of the Texas Tax Code, to be known as Reinvestment Zone Number Seven, City of Corpus Christi; describing the boundaries of the zone; creating a board of directors for the zone; establishing a tax increment for the zone; containing findings related to the creation of the zone; providing a date for the termination of the zone; providing that the zone take effect immediately upon passage of the ordinance; providing a severability clause; and providing an effective date.

SUMMARY:

Per Tax Code 311.011(e), this ordinance and public hearing will designate the reinvestment zone for tax increment financing purposes and create the Board of Directors for the reinvestment zone. Staff has proposed a preliminary reinvestment zone project and financing plan, a copy of which is attached to and incorporated into this ordinance as Exhibit C.

BACKGROUND:

The London Area Development Plan, completed on March 17, 2020, identified key community needs aimed at spurring economic growth and enhancing quality of life. Through community meetings and stakeholder engagement, residents emphasized the need for expanded parks and trails, entertainment options, restaurants, and more shopping opportunities. On the infrastructure front, priorities include improving the area's water and sewer systems, as well as addressing flooding and water quality concerns.

Chapter 311 of the Texas Local Government Code defines the creation and administration of Tax Increment Financing Zones. This area meets the eligibility requirements of Section 311.005(2) of the Texas Local Government Code due to its predominately undeveloped character and lack of sufficient infrastructure to support rapid growth. Based on development patterns, the area is in need of intervention to arrest stagnation and facilitate municipal expansion. Development has bookended this segment of land which lies between the Oso Creek on the north, Gregorio Romo

Road and Highway 286 on the west, S. Staples Street on the south, and Gilead Road and the Oso Creek on the east. Sufficient utility and road infrastructure is not present to support and encourage development in this area and development will not occur solely through private investment in the reasonably foreseeable future. Creation of the TIRZ will provide programs to facilitate such development through financing the costs of public works, public improvements, and other projects benefitting the zone.

This TIRZ will not only create a new tax base but will allow for targeted infrastructure investments to catalyze and support sustainable growth in an undeveloped area. Since funding from the TIRZ can be reinvested into the zone to improve public spaces and infrastructure, this zone will allow for enhanced development and master planning that may not happen but for the zone. For example, much of the existing development around the proposed zone consists of ½ to 2 acre lots on septic systems with roads that lack curbs, gutters, and sidewalks. By creating this zone, developments within the zone will be required to build at a higher level, ensuring an improved quality of life.

Furthermore, this TIRZ is unique in that it will be composed of “subzones”, or unique projects within the zone that allow each participating taxing entity to elect to contribute to all, a portion, or none of the tax revenue generated within the boundaries of the subzone. Currently two subzones have been proposed, the Mirabella Development (Subzone A) and The Proper (Subzone B).

The proposed Mirabella Development (Subzone A) is a 300-acre amenity-based development with 1,100 homes, 23 acres of parks and greenspaces, and community amenities including a resort style pool, community center, and recreation fields. The Proper (Subzone B) is a 441-acre mixed-use and residential development that will include office space, mixed-use retail, hospitality and entertainment offerings, and residential that includes both single and multi-family homes.

General Terms & Information:

The base year will be set at the values as of tax year 2025. The participating taxing entities will not contribute increment generated by the whole zone but rather choose which projects, or subzones, they want to contribute increment towards. Currently identified subzones include the Mirabella Development, The Proper, and Chapman Commercial.

The zone will be created for an initial term of 25 years (2026 – 2051) with the base year of 2025, which allows for developers to begin their development project in the next five years and still be able to receive incentives for a 20-year term. The City of Corpus Christi will contribute 50% of the increment generated by the zone while Nueces County has indicated they will contribute 45% for a 20-year term. Discussions with Del Mar College are ongoing, but they have indicated interest which is shown in the chart below. Due to their current TIRZ policy, Del Mar College would initially participate for a 10-year term with the option to renew.

| Taxing Entities' Participation | | | |
|--------------------------------|----------|-----|---------------------|
| City of Corpus Christi | 25 years | 50% | Tax years 2025-2050 |
| Nueces County | 20 years | 45% | Tax years 2025-2045 |
| Del Mar College | TBD | 50% | Tax years 2025-2035 |

The funds can be used for public infrastructure projects proposed by the County or the City,

reimbursement for developer-built public infrastructure, and for reductions of a portion of the annual assessments for Public Improvement Districts (PID) located within the zone. Funding for projects within each subzone will be limited to new increment generated solely within each subzone. To be eligible to receive incentives, developers must voluntarily annex into the City limits, connect to public water, wastewater/sewer, and stormwater utilities, and include development that exceeds the minimum standards required in the City's Unified Development Code (UDC) and Infrastructure Design Manual (IDM). This could include greenspace/public space development, neighborhood and public amenities, enhanced lighting, enhanced landscaping, connected trails/walkways, etc. The agreements may also include dedication of land for public facilities including regional parks, public safety infrastructure, schools, and other needed public infrastructure.

Estimates show the potential of creating approximately \$2-3 billion in new taxable value which could result in approximately \$174 million in estimated new tax revenue over the 25-year term for the City, \$76 million for Nueces County, and \$76 million for Del Mar College. Based on this revenue estimate, approximately \$122 million would be available for reinvestment into the zone over the 25-year period based on each entities intended participation percentage and length.

Board Appointments:

As per the Tax Increment Financing Act, Chapter 311, of Texas Tax Code ("Act"), the Board members for TIRZ #7 will consist of:

- Seven (7) City Council appointees
- Five (5) Nueces County appointees
- Two (2) Del Mar College appointees
- One (1) Community/Development Representative

All members appointed by the Board must meet eligibility requirements as set forth in the Act.

In addition, the chair will be appointed by the City Council and the Vice-Chair will be appointed by Nueces County from their respective pool of appointees.

ALTERNATIVES:

City Council could choose to not approve the creation of the Zone or amend the zone as presented.

FISCAL IMPACT:

There is no immediate fiscal impact as a result of the zone creation. All funds will be generated through new growth and the ad valorem taxes generated by this new growth.

RECOMMENDATION:

Recommend approval of the creation of the Reinvestment Zone Number Seven.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
Exhibit A – TIRZ #7 Metes and Bounds
Exhibit B – TIRZ #7 Boundary Map
Exhibit C - TIRZ #7 Preliminary Project and Financing Plan
Presentation

