## 1. What is a TIRZP

- TIRZ is short for a Tax Increment Reinvestment Zone. A TIRZ is a geographic area designated by a municipality or county, governed by Texas Tax Code Chapter 311; "Tax Increment Financing."
- A TIRZ project jumpstarts development to get things moving faster and, ultimately, to generate new tax revenue.
- Tax increment financing is not a new tax; instead, it redirects future ad valorem tax growth from within the zone to pay for eligible public improvements within the same zone.



The 435+ acre TIRZ #4 on North Beach Boundary

## What is a TIRZ?

### Section 311.005 of the Texas Tax Code provides that: (a) To be designated as a reinvestment zone, an area must:

- substantially arrest or impair the sound growth of the municipality or county designating the zone, retard the provision of housing accommodations, or constitute an economic or social liability and be a menace to the public health, safety, morals, or welfare in its present condition and use; or...
- be predominantly open or undeveloped and, because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impair or arrest the sound growth of the municipality or county; or...
- be in a federally assisted new community located in the municipality or county or in an area immediately adjacent to a federally assisted new community; or be an area described in a petition requesting that the area be designated as a reinvestment zone

## Local TIRZ Examples

#### **Current Nueces County TIRZ:**

City of Corpus Christi TIRZ #2: (Island)

Created in 2000, 1930 acres.

City of Corpus Christi TIRZ #3: (Downtown)

Created in 2008, 856 acres.

City of Robstown TIRZ #2:

Created in 2012, 879 acres.

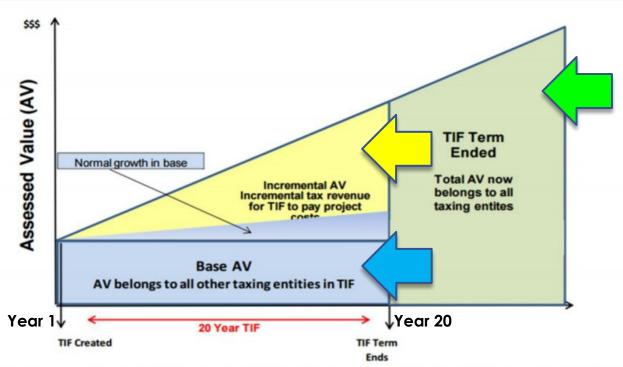
City of Ingleside TIRZ #1:

Created in 2014, 1280.255 acres.

## How does a TIRZ work?



#### **How It Works**



Shows normal or market driven portion of TIF growth versus total including developer's investment

#### Base AV:

(Base Assessed Value)

Current revenue continues to Nueces County and all participating entities throughout the entire term. In this case, 20 yrs.

#### **Incremental AV:**

(Incremental Assessed Value)

Incremental growth in valuations of real property within the TIRZ creates tax revenue for TIF and pays for eligible project costs.

#### <u>Total AV:</u>

(Total Assessed Value)

Upon TIF Term ending, the Total Assessed Value now belongs to all taxing entities in perpetuity.

## Benefits of a TIRZP

#### The Benefits of a TIRZ include:

- Builds and/or maintains needed public infrastructure in blighted areas lacking adequate development to attract businesses, or private investment; and...
- Encourages development, thereby increasing property values and long-term property tax collections; and...
- Reduces the cost and risks to private development by providing reimbursement for eligible public improvements.

### Why create a TIRZ on North Beach?

With approximately \$200 million of property value on North Beach, only approximately \$68.1 million is taxable; your ad valorem tax revenue per acre is very low. North Beach needs increased density.

- The City of Corpus Christi and the Port of Corpus Christi are the two largest landowners on North Beach; both entities are non-taxable and do not create ad valorem revenue for taxing units/entities.
- ► The annual ad valorem generated in 2018 for each taxing unit/entity is only:
  - City of Corpus Christi: \$68,143,105 x Tax rate of \$0.62624 = \$426,755.74
  - Nueces County:  $$68,143,105 \times \text{Tax} \text{ rate of } $0.309189 = $210,690.98$
  - Del Mar College: \$68,143,105 x Tax rate of \$0.281855 = \$192,064.75
- 2018 TOTAL: Only \$829,531.91 is generated from the entire TIRZ area of over 435 acres on North Beach. This translates to less than \$1,950 ad valorem/acre.

### Why create a TIRZ on North Beach?

#### Timing is everything

- The new La Vista Pointe "Lighthouse" seaside village project, already under construction, is the largest private investment on North Beach since 1981.
- The La Vista Pointe is a \$24 million project that will increase the taxable value by approximately 35%!
- Pointe under construction to prove up early funding for the TIRZ incremental assessed value. The time to create TIRZ #4 on North Beach is now.
- The highly successful City of Corpus Christi Downtown TIRZ #3, did not have a \$24 million project underway when the City, County, and Del Mar partnered together and fully committed to the creation of TIRZ #3 in 2008/2009.













### Why create a TIRZ on North Beach?

#### The TIRZ #4 will be able to do the following:

- North Beach needs maintenance. The TIRZ #4 on North Beach will primarily maintain public facilities to a much higher standard than today. Beach maintenance and accessibility improvements, public right-of-way mowing, public restroom maintenance, lighting improvements, wayfinding/signage, and more...
- North Beach needs increased density by supporting structured parking. As North Beach grows, parking will be a major problem. Thinking ahead and creating density not only helps generate higher tax revenue per capita, but also helps the Texas State Aquarium, USS Lexington, future Amusement Parks, and Private developments to build structured parking.
- North Beach needs increased public safety and quicker response times. When the new Harbor Bridge is completed, the closest Fire Station responding to North Beach will be on #3 on Morgan Avenue. This increased distance greatly slows response times. With over 800,000 visitors already showing up each year, increased public safety coverage is a necessity moving forward.











### **Next Steps: The Creation process**

#### **Current Progress & What happens next?**

- The Corpus Christi City Council voted April 9<sup>th</sup>, 2019 unanimously to support a motion of direction led by City Councilman Everett Roy, seconded by City Councilman Rudy Garza which included: "Direct staff for the legal department to pursue the creation of TIRZ #4 on North Beach."
- The North Beach Infrastructure Task Force has provided the City of Corpus Christi its feasibility and financial analysis of the 400+ taxable properties, including 20 year valuation projections at no cost.
- We, the North Beach Infrastructure Task Force, dozens of volunteers and many supporters, are encouraged by the commitment to understand the need already made by Corpus Christi City Manager Peter Zanoni, his Chief of Staff Michael Rodriguez, Engineer Jerry Shoemaker, and the exceptional detailed work by Arlene Medrano in moving forward with its creation. There are many who are working on this within the city, however these four have really stepped up and shown their level of expertise.
- With your support of this resolution today, instilling confidence; we anticipate the City holding a Public Hearing with presentation to City Council by city staff recommending to create TIRZ #4 on North Beach in the <u>next 30-45 days</u>.

### **Next Steps: The creation process**

#### The 8 Steps to the City Creating a TIRZ:

- Prepare a Preliminary Financing Plan (At or near completion)
  - City publishes the hearing notice (We anticipate very soon)
- City holds a public hearing (We anticipate 30-45 days)
- City designates a reinvestment zone (Draft Boundary is defined)
- City prepares a project plan and a financing plan (At or near completion)
- Contribution to the tax increment fund by other taxing units
- Implement tax increment financing (Including establishing a TIRZ Board)
- Submit annual reports

#### County of Nueces

CAROLYN VALIGIEN Commissional Precipit I

DOE A. GONZALEZ Commissioner Precing 2



Project 2

JOHN MARKE

County Judge Names County Courfessor, Rosen 26 881 Leopaid Street Corner Christi, Toran 78401-7047

inusty Judge y Courfanne, Benno 363 Leopaid Street

#### COMMISSIONERS COURT RESOLUTION IN SUPPORT OF THE PROCESS FOR THE CREATION OF NORTH BEACH TIRZ 44.

WHEREAS, Nucces County Commissioners Court recognizes that North Beach, a federally designated Opportunity Zone wholly within Nucces County, is in need of considerable infrastructure and drainage improvements that have plagued residents, businesses, and limited private sector investment on North Beach for decades: and

WHEREAS, the City of Corpus Christis began a North Beach Redevelopment Initiative with proper notice to the public, public hearings were held on Wesheeskly. February 21, 2018, during a meeting of the Planning Commission, and on Tuesday, Manth 20, 2018, during a meeting of the City Councel, in the Council Chambers, at City Hall, in the City of Cospus Christi, during which all interested persons were allowed to arecer and be brand: and

WHEREAS, the City of Corpus Christi invited the public to workshops and public meetings that were held on February 9, 2017, April 19, 2017, April 20, 2017, April 20, 2017, and February 15, 2018 to give input to help develop a Redevelopment Initiative for North Bonds, and to receive public feedback; and

WHEREAS, the City of Corpus Christi coordinated with various community agencies and organizations, including Nucces County, throughout the process of developing the North Beach Rodevelopment Initiative; and

WHEREAS, on April 24th, 2018, the City of Corpus Christi appointed a North Beach Infrastructure Task. Force, including Chairperson Noxecce Courty Commissioner Carolyn Vaughts to 1) Review the North Beach muster plan. 2) Mentify an implementation plan, and 3) Provide a report to the City Council; and

WHEREAN, on April 9th, 2019, the North Beach Infrastructure Task Force presented its recommendations to the Corpus Christi City Council, including the creation of the North Beach TBRZ 94 in May 2019; and

WHEREAS. Niecess County Commissioners Court aims to provide confidence to the City of Compus Christi through this resolution that Niecess County sedcomes and supports the process of the creation of the North Beach TREZ Fig. as recommended by the North Beach Indianturature Yask Force.

NOW, THEREFORE, BE IT RESOLVED BY THE NUECES COUNTY COMMISSIONERS COURT, that the Commissioners Court of Nueces Guerty, does heardy support the process of the City of Cospus Christi creating the North Beach TBZ. 84 on or before July 31, 2019, details subject to further review with possible action of support and full participation by the Nueces County Commissioner's Court.

DULY ADOPTED BY VOTE OF THE COMMISSIONERS COURT OF NUECES COUNTY, TEXAS ON THE 10<sup>100</sup> DAY OF JULY, 2019.

	BARBARA CANALES Numero County Andge	
CAROLYN VALGHN Commissioner, Precine 1		JOE A. GONZALI Commissioner, Precise
JOHN MAREZ Commissioner, Precinct 3		BRENT CHESNI Commissioner, Presinc
	TEST	

ATTEST:

KARA SANDS, County Clerk

