



AGENDA MEMORANDUM

Public Hearing/First Reading Ordinance for the City Council Meeting of 5/9/2023
Second Reading Ordinance for the City Council Meeting of 5/16/2023

DATE: April 25, 2023
TO: Peter Zaroni, City Manager
FROM: Heather Hurlbert, CPA, CGFO Director of Finance and Procurement
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Public hearing and ordinance to amend the City's contribution amount to the Tax Increment Reinvestment Zone (TIRZ) #2 fund and to modify the boundaries.

CAPTION:

Ordinance amending Ordinance No. 024270, which created the Reinvestment Zone No. 2, City of Corpus Christi ("TIRZ #2") on Padre Island, by amending the City's contribution amount, which will increase anticipated revenues by \$140,100,000 for total revenue of \$201,000,000; modifying the boundaries to add areas requested for inclusion by Nueces County; and to add approved projects and anticipated expenditures in the amount of \$150,950,000 for total expenditures of \$201,000,000, which will be more fully defined within a future amendment, as recommended by the TIRZ #2 Board on April 18, 2023.

SUMMARY:

This item will hold a public hearing and provide for the first reading ordinance to amend the City's contribution amount to the TIRZ #2 fund as recommended by the TIRZ board on April 18, 2023 and amend the TIRZ boundaries to include the Nueces County Nature Park and the R. Briscoe King Pavilion.

BACKGROUND AND FINDINGS:

In October and November of 2022, the TIRZ #2 Board met to consider extension of the Zone for an additional 20 years. The following motions were considered and approved:

- Extension of the TIRZ through December 31, 2024
- Modification of boundaries to include two sections of the Whitecap Preserve that were not currently included in the zone and areas that contain Nueces County assets include the Nueces County Nature Park and R Briscoe King Pavilion
- Amendment to the Project and Financing Plan to include a total of \$50,050,000 in expenses including:
 - \$2,000,000 for improvements to the R Briscoe King Pavilion
 - \$36,400,000 for ongoing Packery Channel maintenance.
 - \$11,500,000 for developer reimbursements for public infrastructure in the

- Whitecap development for public mobility bridges, water exchange bridges/connections, and public walking trails
- \$150,000 for a multi-mobility plan

The extension, project and financing plan changes, and the boundary changes for the Whitecap Preserve were approved by City Council in December 2022. Additional information was needed before the boundary changes requested by Nueces County could be brought forward for consideration. This required information has been provided and the approval of these boundary changes is requested.

The extension ordinance maintained the City contribution amount at 100% of the revenue generated for the first year of the extension. The TIRZ Board met on April 18, 2023 and made a motion to fix the City's tax revenue contribution at the following levels. This contribution level will generate an estimated \$140,100,000 in TIRZ revenue from the City over the next 20 years:

- 100% for year 1-5
- 75% for year 6
- 70% for year 7
- 65% for year 8
- 60% for year 9
- 55% for year 10
- 50% for years 11-20

The final project and financing plan is expected to be brought to City Council for consideration in June 2023.

ALTERNATIVES:

Council could choose to change the City's tax revenue contribution and not approve the boundary modification as recommended by the TIRZ board.

FISCAL IMPACT:

There is no current year fiscal impact associated with the actions in this agenda item because the City of Corpus Christi currently has 100% tax revenue budgeted in the FY 2023 operating budget for TIRZ #2.

Funding Detail:

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

RECOMMENDATION:

Staff recommends approval of the recommendations made by the TIRZ #2 Board.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
Presentation