



## AGENDA MEMORANDUM

Action Item for the City Council Meeting May 17, 2022

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**DATE:** May 17, 2022

**TO:** Peter Zanoni, City Manager

**FROM:** Andrea Gardner, Assistant City Manager  
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**Public Hearing on the Public Improvement District (PID) #1 Petition for the Proposed Whitecap Development and action to approve the establishment of the Whitecap Public Improvement District #1**

**CAPTION:**

Public hearing by the City Council of the City of Corpus Christi on the Petition filed by Diamond Beach Holdings, LLC to allow public comment on the Whitecap Public Improvement District (PID) #1 for the proposed Whitecap Development and following the public hearing consider action on the resolution to establish the Whitecap Public Improvement District #1.

**SUMMARY:**

Public Hearing on the Petition of a Public Improvement District (PID) within the corporate limits of the City of Corpus Christi, Texas and consider action to establish the Whitecap Public Improvement District #1 petition.

**BACKGROUND:**

In March 2020, the City Council adopted a Public Improvement District (PID) policy to guide the creation of City PIDs. On September 22, 2021, a PID application was received for the proposed Whitecap Preserve Development. On February 9, 2022, the City received a PID petition from Ashlar Development for the proposed PID that was followed by a revised petition received on April 8, 2022. On March 29, 2022, City staff, bond counsel, Norton Rose Fulbright, and the contract PID Administrator, P3 Works, provided a briefing to City Council on the concepts of PIDs, an overview of Texas Local Government Code Chapter 372 and included a comparison to other economic development tools.

On April 12, 2022, Ashlar Development introduced the Whitecap Development. The development is proposed to consist of 242 total acres, of which 50-acres is currently anticipated

to be commercial development and the balance will be residential, hotel, marina, mixed-use and a nature preserve. The first phase of the project is anticipated to break ground in late spring or early summer of 2022. The last phase is scheduled to reach full buildout in seven to ten years.

Texas Local Government Code (LGC) 372.005 requires the PID petition to state (1) the general nature of the proposed improvement; (2) the estimated cost of the improvement; (3) the boundaries of the proposed assessment district; (4) the proposed method of assessment, which may specify included or excluded classes of assessable property; (5) the proposed apportionment of cost between the public improvement district and the municipality or county as a whole; (6) whether the management of the district is to be by the municipality or county, the private sector, or a partnership between the municipality or county and the private sector; (7) that the persons signing the petition request or concur with the establishment of the district; and (8) that an advisory body may be established to develop and recommend an improvement plan to the governing body of the municipality or county.

Texas LGC 372.009 requires a public hearing before a public improvement district may be established and improvements provided by the district may be financed. City Council held the required public hearing prior to considering action during this meeting. Notice of the hearing was published in the Caller-Times newspaper on May 1, 2022. The publication was made before the 15<sup>th</sup> day before the date of today's hearing as required by law. A written notice containing the required information outlined in Sec. 372.009 (c) was mailed to the property owner(s) on April 27, 2022.

Texas LGC 372.007 authorizes the City to utilize the services of a consultant to prepare a report to determine whether an improvement should be made as proposed by the filed petition or whether the improvement should be made in combination with other improvements authorized by Tx LGC 372.

The City entered a contract with P3Works to assist in the establishment of the district, drafting the Service and Assessment Plan and providing for ongoing administration and annual updates to the Service and Assessment Plan after the levy of assessments.

Action to establish the Whitecap Public Improvement District #1 is the first step in a process that equates to an intent by Council at a future date, to accept the Developer's request to assess the properties located within the boundaries of the District. The amount to be assessed and the terms of the payments would be determined in the Assessment Ordinance and Service and Assessment Plan, which will be provided in a briefing to the Council prior to calling for a public hearing to consider the Assessment Ordinance. The following timeline was prepared to ensure completion of the Assessment Ordinance and Service and Assessment Plan:

May/June – Developer finalizes cost for major improvement area and Phase 1 and prepare draft finance plan with the City's Financial Advisor.

Mid-June – Brief City Manager on Service and Assessment Plan.

July 19 – Council briefing by staff, Ashlar Development and P3Works (PID consulting firm)

**PROCUREMENT DETAIL:**

N/A

**ALTERNATIVES:**

After the public hearing, the City Council could decide to delay action to approve the PID petition submitted by Ashlar Development. Doing so, will delay the project.

**FISCAL IMPACT:**

The fiscal impact to the City of Corpus Christi is expected to be an \$800 million development that includes 242-acres and is planned for full buildout in 7 to 10 years.

**FUNDING DETAIL:**

N/A

**RECOMMENDATION:**

Staff recommends City Council conduct the required public hearing on the Public Improvement District (PID) Petition by Diamond Beach Holdings, LLC for the proposed Whitecap Preserve Development and take action to approve PID #1, establishing the Whitecap Public Improvement District #1.

**LIST OF SUPPORTING DOCUMENTS:**

Revised PID Petition by Diamond Beach Holdings, LLC  
PID Application by Diamond Beach Holdings, LLC  
Mailed Notices to Property Owners  
Newspaper Notice Publication  
Presentation