



AGENDA MEMORANDUM

Public Hearing & First Reading Ordinance City Council Meeting January 9, 2024
Second Reading for the City Council Meeting of January 23, 2024

DATE: December 18, 2023
TO: Peter Zanoni, City Manager
FROM: Heather Hurlbert, Assistant City Manager
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Ordinance designating a Reinvestment Zone Number Six for the redevelopment of the former Pharaoh Valley County Club and Golf Course
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CAPTION:

Ordinance designating 127.72 acres within the jurisdiction of the City of Corpus Christi as a Tax Increment Financing District to be known as "Reinvestment Zone Number Six, City Of Corpus Christi, Texas" pursuant to petition by owners of Barisi Village properties; setting a maximum City financial participation of and a maximum contribution of \$32,000,000; and establishing a Board of Directors for the Reinvestment Zone.

SUMMARY:

Per Tax Code 311.011(e), this Ordinance and public hearing will designate the reinvestment zone for tax increment financing purposes and create the Board of Directors for the reinvestment zone. Staff has proposed a preliminary reinvestment zone project and financing plan, a copy of which is attached to and incorporated into this ordinance as Exhibit C.

BACKGROUND:

On October 31, 2023, a presentation was made to the City Council that provided an overview of the developer-petitioned Tax Increment Reinvestment Zone (TIRZ) (Ch 311 Tax Code) to provide incentives for 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.

At completion the development is proposed as a mixed used development consisting of:

Residential

Multi-Family Units	1350
Townhomes	210

Age Restricted Units	350
Single Family Lots	57

Parking

Structured Parking Garages	1,750 spaces
Surface Lots	400 spaces

Commercial

Hotel	120 rooms
Restaurant	6,000 Sq/ft
Warehouse	20,000 Sq/ft
Small Grocery	5,000 Sq/ft
Offices	15,000 Sq/ft
Retail	50,000 Sq/ft
Café	1,000 Sq/ft

Public Spaces

Chapel	6,000 Sq/ft
Plaza	10,000 Sq/ft
Bell Tower	5,000 Sq/ft
Club House	12,000 Sq/ft
Banquet Space	5,000 Sq/ft

Public, Community & Open Space Amenities

Lakes	7
Sports Courts	12
Lazy River Pool	
Par 3 Golf Course	
Public Park	
Community Parks	
Public Walking Paths	
Community Room	800 Sq/ft
Community Gardens	
Waterside Boardwalks	6

The reimbursement of the infrastructure costs will be from ad valorem taxes generated by the increment above the base year value as of January 1, 2024. The valuation for tax year 2023 was \$1,265,610 for the 258.9 acres and this base year will be updated to reflect the final appraised value for tax year 2024. The TIRZ will exist until the infrastructure costs are reimbursed in an amount not to exceed \$32,000,000 to the developer or a maximum of 20 years, whichever is less. The contribution schedule is proposed as follows:

Tax years 2025-2033	95%
Tax year 2034	90%
Tax year 2035	80%
Tax year 2036	70%

Tax year 2037	60%
Tax year 2038	50%
Tax year 2039	40%
Tax year 2040	30%
Tax year 2041	20%
Tax year 2042	15%
Tax year 2043	10%
Tax year 2044	5%

In addition to the City, Nueces County and Del Mar College are being asked to participate in the Reinvestment Zone. The Developer will be meeting with these entities and if they decide to participate, the City will enter into an interlocal agreement with each entity during the same meeting as the second reading of the ordinance. If the other taxing entities do not choose to participate, the City will consider an alternative economic development tool to provide for reimbursement of the requested infrastructure and amenities.

Board Appointments:

As per the Tax Increment Financing Act, Chapter 311, of Texas Tax Code ("Act"), the Board members for TIRZ #6 will consist of:

- One representative appointed by each participating taxing entity other than the City
- A member of the State Senate and a member of the State House of Representatives in whose district the zone is located or their designee
- Up to five landowners in the zone, or their agent, as appointed by City Council

All members appointed by the Board must meet eligibility requirements as set forth in the Act.

ALTERNATIVES:

City Council could choose to not approve the creation of the Zone or amend the zone as presented

FISCAL IMPACT:

The fiscal impact of developer requested TIRZ would be reimbursements to the developer for select infrastructure and amenities in amount not to exceed \$32,000,000 over a 20-year period from the tax amounts generated from the value above the base year.

RECOMMENDATION:

Recommend approval of the creation of the Reinvestment Zone Number Six.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
Proposed Project and Financing Plan
Presentation