



AGENDA MEMORANDUM

Action Item for the City Council Meeting April 9, 2024

DATE: March 29, 2024
TO: Peter Zanoni, City Manager
FROM: Heather Hurlbert, CPA, CGFO, Assistant City Manager
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Motion to extend the Tax Increment Reinvestment Zone #6 – Barisi Village second reading requirement an additional 90 days to July 8, 2024, to allow for action to be taken by another taxing entity.

CAPTION:

Motion to extend the Tax Increment Reinvestment Zone #6 – Barisi Village creation ordinance second reading requirement an additional 90 days to July 8, 2024, to allow for action to be taken by another taxing entity.

SUMMARY:

The first reading of the ordinance to create Tax Increment Reinvestment Zone (TIRZ) #6 was on January 9, 2024. At that time the City Council amended the ordinance to state that the first reading ordinance will expire after 90 days if no action is taken by another taxing entity. This motion would extend the deadline another 90 days to allow more time to finalize Nueces County's participation.

BACKGROUND AND FINDINGS:

TIRZ #6 will provide reimbursement for costs associated with the redevelopment of the former Pharaoh Valley County Club and Golf Club with a mixed-use village-type development. The developer has planned for a 10-12 year build out with an anticipated taxable value of \$800 million to \$1 billion at completion. The developer is requesting reimbursement for street, sewer, stormwater, and water infrastructure; public amenities including structured parking, parks and fountains, public restrooms, village style public plaza and tower, and public wayfinding, signage, and enhanced safety lighting; costs associated with the projects including contingencies, professional fees, general conditions and soft costs; and costs related to the administration of the TIRZ.

On January 9, 2024, City Council approved the first reading of an ordinance to create Tax Increment Reinvestment Zone (TIRZ) #6 – Barisi Village. During this first reading, City Council amended the ordinance to state that the first reading ordinance will expire after

90 days if no action is taken by another taxing entity. The developer has been working with Nueces County to secure their participation in the TIRZ and the Commissioner's Court has directed their legal staff to move forward with negotiating an interlocal agreement for their participation in TIRZ #6. This is currently in progress but the interlocal has not been finalized or approved by the Commissioner's Court to date. It is anticipated that it will be considered by the Commissioner's Court during their April 10 meeting, which would allow for the ordinance to come to City Council in May. This motion would extend the deadline by 90 days, to July 8, 2024, to allow more time to finalize the Nueces County Interlocal agreement and bring it forward for consideration along with the second reading of the ordinance.

ALTERNATIVES:

City Council could choose to not extend the time and the TIRZ creation ordinance would have to come back for a first and second reading.

FISCAL IMPACT:

None for this action.

RECOMMENDATION:

Staff recommends extending the deadline for 90 days to July 8, 2024, since there is continued progress being made to have Nueces County take action to participate.

LIST OF SUPPORTING DOCUMENTS:

Motion