



AGENDA MEMORANDUM

Action Item for the City Council Meeting October 27, 2020

DATE: October 19, 2020

TO: Peter Zaroni, City Manager

FROM: Heather Hurlbert, Director of Finance & Business Analysis
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<p>Resolution Authorizing Interlocal Cooperation Agreement with Del Mar College for participation on the Bohemian Colony Tax Increment Reinvestment Zone Number Five (TIRZ #5)</p>

CAPTION:

Resolution authorizing execution of an Interlocal Cooperation Agreement with Del Mar College, for participation in the Tax Increment Reinvestment Zone Number Five at 75% of Del Mar's increment for 20 years, up to \$4,000,000.

SUMMARY:

The City and Del Mar College desire to participate in the Tax Increment Reinvestment Zone Number Five for the purposes of development in the reinvestment zone area, Bohemian Colony, for their mutual benefit and the benefit of their citizens. This item approves a revised agreement based on Del Mar's action on October 13, 2020.

BACKGROUND AND FINDINGS:

On July 14, 2020, 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) for developer reimbursement of street, sewer, stormwater and water infrastructure and development and subsequent maintenance of a 10-acre park. The proposed development will have 999 multi-family units, 777 townhomes, and 450,000 sq./ft of commercial space. The proposed 258.9-acre development is located on the southwest corner of South Padre Island Drive (SPID) and Crosstown Expressway and is currently used primarily for agricultural purposes. The reimbursement of the infrastructure costs will be from 75% of the ad valorem taxes (excluding the City's 2+2+2 residential street tax) generated by the increment above the base value of \$825,943 for the 258.9 acres. The TIRZ will exist until the infrastructure costs are reimbursed in an amount not to exceed \$17,000,000 to the developer or a maximum of

20 years, whichever is less.

On August 11, 2020, an 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 passed on first reading.

On August 18, 2020, a second reading ordinance passed.

October 13, 2020, City Council approved an interlocal agreement with Del Mar for participation on the Bohemian Colony TIRZ #5 at 75% for fourteen years.

October 13, 2020, Del Mar College approved an item on its agenda to approve the interlocal agreement at 75% for twenty years, up to \$4,000,000 on October 13, 2020. This item approves the revised agreement to reflect the 20-year participation.

ALTERNATIVES:

City Council could choose not to authorize this interlocal agreements, but then Del Mar College would not be authorized to participate in the TIRZ #5, and the Zone's ability to complete the project will be decelerated.

FISCAL IMPACT:

Del Mar College will participate at a rate of 75% of their tax increment with the base year being 2020. The City's twenty-year contribution is capped at \$9 million; TIRZ #5 estimated increment is \$17,000,000.

Funding Detail:

Fund:	N/A
Organization/Activity:	N/A
Mission Element:	N/A
Project # (CIP Only):	N/A
Account:	N/A

RECOMMENDATION:

Staff recommends approval of the Interlocal Cooperation Agreement with Del Mar College. The participation of Del Mar College in the Tax Increment Reinvestment Zone is crucial for the success and implementation of the TIRZ #5 Project and Financing Plan: and thus, the revitalization of the southwest corner of South Padre Island Drive and Crosstown Expressway.

LIST OF SUPPORTING DOCUMENTS:

Resolution
Interlocal Cooperation Agreement