

Ordinance designating 258.9 acres within the jurisdiction of the City of Corpus Christi as a Tax Increment Financing District to be known as "Reinvestment Zone Number Five, City Of Corpus Christi, Texas" pursuant to petition by owners of Crosstown Commons subdivision; setting a maximum City financial participation of 75% over 20 years and a maximum contribution of \$9,000,000; and establishing a Board of Directors for the Reinvestment Zone.

WHEREAS, the Texas Legislature has authorized cities to establish reinvestment zones by its enactment of the Tax Increment Financing Act, Chapter 311, Texas Tax Code ("Act");

WHEREAS, the owner of the Crosstown Commons subdivision has petitioned the City of Corpus Christi ("City") to establish a reinvestment zone ("Zone"), as authorized by section 311.005(a)(4) of the Act, within the area of the City as described in Exhibit "A," and depicted by map in Exhibit "B," which exhibits are attached to and incorporated into this ordinance; and the City has determined that the petition complies with all requirements of the Act;

WHEREAS, the City has prepared a preliminary reinvestment zone financing plan, a true and correct copy of which is attached to and incorporated into this ordinance as Exhibit "C," and has taken and shall take all other actions required under Section 311.003 of the Act;

WHEREAS, the preliminary reinvestment zone financing plan provides that the ad valorem taxes of the City constituting its tax increment are to be deposited into the Tax Increment Fund created by this ordinance, and that ad valorem taxes of any other taxing units constituting their respective tax increments may also be utilized for the purposes described in the preliminary financing plan;

WHEREAS, in compliance with the Act, the City called a public hearing to hear public comment on the creation of the proposed zone and its benefits to the City and the property in the proposed zone;

WHEREAS, in compliance with the Act, notice of the public hearing was published in the Corpus Christi Caller-Times, a daily newspaper having general circulation in the City, the publication date being not later than seven days prior to the date of the public hearing;

WHEREAS, the hearing was convened at the time and place mentioned in the published notice, to-wit, on August 11, 2020, at the Regular Meeting of the City Council commencing at 11:30 a.m., at the City Hall of the City, which hearing was conducted, in accordance with the Texas Open Meetings Act and emergency procedures related to the COVID-19 pandemic that were approved by the Governor of the State of Texas, and then closed;

WHEREAS, the City, at the hearing, invited and permitted any interested person to speak for or against the creation of the zone, its boundaries, and the concept of tax increment financing;

WHEREAS, all owners of property located within the proposed zone were given a reasonable opportunity to protest the inclusion of the property in the proposed zone;

WHEREAS, City Council considered all information provided to it relevant to the merits of creating the zone, consistent with the criteria in Chapter 311; and

WHEREAS, all requirements of the Act have been met.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CORPUS CHRISTI, TEXAS, THAT:

SECTION 1. FINDINGS. The City Council, after conducting the above-described public hearing and having heard all evidence and testimony, makes the following findings and determinations based on the evidence and testimony presented to it:

- (a) That the facts and recitations contained in the preamble of this Ordinance are hereby found and declared to be true and correct and are adopted as part of this Ordinance for all purposes.
- (b) That the Zone is a contiguous geographic area located wholly within the corporate limits of the City.
- (c) That the proposed zone meets the criteria and requirements of Texas Tax Code §311.005 because the Zone is an area described in a petition requesting that the area be designated as a reinvestment zone by the owners of property constituting at least 50 percent of the appraised value of the property in the area according to the most recent certified appraisal roll for the county in which the area is located.
- (d) That the total appraised value of taxable real property in the proposed reinvestment zone and in existing reinvestment zones within the City according to the most recent appraisal rolls for the City, does not exceed 25 percent of the current total appraised value of taxable real property in the City and in the industrial districts created by the City.
- (e) That the improvements to be implemented in the proposed zone will significantly enhance the value of all taxable real property in the proposed zone and will be of general benefit to the City.
- (f) The development or redevelopment of the property in the proposed zone will not occur solely through private investment in the reasonably foreseeable future.

SECTION 2. DESIGNATION AND NAME OF THE ZONE. The City Council designates as a reinvestment zone the area described by the metes and bounds in Exhibit "A" and depicted by map in Exhibit "B" to promote development and redevelopment of the area, which development or redevelopment the City Council determines will not occur solely through private investment in the reasonably foreseeable future. The reinvestment zone shall be identified as Reinvestment Zone Number Five, City of Corpus Christi, Texas" ("Zone" or "Reinvestment Zone"). The Zone shall be informally referred to as TIRZ #5 (BoCo).

SECTION 3. BOARD OF DIRECTORS. That a Board of Directors for the Zone (the "Board") is established, which consists of up to 9 members. The Board shall be appointed as follows:

- (a) Under Section 311.009(b), Tax Code, the respective governing bodies of each taxing unit other than the City each may appoint one member of the Board if the taxing unit has approved the payment of all or part of the tax increment produced by the unit into the tax increment fund for the zone. Each governing body may waive its right to appoint a director and is deemed to have waived the right if it has not made the appointment within thirty days of receiving written notice of its right to appoint.
- (b) The member of the state senate in whose district the zone is located is a member of the board, and the member of the state house of representatives in whose district the zone is located is a member of the board, except that either may designate another individual to serve in the member's place at the pleasure of the member.
- (c) The remaining members of the Board are appointed by the City Council of the City. All members appointed by the Board must meet eligibility requirements, as set forth in the Act.
- (d) Terms of Board members, except for the members of the state senate and state house of representatives, are two years. Officers must be appointed as provided in the Act.
- (e) The Board shall make recommendations to the City Council concerning the administration of the Zone. The Board shall prepare and adopt a project plan and reinvestment zone financing plan for the Zone and submit the plans to the City Council for its approval under Section 311.011, Texas Tax Code. The Board shall exercise other powers and responsibilities with respect to the Zone only to the extent expressly granted by the City Council by ordinance or resolution.

SECTION 4. DURATION OF THE ZONE. The Zone shall take effect immediately upon the passage of this Ordinance. Termination of the Zone occurs on December 31, 2040, at an earlier or later time designated by subsequent ordinance of the City Council, at the

time as all project costs, and all tax increment bonds and interest on any bonds, have been paid in full, or at the time that the total amount of increment collected from all participating tax entities reaches the maximum increment collection of \$17,000,000.

SECTION 5. TAX INCREMENT BASE. That the Tax Increment Base of the City or any other taxing unit participating in the Zone is the total appraised value of all real property taxable by the City or other taxing unit participating in the Zone and located in the Zone, determined as of January 1, 2020, the year in which the Zone is designated as a reinvestment zone (the "Tax Increment Base"), is shown in **Exhibit "D"**, which is attached to and incorporated into this ordinance.

SECTION 6. TAX INCREMENT FUND. There is created and established a Tax Increment Fund for the Zone, which may be divided into the accounts and subaccounts, as deemed necessary or convenient under generally accepted accounting principles for government, into which all tax increments, less any amounts not required to be paid into the Tax Increment Fund under the Act, are to be deposited. The Tax Increment Fund may be utilized only for purposes permitted by the Act and managed under the Act.

SECTION 7. CITY'S PLEDGED INCREMENT. The City pledges to contribute to the Tax Increment Fund 75% of the increment on all taxable real property in the Zone for the duration of the Zone, except as provided in this Section. The pledged increment does not include any tax collected in accordance with Article VIII, Section 1(c) of the City's City Charter (commonly referred to as the 2+2+2 residential street tax). The pledged increment also does not include any look-back taxes collected in accordance with Texas Tax Code §23.55 related to the change of use of the open-space land. The City's total contribution will not exceed \$9,000,000.

SECTION 8. IMPLEMENT THE PROJECT PLAN. The City Council finds that the creation of the Zone and the expenditure of moneys on deposit in the Tax Increment Fund, which are necessary or convenient to the creation of the Zone or to the implementation of the project plan for the Zone, constitute a program to promote local economic development and to stimulate business and commercial activity in the City.

SECTION 9. SEVERABILITY. If for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word, or provision of this ordinance, for it is the definite intent of this City Council that every section, paragraph, subdivision, clause, phrase, word or provision of this ordinance be given full force and effect for its purpose.

SECTION 10. PUBLICATION. Publication shall be made in the official publication of the City of Corpus Christi as required by the City Charter of the City of Corpus Christi.

That the foregoing ordinance was read for the first time and passed to its second reading on this the _____ day of _____, 2020, by the following vote:

Joe McComb	_____	Michael Hunter	_____
Roland Barrera	_____	Ben Molina	_____
Rudy Garza	_____	Everett Roy	_____
Paulette M. Guajardo	_____	Greg Smith	_____
Gil Hernandez	_____		

That the foregoing ordinance was read for the second time and passed finally on this the _____ day of _____ 2020, by the following vote:

Joe McComb	_____	Michael Hunter	_____
Roland Barrera	_____	Ben Molina	_____
Rudy Garza	_____	Everett Roy	_____
Paulette M. Guajardo	_____	Greg Smith	_____
Gil Hernandez	_____		

PASSED AND APPROVED on this the _____ day of _____, 2020.

ATTEST:

Rebecca Huerta
City Secretary

Joe McComb
Mayor

EXHIBIT A
DESCRIPTION OF TIRZ #5 BOUNDARY

The Boundary of Reinvestment Zone Number 5, City of Corpus Christi, Texas, encompasses the property described by the metes and bounds attached here to as Exhibit A-1 and Exhibit A-2, save and except any portion of that property that is included in Nueces County Appraisal District geographic ID 0847-0004-0040, described as BOHEMIAN COLONY LANDS 2.271 ACS OUT LT 1 BLK 1, and included in the filed deed number 2016054337 dated December 21, 2016. The Boundary will also include that portion of the right-of-way known as Holly Road that is adjacent to and connects the property described by the attached metes and bounds as shown in the map attached to this ordinance as Exhibit B.

EXHIBIT A-1

EXHIBIT - A



Job No. 19925.9101
April 30, 1991

VOL 2336 PAGE 68

(512)854-3101

P.O. BOX 6355 • CORPUS CHRISTI, TEXAS 78466-6355

FAX (512)854-6001

STATE OF TEXAS
COUNTY OF NUECES

Fieldnotes for a 32.81 acre tract of land out of Lots 3 and 4, Section 4, Bohemian Colony Lands, a map of which is recorded in Volume A, Page 48, Map Records of Nueces County, Texas:

BEGINNING at a 5/8 inch iron rod set on the the west right-of-way line of State Highway No. 286 (Ayers Street) for the southeast corner of a 2.11 acre tract of land conveyed to the City of Corpus Christi and recorded in Volume 2175, Page 829, Map Records of Nueces County, Texas and for the northeast corner of this survey;

THENCE South 29°02'25" West, with the west right-of-way line of State Highway No. 286, parallel with its centerline and 50.00 feet distant therefrom, measured at right angles thereto, 1527.38 feet to a 5/8 inch iron rod found for a corner of a 25.84 acre tract of land conveyed to the State of Texas for the proposed Crosstown Extension and recorded in Volume 2215, Page 894 of said Deed Records, and for the southeast corner of this survey, from which corner a 5/8 inch iron rod found bears South 29°02'25" West 75.17 feet;

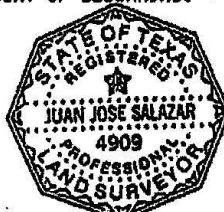
THENCE South 73°48'50" West, with the easterly boundary line of said 25.84 acre tract, 71.05 feet to 5/8 inch iron rod set for a corner of said 25.84 acre tract and of this survey;

THENCE North 61°28'50" West, along the easterly line of said 25.84 acre tract, parallel with the centerline of the Naval Air Station Railroad right-of-way which is also the south boundary of said Lot 4, Section 4 and 120.00 feet distant therefrom, measured at right angles thereto, 797.34 feet to a 5/8 inch iron rod set for a corner of said 25.84 acre tract and a corner of this survey;

THENCE North 16°34'55" West, with the east line of said 25.84 acre tract, 70.82 feet to a 5/8 inch iron rod set for a corner of said 25.84 acre tract and the southwest corner of this survey;

THENCE North 28°18'00" East, with the east line of said 25.84 acre tract, 1527.67 feet to a 5/8 inch iron rod set for the southwest corner of the aforementioned 2.11 acre tract and for the northwest corner of this survey;

THENCE South 61°29'45" East, with the south line of said 2.11 acre tract, 817.17 feet to the POINT OF BEGINNING.



URBAN ENGINEERING

Juan J. Salazar

JUAN J. SALAZAR, R.P.L.S.

2725 SWANTNER DR. • CORPUS CHRISTI, TEXAS 78404

EXHIBIT A-2



Revised: October 18, 2006
 September 1, 2006
 Job No. 19925.A6.00

State of Texas
 County of Nueces

Field Notes 219.067 acre tract of land out of Lots 3, 4, 5 and 6, Section 4, Bohemian Colony Lands, a map of which is recorded in Volume A, Page 48, Map Records of Nueces County, Texas, and a portion of Lot 1, Block 9, Lexington Center, a map of which is recorded in Volume 36, Page 42, Map Records of Nueces County, Texas, said 219.067 acre tract being more fully described by metes and bounds as follows:

Beginning at a 5/8 inch iron rod with a red plastic cap stamped "Urban Engr C.C. TX" set at the intersection of the southeast boundary of Greenwood Drive, a 120.00 feet wide public roadway, and the common boundary between Lot 6 and 7, said Section 4, for the north corner of this tract;

Thence, South 61°30'02" East (record=South 61°30'02" East), with the southwest boundary of a 26.335 acre Texas Department of Transportation tract, of Lot 4, Block 1, S.P.I.C.E. Plaza (Volume 58, Pages 166 and 167, Map Records of Nueces County, Texas), of Silverberry Drive, 60 foot wide public roadway, of Lot 11, Block 3, S.P.I.C.E. Plaza (Volume 61, Page 44, Map Records of Nueces County, Texas), same being the northeast boundary of said Lot 6, Section 4, Bohemian Colony Lands and the northeast boundary of this tract, a distance of 2,581.55 feet to a 5/8 inch iron rod found for a corner of this tract;

Thence, South 61°27'34" East, with the southwest boundary of said lot 11, Block 3, S.P.I.C.E. Plaza and of a 2.698 acre tract in the name of J.S. Clark and Deanna Ericson, same being the northeast boundary of said Lot 3, Section 4, Bohemian Colony Lands and of this tract, a distance of 737.37 feet (record=737.10 feet) to a 5/8 inch iron rod found for the north corner of a City of Corpus Christi lift station site and for a corner of this tract;

Thence, South 28°59'36" West (record=South 29°03'20" West), with the northwest boundary of said lift station site, same being the northeast boundary of this tract, a distance of 39.73 feet (record=40.00 feet) to a 5/8 inch iron rod with a red plastic cap stamped "Urban Engr C.C. TX" set for the west corner of said lift station site and for an interior corner of this tract;

Thence, South 61°10'00" East, with the southwest boundary of said lift station site, same being the northeast boundary of this tract, at 3.50 feet pass the northwest boundary of said Lot 1, Block 9, Lexington Center, in all a total distance of 32.75 feet to a 5/8 inch iron rod with a red plastic cap stamped "Urban Engr C.C. TX" set for the south corner of said lift station site and for an interior corner of this tract;

Thence, North 28°24'57" East (record=North 29°03'20" East), with the southeast boundary of said lift station site, same being the northeast boundary of said Lot 1, Block 9, Lexington Center and of this tract, a distance of 15.28 feet (Plat=15.00 feet) to a 5/8 inch iron rod found for an interior corner of said lift station site and of this tract;

Thence, South 61°10'00" East (record=South 61°29'45" East), with the southwest boundary of said lift station site, same being the northeast boundary of said Lot 1, Block 9, Lexington Center and of this tract, a distance of 424.11 feet to a 5/8 inch iron rod with a red plastic cap stamped "Urban Engr C.C. TX" set on the northwest boundary of State Highway 286, a public roadway, for the east corner of this tract, being the point of curvature of a non-tangent curve to the right, whose radius point bears North 77°30'04" West (record=North 77°34'04" West), a distance of 1,600 feet, and having a central angle of 09°48'58" (record=09°53'46"), a radius of 1,600 feet, a tangent length of 137.40 feet (record=135.52 feet), and an arc length of 274.12 feet (record=276.35 feet);

Thence, along said non-tangent curve to the right, same being the northwest boundary of said State Highway 286, and the southeast boundary of this tract, an arc length of 274.12 feet (record=276.35 feet) to a concrete monument with brass disc found for the end of this curve and for the beginning of another circular curve to the right whose radius point bears North 67°40'50" West (record=North 67°40'15" West) 2350.00 feet and having a central angle of 05°59'50" (record=05°59'15"), a radius of 2350.00 feet, a tangent distance of 123.10 feet (record=122.90 feet) and an arc length of 245.97 feet (record=245.57 feet);

EXHIBIT A-2

September 1, 2006
Job No. 19925.A6.00
219.067 Acre Tract

Thence, with said circular curve to the right, continuing along the northwest boundary of State Highway 286, same being the southeast boundary of this tract, an arc length of 245.97 feet (record=245.57 feet);

Thence, South 28°19'00" West, along the northwest boundary of said State Highway 286, same being the southeast boundary of this tract, a distance of 1928.98 feet (record=1928.45 feet) to a concrete monument with brass disc found for a corner of this tract;

Thence, South 73°26'38" West (Record=South 73°25'05" West), with the northwest flared right-of-way of State Highway 286, same being the southeast boundary of this tract, a distance of 70.49 feet (record=70.60 feet) to a concrete monument with brass disc found on the northeast boundary of Holly Drive, a public roadway, for the south corner of this tract;

Thence, North 61°28'34" West, along the northeast boundary of said Holly Road, parallel with the centerline of said Holly Road and 80.00 feet distant there from, measured at right angles thereto, a distance of 450.25 feet (record=450.00 feet) to a concrete monument with brass disc found for a corner of this tract, from which corner another found concrete monument with brass disc bears North 28°32'45" East 49.98 feet;

Thence, South 28°31'10" West, continuing along the northeast boundary of said Holly Road, same being the southwest boundary of this tract, a distance of 60.00 feet to a 5/8 inch iron rod with red plastic cap stamped "Urban Engr C.C. TX" set for a corner of this tract;

Thence, North 61°29'48" West (record=North 61°28'50" West), continuing along the southwest boundary of this tract, same being the northwest boundary of said Holly Road, parallel with its centerline and 20.00 feet there from, measured at right angles thereto, a distance of 790.71 feet to a 5/8 inch iron rod with a red plastic cap stamped "Urban Engr C.C. TX" set on the common boundary of said Lots 4 and 5, Section 4, Bohemian Colony Lands for the south corner of a 3.00 acre tract in the name of James B. Ragan and for a corner of this tract;

Thence, North 29°02'32" East (record=North 29°03'30" East), along the common boundary of said Lots 4 and 5, same being the southeast boundary of the above mentioned 3.00 acre tract and the southwest boundary of this tract, a distance of 261.70 feet (record=261.32 feet) to a 5/8 inch iron rod found for the east corner of said 3.00 acre tract and for an interior corner of this tract;

Thence, North 61°27'03" West (record=North 61°26'40" West), along the northeast boundary of said 3.00 acre tract, of Tracts A thru E, Holly Road Industrial Tract, a map of which is recorded in Volume 28, Page 40, Map Records of Nueces County, Texas and of Lot 1, Block 2, Holly Road Industrial Tract, a map of which is recorded in Volume 61, Page 182, Map Records of Nueces County, Texas, same being the southwest boundary of this tract, a distance of 1,333.75 feet (record=1,333.58 feet) to a 5/8 inch iron rod found for the north corner of said Lot 1, Block 2, Holly Road Industrial Tract and for an interior corner of this tract;

Thence, South 29°03'17" West (record=South 29°06'00" West), along the northwest boundary of said Lot 1, Block 2, same being the southwest boundary of this tract, at 261.99 feet pass a found 1 inch iron pipe, in all a total distance of 262.76 feet (record=262.16 feet) to a 5/8 inch iron rod with a red plastic cap stamped "Urban Engr C.C. TX" set on the northeast boundary of said Holly Road for a corner of this tract;

Thence, North 61°29'48" West (record=North 61°28'50" West), along the southwest boundary of this tract, same being the northeast boundary of said Holly Road, parallel with its centerline and 20.00 feet there from, measured at right angles thereto, a distance of 929.01 feet (record=929.40 feet) to a 5/8 inch iron rod found for a corner of this tract;

Thence, North 55°47'22" West (record=North 55°46'12"), continuing along the northeast boundary of said Holly Road, same being the southwest boundary of this tract, a distance of 100.50 feet to a 5/8 inch iron rod with a red plastic cap stamped "Urban Engr C.C. TX" set for a corner of this tract;

Thence, North 61°29'48" West (record=North 61°28'50" West), continuing along the northeast boundary of said Holly Road, same being the southwest boundary of this tract, a distance of 200.00 feet to a 5/8 inch iron rod with a red plastic cap stamped "Urban Engr C.C. TX" set for a corner of this tract;

EXHIBIT A-2

September 1, 2006
Job No. 19925.A6.00
219.067 Acre Tract

Thence, North 08°23'50" West (record=North 09°38'31" West), continuing along the northeast boundary of said Holly Road, same being the southwest boundary of this tract, a distance of 31.26 feet (record=31.79 feet) to a 5/8 inch iron rod with a red plastic cap stamped "Urban Engr C.C. TX" set on the southeast boundary of said Greenwood Drive, for the west corner of this tract, from which corner a found concrete monument with brass disc bears South 289°03'08" West 10.82 feet, thence South 60°56'32" East 0.75 feet;

Thence, North 29°03'08" East (record=North 29°06'10" East), along the southeast boundary of said Greenwood Drive, same being the northwest boundary of this tract, a distance of 2,545.35 (record=2,545.89 feet) to the Point of Beginning and containing 219.067 acres of land.

Bearings based on the northwest boundary of State Highway 281, as monumented on the ground and shown as South 28°19'00" West.

Unless this Fieldnotes Description, including preamble, seal and signature, appears in its entirety, in its original form, surveyor assumes no responsibility for its accuracy.



Urban Engineering

Juan J. Salazar
Juan J. Salazar, R.P.L.S.
License No. 4909

EXHIBIT B
MAP OR TIRZ #5 BOUNDARY

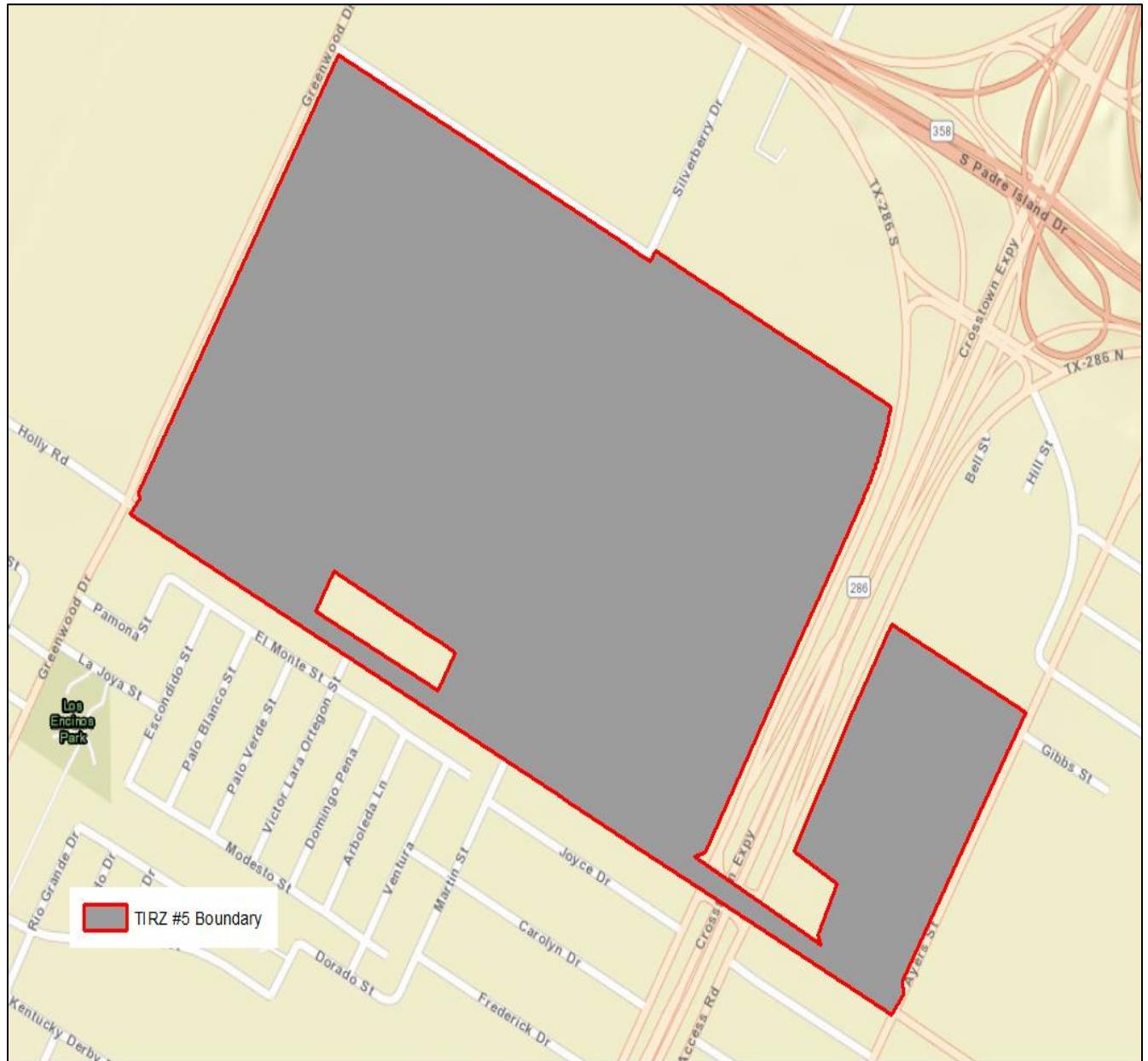


EXHIBIT C

PRELIMINARY PROJECT AND FINANCING PLAN

Tax Increment Reinvestment Zone #5 - BoCo
Preliminary Project & Financing Plan

July 31, 2020



Prepared by



TXP, Inc.

1310 South 1st Street, Suite 105

Austin, Texas 78704

(512) 328-8300 phone

www.txp.com

Table of Contents

Section 1 – Introduction	3
Purpose of a Tax Increment Reinvestment Zone	3
Section 2 – Project Plan	5
Criteria for Zone Creation	6
Existing Tax Increment Financing Districts in the City of Corpus Christi	6
Description of the Tax Increment Reinvestment Zone #5	7
Existing Zoning and Land Use Guidelines Applicable to TIRZ #5	9
Taxing Jurisdictions Applicable to TIRZ	9
Proposed Changes in Master Plans, Zoning Ordinances, and Building Codes	9
Relocation of Displaced Persons	9
Section 3 – Project Plan Improvements	10
Eligible Project Costs	10
Section 4 – Finance Plan	13
Compliance & Reporting	13
Method of Financing Project Costs	13
Estimated Time when Related Costs or Monetary Obligations Incurred	13
Estimated Amount of Bonded Indebtedness	13
Public Sector Entities Participating in TIRZ #5	13
Financial Forecast Assumptions	13
Financial Forecast Summary Results	15
Conclusion	18
Appendix – Boundary Description of TIRZ #5 Parcels	19
Legal Disclaimer	20



List of Figures

Figure 1: How the Tax Increment is Calculated	3
Figure 2: BoCo Master Plan.....	5
Figure 3: Ayers Tract Development Plan.....	5
Figure 4: BoCo TIRZ Geographic Boundary	8
Figure 5: Existing Land Use within the BoCo TIRZ.....	8
Figure 6: Location of Public Improvements and Infrastructure within the BoCo TIRZ	12

List of Tables

Table 1: Existing TIRZ in Corpus Christi	7
Table 2: Existing Land Use of Proposed TIRZ #5 (2020)	7
Table 3: BoCo Development Project Eligible Type Costs for Reimbursement.....	11
Table 4: Summary of Eligible Type TIRZ #5 Project Costs	12
Table 5: Taxing Jurisdictions Participating TIRZ #5	13
Table 6: Preliminary BoCo Buildout Schedule.....	15
Table 7: Preliminary TIRZ #5 Taxable Property Value Per Year	16
Table 8: Preliminary TIRZ #5 Taxable Property Value Forecast @ 75% Contribution	17



Section 1 – Introduction

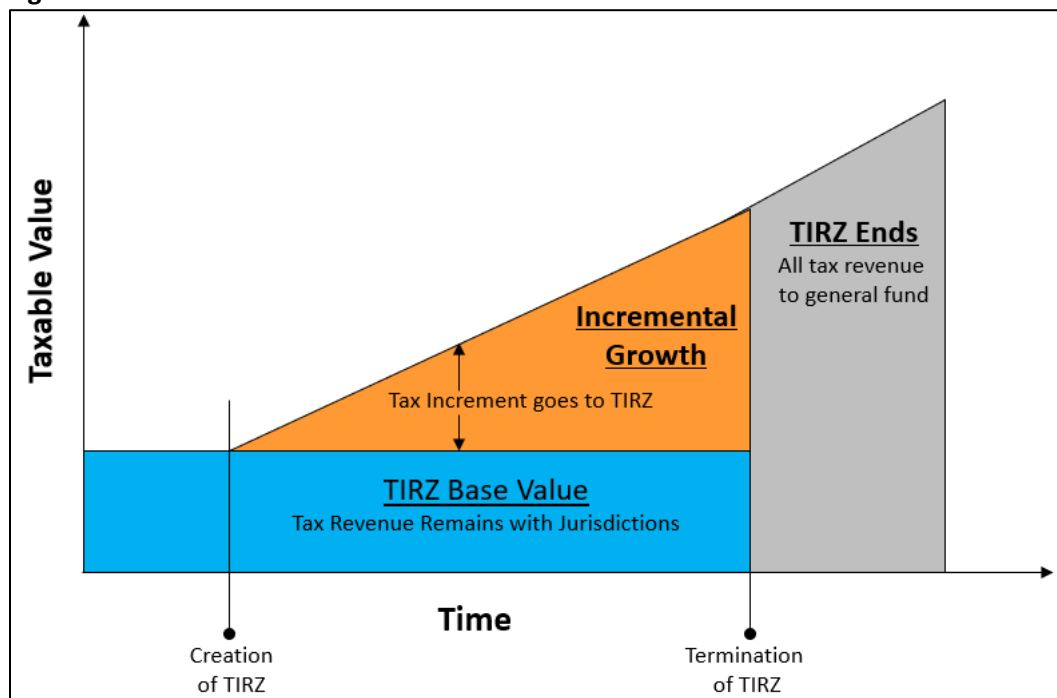
The City of Corpus Christi, based on the landowner's request and petition, is proposing to create a Tax Increment Reinvestment Zone (hereafter referred to as "TIRZ #5") over a portion of 258.9 acres located near the intersection of South Padre Island Drive and the Crosstown Expressway. The proposed new zone would be named Reinvestment Zone Number 5, City of Corpus Christi, Texas and referred to as TIRZ #5 - BoCo.

The landowner of the property is South Padre Investment Inc. The landowner is requesting the City of Corpus Christi, Nueces County, and the Del Mar College District participate in the tax increment reinvestment zone to help fund public improvements to be located within the development. The duration of the zone is projected to be 20 years, with the TIRZ in existence through 2040.


Purpose of a Tax Increment Reinvestment Zone

A tax increment reinvestment zone ("TIRZ") is a tool that local governments can use to finance needed improvements and infrastructure within a defined geographic area. These improvements usually are undertaken to promote the viability of existing businesses and to attract new commercial enterprises. The cost of eligible improvements is repaid by the contribution of future tax revenues by each taxing unit that levies taxes against the property. The additional incremental tax revenue that is received from the affected properties is referred to as the tax increment

Figure 1: How the Tax Increment is Calculated



Each taxing unit can choose to dedicate all, a portion, or none of the tax revenue that is attributable to the increase in property values due to the improvements within TIRZ.



Each taxing unit determines what percentage of its tax increment, if any, it will commit to repayment of the cost of financing the public improvements.

This preliminary feasibility study and project plan is required by state law. This document is designed to meet the legal requirements of designating a TIRZ. The statutes governing tax increment financing are located in Chapter 311 of the State of Texas Tax Code. To assist Corpus Christi and the other taxing entities in understanding the overall financing plan, TXP has included preliminary revenue projections assuming other entities participate in the TIRZ.

TXP, Inc. was retained by South Padre Investment Inc. to assist in developing this Preliminary Project & Financing Plan.

Section 2 – Project Plan

The purpose of TIRZ #5 is to finance the construction of public facilities and infrastructure necessary to catalyze residential and commercial development within the zone boundaries. Expenditures associated with the design and construction of public infrastructure, as well as other specific project related costs, will be funded by tax increment revenues derived from increases in property values following new residential and commercial development.

The Project will be a master planned development that will include the construction of public infrastructure to support the development of 777 townhomes, 999 multifamily units, and 450,000 square feet of commercial space. The commercial space will be located as follows: 275,000 square feet within the BoCo master planned community and 175,000 square feet on the Ayers tract.

The public infrastructure and capital costs associated with the development will be financed with private capital. It is the intent of the Developer to enter into an agreement with TIRZ #5 to receive reimbursement for investments made in the public facilities from revenues generated by TIRZ #5.

Figure 2: BoCo Master Plan

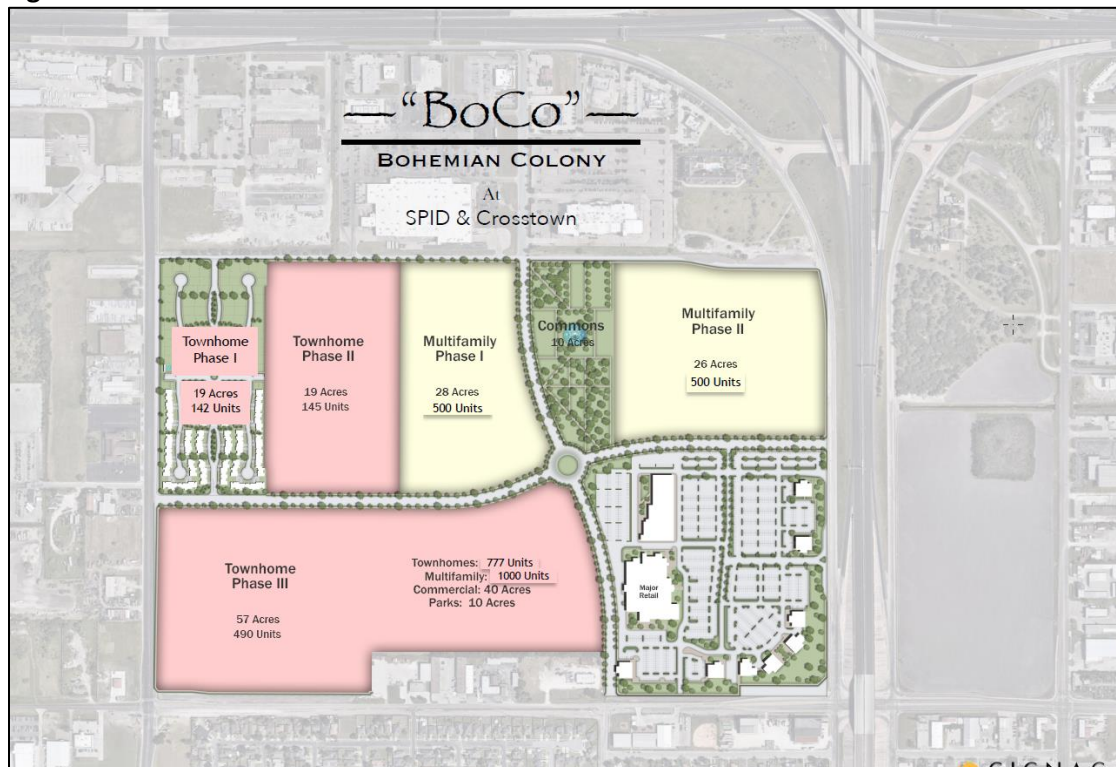
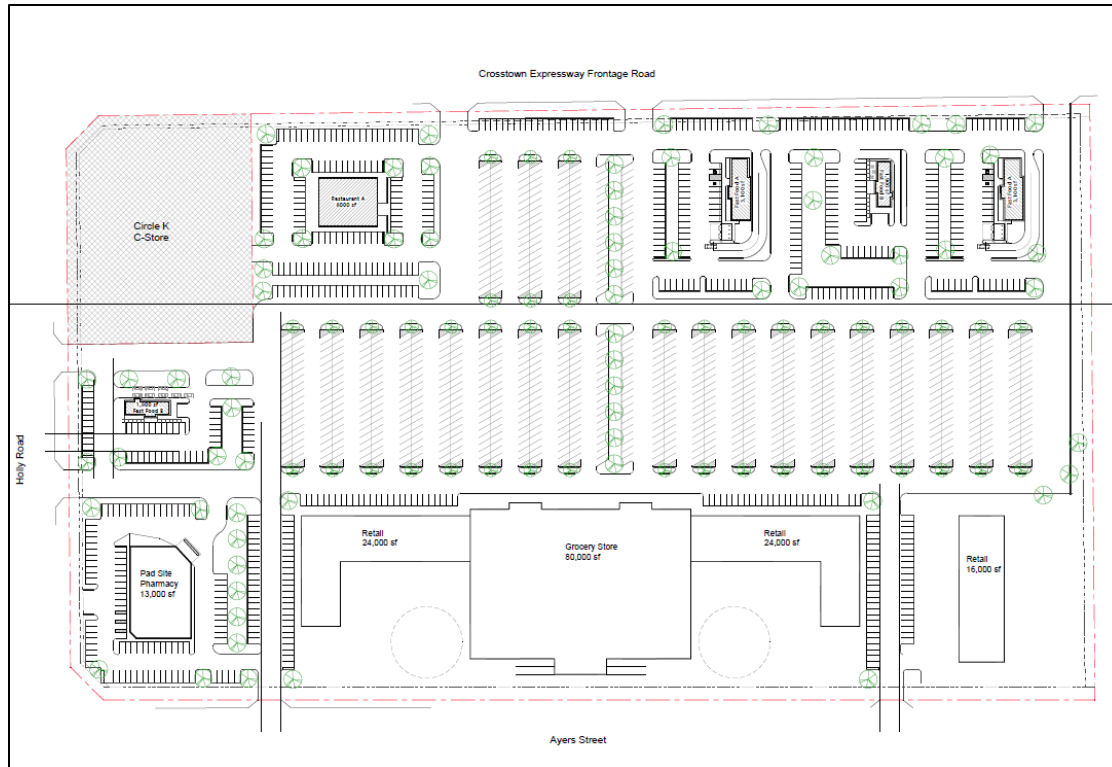


Figure 3: Ayers Tract Development Plan



Criteria for Zone Creation

The area within the zone qualifies for a TIRZ because it suffers from economic stagnation, inadequate infrastructure, inadequate sidewalks and street layout. Without intervention by the public sector, private market forces will not be sufficient to generate significant development and redevelopment. In addition, the landowner is requesting that the area be designated as a reinvestment zone. These conditions meet the criteria of the Tax Code of the State of Texas, Chapter 311, Section 005 for reinvestment zone designation.

Existing Tax Increment Financing Districts in the City of Corpus Christi

There are three existing TIRZs in Corpus Christi. According to state law, cities with more than 100,000 residents may not create a new TIRZ if the total appraised value of taxable real property in the proposed reinvestment zone and in the existing reinvestment zones would exceed 25.0 percent of the total appraised value of taxable real property within the city and its industrial districts. In addition, a TIRZ may not be created if more than 30.0 percent of the property in the proposed new TIRZ (excluding publicly-owned property) is used for residential purposes at the time of designation. The proposed TIRZ #5 complies with these state rules.

Table 1: Existing TIRZs in Corpus Christi

Land Use	Value	Data Source
City of Corpus Christi – Real Property	\$25,258,276,745	2019 Assessed Value 2019 Certified Totals Report NCAD
TIF #2 - Padre Island	\$573,503,809	2019 City of Corpus Christi 2019 Assessed Value 2019 Certified Totals Report NCAD
TIF #3 - Downtown	\$735,558,739	2019 Assessed Value TIRZ Project Plan and Financing Plan
TIF #4 - North Beach	\$104,512,349	2020 Preliminary Assessed Value NCAD Website
Proposed TIF #5 - BoCo	\$825,943	
Total TIRZ	\$1,415,677,439	
TIRZ as % of Corpus Christi Total	5.6%	

Source: Nueces County Appraisal District

Description of the Tax Increment Reinvestment Zone #5

The proposed TIRZ #5 will cover approximately 258.9 acres (including roads and right of way). The 2020 baseline assessed property value of the TIRZ is approximately \$0.8 million.

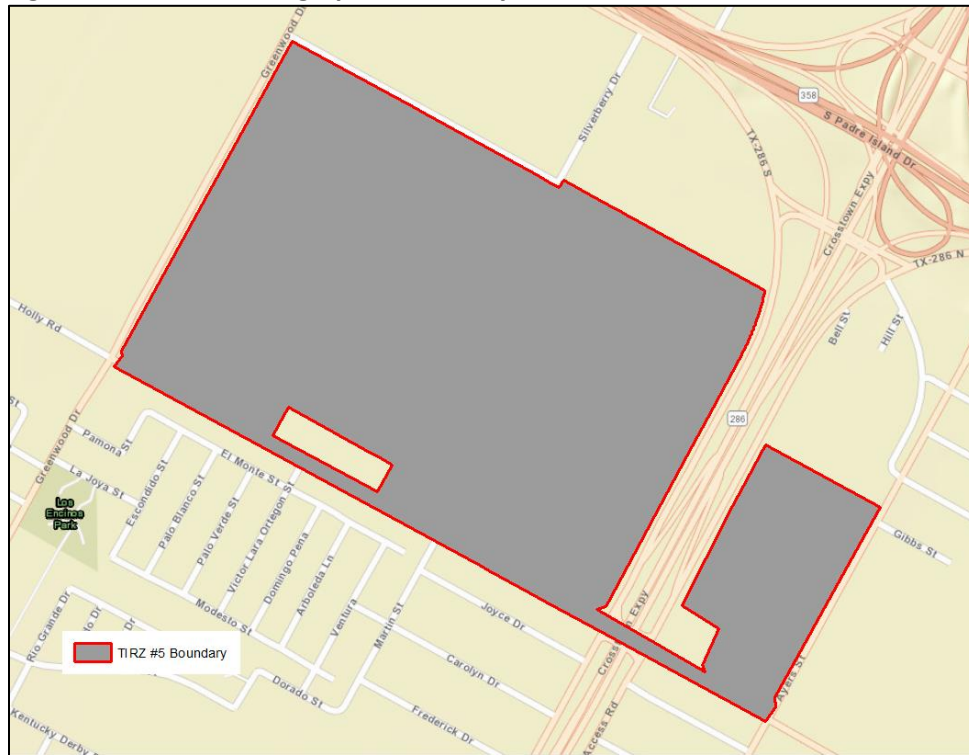
Table 2: Existing Land Use of Proposed TIRZ #5 (2020)

Land Use	Acreage	City of Corpus Christi Assessed Value
Qualified Open-Space Land	244.5	\$527,312
Rural Land, Non-Qualified Open Space Land	2.4	\$232,284
Commercial	0.4	\$66,347
Public Right of Way*	11.6	\$0
Total	258.9	\$825,943

Source: Nueces County Appraisal District

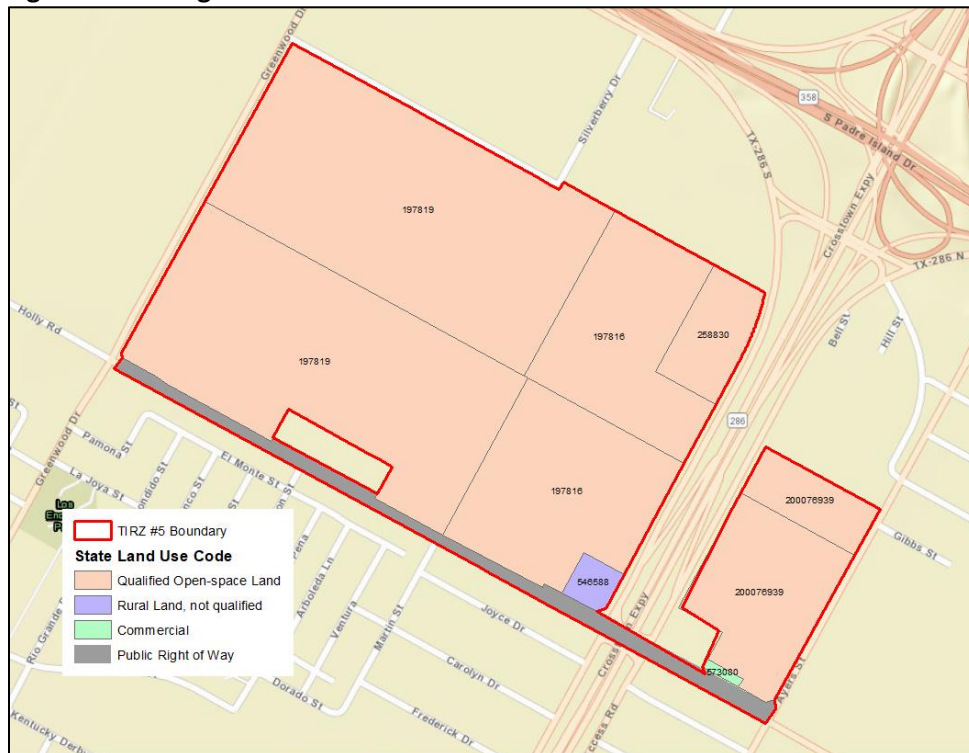
* The majority of this property is publicly owned right of way (ROW) along Holly Road

Figure 4: BoCo TIRZ Geographic Boundary



Source: Nueces County Appraisal District

Figure 5: Existing Land Use within the BoCo TIRZ



Source: Nueces County Appraisal District

Existing Zoning and Land Use Guidelines Applicable to TIRZ #5

Existing City of Corpus Christi land use, zoning guidelines, and policies would apply to all properties within the city limits.

Taxing Jurisdictions Applicable to TIRZ

The proposed TIRZ #5 is located within the following taxing jurisdictions:

- City of Corpus Christi
- Nueces County
- Del Mar College
- Nueces County Hospital District
- Corpus Christi Independent School District
- Farm to Market Road District

Proposed Changes in Master Plans, Zoning Ordinances, and Building Codes

There are no anticipated changes to the master development and zoning ordinances.

Relocation of Displaced Persons

This plan currently does not call for nor anticipate the displacement and relocation of persons for the proposed projects.

Section 3 – Project Plan Improvements

TIRZ #5 will provide support for catalytic infrastructure and economic development projects that will facilitate the development of properties within zone. In addition, to public utility infrastructure, the Developer is seeking reimbursement for building a 10-acre park within the zone.

Eligible Project Costs

1. Parks & Streetscape Enhancements

This category includes gateway features, linear parks, corridor landscaping, public plazas, etc.

2. Infrastructure Improvements

This category includes water, sanitary sewer and storm water improvements, roadway and street intersection enhancements, public transportation, relocation of aboveground utilities, public sidewalks, etc.

3. Economic Development Grants

It is anticipated that economic development loans or grants might be made to assist in creating the tax base that facilitates implementing the project plan. The City, with advisement from the TIRZ Board shall have the authority to establish and administer economic development programs, including but not limited to grants and loans, authorized under Chapter 380 of the Texas Local Government Code. Should such loans or grants be made, it will be done with the intent to fulfill the public purposes of developing and diversifying the economy, eliminating unemployment or underemployment, and developing or expanding transportation, business, and commercial activity in the TIRZ.

4. Non-Project Costs

It is not possible to quantify other non-project costs at this time, other than to say that they are anticipated. However, these costs should not exceed TIRZ #5 revenue less other costs delineated in the project plan. Consultants, engineers, surveyors, and other costs incurred not related to the other categories and other unforeseen costs are included in this category.

5. Administration & Implementation

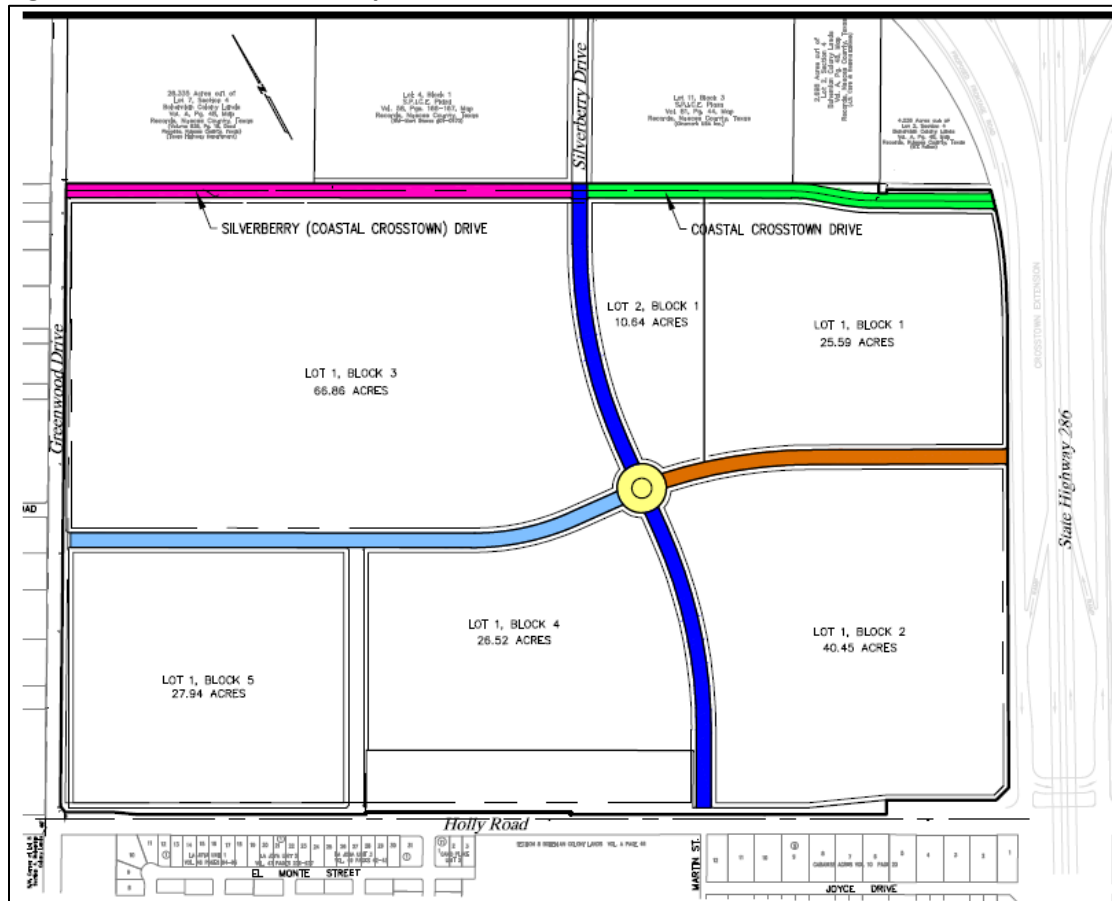
Administration costs, including reasonable charges for time spent by City of Corpus Christi employees, will be eligible for reimbursement as project costs. In addition, this category includes City costs associated with creating the TIRZ.

Table 3: BoCo Development Project Eligible Type Costs for Reimbursement

Phase	Quantity	Unit Price	Estimated Cost
Existing Silverberry Drive to Greenwood Drive			
Roadway Improvements (Paving, Curbs & Sidewalk)	2,100	\$225	\$472,500
Minor Drainage Extensions & Utility Stubouts	2,100	\$75	\$157,500
15% Contingency & Design			\$94,500
Total			\$724,500
Future Coastal Crosstown Drive			
Roadway Improvements	1,700	\$430	\$731,000
Drainage Addition off Existing Line	1	\$60,000	\$60,000
Sanitary Sewer	500	\$100	\$50,000
Water Line & Hydrants	1,700	\$50	\$85,000
Lift Station Rehabilitation	1	\$200,000	\$200,000
15% Contingency & Design			\$168,900
Total			\$1,294,900
Main East/West Access Drive Greenwood to Roundabout			
Roadway Improvements	2,400	\$430	\$1,032,000
Drainage	2,400	\$250	\$600,000
Sanitary Sewer	2,400	\$100	\$240,000
15% Contingency & Design	2,400	\$50	\$120,000
Total			\$298,800
			\$2,290,800
Main North/South Access Drive to Holly Road			
Roadway Improvements	2,600	\$500	\$1,300,000
Drainage	2,600	\$250	\$650,000
Sanitary Sewer	2,600	\$100	\$260,000
Water Line and Hydrants	2,600	\$50	\$130,000
15% Contingency & Design			\$351,000
Total			\$2,691,000
Roundabout to S.H. 286 Access Road			
Roadway Improvements	1500	\$430	\$645,000
Drainage	1500	\$250	\$375,000
Sanitary Sewer	1500	\$100	\$150,000
Water Line and Hydrants	1500	\$50	\$75,000
15% Contingency & Design			\$186,750
Total			\$1,431,750
Roundabout			
	Quantity		
Roadway	450	500	\$225,000
15% Contingency & Design			\$33,750
Total			\$258,750
Estimated Total Cost			\$8,691,700

Source: South Padre Investment Inc.

Figure 6: Location of Public Improvements and Infrastructure within the BoCo TIRZ



Source: South Padre Investment Inc.

Table 4: Summary of Eligible Type TIRZ #5 Project Costs

Phase	Cost
Existing Silverberry Drive to Greenwood Drive	\$724,500
Future Coastal Crosstown Drive	\$1,294,900
Main East/West Access Drive Greenwood to Roundabout	\$2,290,800
Main North/South Access Drive to Holly Road	\$2,691,000
Roundabout to S.H. 286 Access Road	\$1,431,750
Roundabout	\$258,750
Park Development Cost and Maintenance	\$3,100,000
Administration Costs	\$2,000,000
Total Cost	\$13,691,700

Source: South Padre Investment Inc.

Section 4 – Finance Plan

Tax increment financing is a tool used by local governments to publicly finance needed infrastructure and other improvements within a defined area. These improvements are usually undertaken to promote the viability of existing businesses and to attract new commercial enterprises to the area. The statutes governing tax increment financing are located in Chapter 311 of the State of Texas Tax Code.

Compliance & Reporting

The TIRZ #5 Board policies would comply with all federal, state, and local laws, rules and regulations. The TIRZ Board will submit project status reports and financial reports as required by state law.

Method of Financing Project Costs

All project costs will be paid through the contribution of incremental property taxes collections by participating taxing jurisdictions.

Estimated Time when Related Costs or Monetary Obligations Incurred

The TIRZ will be cash funded. Reimbursements under any agreements with developers will be made as funds become available.

Estimated Amount of Bonded Indebtedness

It is anticipated that financial transactions by the TIRZ are to be on a cash only basis and to the extent only that funds are available. However, if the resources become available to issue debt, the TIRZ #5 Board may recommend to the Corpus Christi City Council that it is appropriate to issue TIRZ debt if the Tax Increment Fund can make such payments. The TIRZ is under no obligation to issue any notes or debt

Public Sector Entities Participating in TIRZ #5

All project costs will be paid through the contribution of incremental property taxes collections. This preliminary plan assumes that the Corpus Christi and other taxing entities contribute a portion of their total tax rate (M&O and I&S) ad valorem tax rate for 20 years.


Table 5: Taxing Jurisdictions Participating TIRZ #5

Entity	Property Tax Rate per \$100 (2019)
City of Corpus Christi	\$0.646264
Nueces County	\$0.307689
Del Mar College District	\$0.280665

Source: Nueces County Appraisal District

Financial Forecast Assumptions

- **TIRZ Duration** – TXP has assumed the TIRZ will have a 20-year lifespan.

- 
- **TIRZ Allocation** – TXP has assumed the City of Corpus Christi and other taxing entities will contribute 75% of their total incremental tax collections.
 - **Tax Rate** – While tax rates do change over time, the 2019 tax rates were held constant for the duration of the TIRZ.
 - **Baseline Value** – The 2020 baseline property value of the TIRZ is approximately \$0.8 million but varies slightly by taxing jurisdiction based on exemptions offered.
 - **Real Property** – Only taxable real property values are included in the tax increment calculations. By law, business personal property values are excluded from TIRZ.
 - **Inflation & Appreciation Rate** – The inflation rate used for construction costs and the value of improvements is 2.5 percent per year.
 - **Net Present Value** – The net present values of the tax increment were calculated at a discount rate of 5.0 percent.
 - **Future Development Patterns** – To provide an order of magnitude estimate, TXP phased in new construction based on the BoCo master plan development timeline.

Financial Forecast Summary Results

The following table depicts the anticipated revenue generated over 20 years. The revenue forecast assumes the TIRZ is established in 2020 (baseline year). The first TIRZ increment will occur in 2021 (total 2021 value less 2020 baseline value). Note, 2021 taxes are not due until January 2022.

Table 6: Preliminary BoCo Buildout Schedule

Year	Period	Apartment Units		Townhome Units		Commercial SF	
		New Per Year	Cumulative	New Per Year	Cumulative	Crosstown Commons	Ayers
2020	0	0	0	0	0	0	0
2021	1	0	0	0	0	0	0
2022	2	0	0	48	48	0	60,000
2023	3	111	111	53	101	0	60,000
2024	4	111	222	58	159	137,500	60,000
2025	5	111	333	64	223	137,500	120,000
2026	6	111	444	70	293	137,500	120,000
2027	7	185	629	77	370	137,500	120,000
2028	8	185	814	85	455	137,500	180,000
2029	9	185	999	94	549	275,000	180,000
2030	10	0	999	103	652	275,000	180,000
2031	11	0	999	125	777	275,000	180,000
2032	12	0	999	0	777	275,000	180,000
2033	13	0	999	0	777	275,000	180,000
2034	14	0	999	0	777	275,000	180,000
2035	15	0	999	0	777	275,000	180,000
2036	16	0	999	0	777	275,000	180,000
2037	17	0	999	0	777	275,000	180,000
2038	18	0	999	0	777	275,000	180,000
2039	19	0	999	0	777	275,000	180,000
2040	20	0	999	0	777	275,000	180,000

Source: South Padre Investment Inc., TXP, Inc.

Table 7: Preliminary TIRZ #5 Taxable Property Value Per Year

Year	Period	Apartment Units		Townhome Units		Commercial		Total Taxable Value
		Tax Value Per Unit	Cumulative	Tax Value Per Unit	Cumulative	Tax Value Per SF	Total Retail	
2020	0	\$38,250	\$0	\$153,153	\$0	\$85	\$0	\$0
2021	1	\$39,206	\$0	\$156,982	\$0	\$87	\$0	\$0
2022	2	\$40,186	\$0	\$160,907	\$7,723,514	\$89	\$5,358,188	\$13,081,701
2023	3	\$41,191	\$4,572,208	\$164,929	\$16,657,849	\$92	\$5,492,142	\$26,722,199
2024	4	\$42,221	\$9,373,027	\$169,052	\$26,879,336	\$94	\$18,530,259	\$54,782,622
2025	5	\$43,276	\$14,411,029	\$173,279	\$38,641,158	\$96	\$24,763,697	\$77,815,884
2026	6	\$44,358	\$19,695,073	\$177,611	\$52,039,936	\$99	\$25,382,790	\$97,117,799
2027	7	\$45,467	\$28,598,888	\$182,051	\$67,358,859	\$101	\$26,017,359	\$121,975,107
2028	8	\$46,604	\$37,935,583	\$186,602	\$84,904,022	\$104	\$32,881,648	\$155,721,253
2029	9	\$47,769	\$47,721,240	\$191,267	\$105,005,749	\$106	\$48,299,775	\$201,026,764
2030	10	\$48,963	\$48,914,271	\$196,049	\$127,823,938	\$109	\$49,507,270	\$226,245,478
2031	11	\$50,187	\$50,137,127	\$200,950	\$156,138,312	\$112	\$50,744,951	\$257,020,391
2032	12	\$51,442	\$51,390,556	\$205,974	\$160,041,770	\$114	\$52,013,575	\$263,445,901
2033	13	\$52,728	\$52,675,319	\$211,123	\$164,042,814	\$117	\$53,313,915	\$270,032,048
2034	14	\$54,046	\$53,992,202	\$216,401	\$168,143,885	\$120	\$54,646,763	\$276,782,850
2035	15	\$55,397	\$55,342,007	\$221,811	\$172,347,482	\$123	\$56,012,932	\$283,702,421
2036	16	\$56,782	\$56,725,558	\$227,357	\$176,656,169	\$126	\$57,413,255	\$290,794,981
2037	17	\$58,202	\$58,143,697	\$233,041	\$181,072,573	\$129	\$58,848,586	\$298,064,856
2038	18	\$59,657	\$59,597,289	\$238,867	\$185,599,387	\$133	\$60,319,801	\$305,516,477
2039	19	\$61,148	\$61,087,221	\$244,838	\$190,239,372	\$136	\$61,827,796	\$313,154,389
2040	20	\$62,677	\$62,614,402	\$250,959	\$194,995,356	\$139	\$63,373,491	\$320,983,249

Source: South Padre Investment Inc., TXP, Inc.

Table 8: Preliminary TIRZ #5 Taxable Property Value Forecast @ 75% Contribution

Year	Period	City of Corpus Christi	Nueces County	Del Mar College District	Total
Tax Rate		0.646264	0.307689	0.280665	
TIRZ Allocation		75%	75%	75%	
2020	0	\$0	\$0	\$0	\$0
2021	1	\$0	\$0	\$0	\$0
2022	2	\$63,407	\$30,188	\$27,537	\$121,132
2023	3	\$129,522	\$61,666	\$56,250	\$247,438
2024	4	\$265,530	\$126,420	\$115,317	\$507,267
2025	5	\$377,172	\$179,573	\$163,801	\$720,547
2026	6	\$470,728	\$224,116	\$204,432	\$899,275
2027	7	\$591,211	\$281,478	\$256,756	\$1,129,445
2028	8	\$754,778	\$359,353	\$327,791	\$1,441,922
2029	9	\$974,373	\$463,903	\$423,159	\$1,861,434
2030	10	\$1,096,607	\$522,099	\$476,244	\$2,094,951
2031	11	\$1,245,773	\$593,118	\$541,025	\$2,379,915
2032	12	\$1,276,917	\$607,946	\$554,550	\$2,439,413
2033	13	\$1,308,840	\$623,144	\$568,414	\$2,500,398
2034	14	\$1,341,561	\$638,723	\$582,624	\$2,562,908
2035	15	\$1,375,100	\$654,691	\$597,190	\$2,626,981
2036	16	\$1,409,477	\$671,058	\$612,120	\$2,692,655
2037	17	\$1,444,714	\$687,835	\$627,423	\$2,759,972
2038	18	\$1,480,832	\$705,030	\$643,108	\$2,828,971
2039	19	\$1,517,853	\$722,656	\$659,186	\$2,899,695
2040	20	\$1,555,799	\$740,723	\$675,666	\$2,972,188
Total		\$18,680,195	\$8,893,719	\$8,112,593	\$35,686,507
NPV @ 5%		\$9,350,370	\$4,451,751	\$4,060,758	\$17,862,879

Conclusion

Based on the preliminary development concepts and activity zones within this area, anticipated tax revenue, and market demand projections, TIRZ #5 is economically and financially feasible. The TIRZ could generate significant revenue to pay for infrastructure and redevelopment costs. Over the next 20 years, the TIRZ could generate \$35.7 million in nominal TIRZ revenue. Using a 5.0 percent discount rate, the anticipated TIRZ could generate \$17.9 million.

These projections are based on the best available datasets and information related to market conditions in the region. Given the high visibility of this area, for example, the substantial commitment of a few large developers could have a significantly positive impact on both the level and timing of future growth. Moreover, the financial projections make no allowance for positive spillover to the value of other properties in area as a result of new development (beyond inflation), which easily could occur. At the same time, a slowdown in development as a result of a weaker national economy, negative changes in key drivers of regional economy, or other unforeseen issues could materially reduce the volume of construction put in place, and resulting tax revenue, over the next 20 years.

Appendix – Boundary Description of TIRZ #5 Parcels

The following parcels comprise TIRZ #5 plus the public right of way along Holly Road between Greenwood Drive and Ayers Street.

Table 9: Parcels Included in TIRZ #5

Property ID	Property Owner
200076939	SOUTH PADRE INVESTMENT INC
573080	SOUTH PADRE INVESTMENT INC
197819	SOUTH PADRE INVESTMENT INC
197816	SOUTH PADRE INVESTMENT INC
258830	SOUTH PADRE INVESTMENT INC
546588	SOUTH PADRE INVESTMENT INC

Source: Nueces County Appraisal District



Legal Disclaimer

TXP, Inc. (TXP) reserves the right to make changes, corrections, and/or improvements at any time and without notice. In addition, TXP disclaims any and all liability for damages incurred directly or indirectly as a result of errors, omissions, or discrepancies. TXP disclaims any liability due to errors, omissions, or discrepancies made by third parties whose material TXP relied on in good faith to produce the report.

Any statements involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that such opinions or estimates will be realized. The information and expressions of opinion contained herein are subject to change without notice, and shall not, under any circumstances, create any implications that there has been no change or updates.

EXHIBIT D**BASE YEAR TAXABLE APPRAISED VALUES**

NCAD GEO ID	PROPERTY DESCRIPTION	LOCATION	ACS	APPRAISED VALUE
0847-0004-0053	BOHEMIAN COLONY LANDS 144.452 ACS OUT OF LTS 5 & 6 SEC 4	GREENWOOD DR @ HOLLY RD	144.45	\$60,670.00
4398-0009-0010	LEXINGTON CENTER 9.73 ACS OUT LT 1 BLK 9 (W OF ROW)	5333 AYERS ST	9.73	\$168,342.00
0847-0004-0034	BOHEMIAN COLONY LANDS 62.51 ACS OUT LTS 3 & 4 SEC 4 (W OF ROW)	CROSSTOWN EXTENSION @ HOLLY RD	62.51	\$26,254.00
0847-0004-0039	BOHEMIAN COLONY LANDS 2.37 ACS OUT LTS 3 & 4 SEC 4 (W OF ROW)		2.37	\$232,284.00
0847-0004-0038	BOHEMIAN COLONY LANDS 29.4423 ACS OUT LTS 3 & 4 SEC 4 (E OF RR)	CROSSTOWN EXTENSION & AYERS ST	29.44	\$ 272,046.00
0847-0004-0041	BOHEMIAN COLONY LANDS .30 ACS OUT LTS 3 & 4 SEC 4 (E OF RR)		0.30	\$66,347.00
		TOTAL		\$852,943.00