



AGENDA MEMORANDUM

First Reading City Council Meeting July 22, 2025
Second Reading City Council Meeting July 29, 2025

DATE: July 1, 2024

TO: Peter Zaroni, City Manager

FROM: Arturo Marquez, CEcD, Ms. Econ, Director of Economic Development
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Ordinance Approving the Annual SAP Update for Whitecap PID No.1

CAPTION:

An Ordinance of the City Council of the City of Corpus Christi, Texas Approving the 2025 Annual Update to the Service and Assessment Plan and Assessment Roll for the Whitecap Public Improvement District NO.1 Improvement Area #1 Including the collection of the 2025 Annual Installments as required by state statute.

SUMMARY:

This item will approve the statutorily required annual Service and Assessment Plan (SAP) for the Whitecap Public Improvement District No. 1 (PID).

BACKGROUND AND FINDINGS:

In September 2021, Diamond Beach Holdings submitted an application to the City of Corpus Christi requesting the creation of a Public Improvement District (PID) on North Padre Island for a master-planned community subsequently named Whitecap. Following an initial petition in February 2022 and a revised petition in April 2022, City Council held a public hearing and, on May 17, 2022, adopted Resolution No. 032761 authorizing the establishment of Whitecap Public Improvement District No. 1.

A PID is a statutory financing mechanism established under Chapter 372 of the Texas Local Government Code, which allows for the levy of special assessments on properties within the district to fund public infrastructure improvements and amenities that benefit those properties.

On February 20, 2024, City Council adopted Ordinance No. 033302 approving the initial Service and Assessment Plan (SAP) for the District, which included the levy of Improvement Area #1 Assessments against the benefited properties and approved the related Assessment Roll. Subsequently, on October 15, 2024, City Council adopted Ordinance No. 033492 approving the 2024 Amended and Restated SAP for the District

to authorize the issuance of Improvement Area #1 Bonds and to update the Improvement Area #1 Assessment Roll accordingly.

In accordance with the PID Act, the Service and Assessment Plan must be reviewed and updated annually. The 2025 Annual Service and Assessment Plan Update continues to identify the Authorized Improvements, confirms the outstanding assessments, and updates the Assessment Roll for the 2025 tax year. It also includes updates on plat recordings, current lot and home sales, the status of ongoing construction of Authorized Improvements, the current outstanding principal balance (\$22,088,000) net of principal bond payments, and the required Annual Installment due by January 31, 2026, which includes principal and interest, an Additional Interest Reserve Requirement, and annual administrative costs.

Improvement Area #1 encompasses approximately 55.9 acres of the total 242-acre planned development and consists of 199 single-family residential lots, with infrastructure improvements including streets, drainage, water, wastewater, park improvements, soft costs, and associated administrative and financing costs.

The 2025 Annual Service and Assessment Plan Update complies with statutory requirements and ensures the City has an up-to-date record of all assessments to be collected for the continued reimbursement of eligible public improvements benefiting the properties within the District.

ALTERNATIVES:

City Council could choose not to approve the annual Service and Assessment Plan update.

FISCAL IMPACT:

There is no immediate fiscal impact from this action.

RECOMMENDATION:

Staff recommends that City Council approve the annual Service and Assessment Plan for the Whitecap Public Improvement District No. 1.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
Service and Assessment Plan
Presentation