



## AGENDA MEMORANDUM

First Reading for the City Council Meeting of August 13, 2024  
Second Reading for the City Council Meeting of August 20, 2024

**DATE:** August 2, 2024  
**TO:** Peter Zanoni, City Manager  
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### Ordinance Terminating Tax Increment Reinvestment Zone (TIRZ) #5

#### **CAPTION:**

An ordinance terminating Tax Increment Reinvestment Zone (TIRZ) #5, City of Corpus Christi, Texas; dissolving the tax increment fund for the zone; dissolving the board of directors for the zone; providing an effective date; and appropriating and transferring related funds as necessary.

#### **SUMMARY:**

This item is an ordinance to terminate the Tax Increment Refinancing Zone (TIRZ) #5. On January 31, 2023, the City Council approved a motion to cancel the developer reimbursement agreement with South Padre Investment, Inc. due to the sale of one third of the property to a different developer for use in a different project.

#### **BACKGROUND AND FINDINGS:**

On July 14, 2020, the City Council was presented with an overview of a developer-petitioned Tax Increment Reinvestment Zone (TIRZ) called Bohemian Colony (BOCO) for developer reimbursement of street, sewer, stormwater, water infrastructure, and maintenance of a proposed 10-acre park. The proposed 258.9-acre development was located on the southwest corner of South Padre Island Drive (SPID) and Crosstown Expressway and is currently used primarily for agricultural purposes. The proposed development was to have 999 multifamily units, 777 townhomes, and 450,000 square feet of commercial space. The TIRZ was finalized and a development agreement was approved in late 2020.

In October 2022, staff were made aware that the landowner for the property located in the TIRZ sold approximately one-third of the land to another developer who is proposing a different type of development. The new developer indicated that they had the option to purchase more of the land for future development.

Staff reached out to the original developer in November 2022. The developer indicated that despite his best efforts, the development as proposed would not be moving forward. The developer had no objection to canceling the existing development agreement. In December

2022, a memo went out to City Council regarding the situation and in January 2023, an identical memo was sent to the TIRZ #5 Board. The TIRZ #5 Board is not required to approve the cancellation of the developer agreement prior to it being presented to council so at the City Council meeting on January 31, 2023, cancellation was approved by the council.

Since the cancellation of the development agreement in early 2023 there have been no new development proposals for the site. Due to this, staff is recommending to terminate the zone.

**ALTERNATIVES:**

City Council could choose to not terminate the zone

**FISCAL IMPACT:**

There is no fiscal impact.

**RECOMMENDATION:**

City staff recommend termination of TIRZ #5 since the project as proposed will not be moving forward and all required documentation has been closed and/or finalized and no additional development proposals have been submitted for consideration.

**LIST OF SUPPORTING DOCUMENTS:**

Ordinance – TIRZ #5 (BOCO) Termination  
Presentation