



CITY OF CORPUS CHRISTI

AGENDA MEMORANDUM

Action Item for the City Council Meeting December 9, 2025

DATE: November 25, 2025

TO: Peter Zaroni, City Manager

FROM: Sergio Villasana CPA, CGFO, CIA, Director of Finance
SergioV2@corpuschristitx.gov
361-826-3227

Daniel McGinn, Interim Assistant City Manager
DanielMc@corpuschristitx.gov
361-826-7011

Resolution authorizing an Interlocal Cooperation Agreement for Property Assessment and Collection with Nueces County for Whitecap Public Improvement District No. 1

CAPTION:

Resolution authorizing execution of an Interlocal Cooperation Agreement with Nueces County for Property Assessment and Collection for Whitecap Public Improvement District No. 1.

SUMMARY:

This item will approve an interlocal agreement between the City of Corpus Christi and Nueces County for billing and collection services for the Whitecap PID No.1 special assessments effective October 1, 2025. The initial term of the agreement shall be for a period of one year beginning on the effective date and ending September 30, 2026. Following the initial term, the agreement shall automatically renew for subsequent one-year terms, unless written notice of termination is provided by County or City no later than 180 days prior to the expiration date of the then-current term of the Agreement.

BACKGROUND AND FINDINGS:

In September 2021 Diamond Beach Holdings, LLC. submitted an application for a Public Improvement District (PID) on North Padre Island for a master planned community that would come to be known as Whitecap. In February 2022, the City received a PID petition from Diamond Beach for the proposed PID that was followed by a revised petition received on April 8, 2022. A PID allows for an additional amount to be assessed on properties within the district which can be used to pay for the cost of public infrastructure or amenities that benefit the properties within the district. These costs can be reimbursed on a pay-as-you-go basis, or the City can issue bonds secured by the revenues generated by the assessments. On May 17, 2022, City Council held a

public hearing and then approved a resolution authorizing the creation of Whitecap Public Improvement District No. 1. The PID Improvement Area #1 includes approximately 55.9 acres out of the total 242.0 acres development area and will have 199 lots developed with single-family houses. The authorized improvements include improvements to the Preserve park area, streets, drainage, water, wastewater, soft costs related to design, construction and installing these projects, bond issuance costs, and other costs including administrative costs. Total costs estimated to be incurred for the allowed infrastructure in Improvement Area #1 is \$45.1 million. Of that \$20.7 million will be reimbursed through the issuance of PID bonds, \$2.4 million will be reimbursed in a future improvement area, and the remainder of \$22.0 million will be funded by the developer.

On October 15, 2024, the City Council authorized the issuance and sale of the City of Corpus Christi, Texas, special assessment revenue bonds, series 2024 (Whitecap Public Improvement District No. 1 Improvement Area #1 project) in the amount of \$20,700,000.

PID debt is non-recourse to the City. The bonds are backed by the assessments on the property only within the PID and not by the City's ad valorem taxes. The issuance of PID debt by the City does not affect the City's bonding capacity.

Since the creation of the district, staff has worked with the Whitecap team to produce improvement plans with a list of anticipated improvements, a master developer agreement, a reimbursement agreement, a finance plan, assessment plans and rolls, and a service and assessment plan. In addition, Tax Increment Reinvestment Zone (TIRZ) #2 has approved funding for over \$25.5 million in reimbursement for public infrastructure including (but not limited to): two public pedestrian mobility bridges, the Commodores Drive mobility bridge, the Preserve community walking trail, and an effluent water line to provide pond interconnectivity in the Preserve.

The interlocal agreement will allow the City of Corpus Christi to contract with Nueces County to complete the collection of the special assessment levied by the district. Effective October 1, 2025, the interlocal has an initial term of one year and will renew for subsequent one-year terms. Nueces County will manage the billing and collection services for the applicable special assessment year. In addition, Nueces County agrees to collect base assessments, penalties, interest, and attorney's fees as necessary.

Other duties included in the interlocal agreement include:

- Preparation and mailing of all assessment statements
- Provide daily, monthly and annual collection reports to the City
- Disperse assessment funds to the district's depositories monthly based on prior month's assessment postings
- Develop and maintain any records and forms as are necessary or required by State law
- Process refunds both to the city and district as needed

ALTERNATIVES:

The City Council could choose not to approve the Interlocal Agreement with Nueces County for the collection of the PID assessments.

RECOMMENDATION:

Staff recommends approval of the interlocal agreement with Nueces County to allow for the collection of the special assessments related to Whitecap PID No. 1

LIST OF SUPPORTING DOCUMENTS:

Interlocal Agreement – Whitecap PID Assessment Collection