

## **Proposed TIRZ #5-BOCO Development Project**

### **Description of Project**

- 258 acres located at South Padre Island Drive and Crosstown Expressway
- Proposed build out over 10 to 15 years
  - 999 multi-family units
  - 777 townhomes
  - 450,000 square feet of commercial space

### **Developer Request**

- Reimbursement to the developer for street, sewer, drainage, and water line improvements infrastructure costs. Assets will revert to the city once completed.
- Reimbursement of Park development and maintenance. Park will be built to the City specifications and will be dedicated to the City-\$3,100,000 (est.)

### **TIRZ Parameters**

- Base Year 2020
- 20-year term
- 75% of the increment up to \$9,000,000 total City contribution
- Total TIRZ not to exceed \$17M in reimbursement from all participating entities
- Estimated \$320M in taxable value added after 20 years
- Proposed taxing jurisdictions
  - City of Corpus Christi
  - Nueces County
  - Del Mar College District
- Reimburse developer for infrastructure from revenue created by the increment once the infrastructure is completed and accepted by the City

### **Discussion/Comments**

- Different than other City TIRZ-This will not reimburse the developer for private development. The reimbursement will be for infrastructure that will become the City's asset-similar to a participation agreement or oversize agreement.
- Low risk to the City due to developer reimbursement. City's contribution capped at 52% or \$9.0M of the \$17M total project cost.
- The developer is responsible for ensuring participation by the other taxing entities to guarantee full reimbursement
- Site is currently agricultural with an ag exemption and due to the exemption has a low taxable value. When the ag exemption is removed from each parcel and the land is developed per the phases proposed by the developer, the revenue resulting from the three-year lookback, as required by the tax code, will be paid to the General Fund solely. The increment created in the TIRZ by the conversion from ag exempt will be retained by the TIRZ.
- Current area of city has seen limited development/investment

- All sales tax generated by the purchase of construction materials for the project will benefit the City of Corpus Christi.
- Good highway access
- Proposed park will be built with City input/specifications and maintained by TIRZ-no impact to the general fund and the park will become property of the City
- Developer has a proven track record with residential/multifamily development
- Local Government Code states that the board for a TIRZ formed by petition will consist of the following:
  - A representative from Nueces County and Del Mar (if they participate)
  - State Senator or designee
  - State Representative or designee
  - The remaining members, up to a total of 9, are property owners, or their designee, appointed by the City.