

# Whitecap Improvement District #1



NORTON ROSE FULBRIGHT



# Public Improvement District Petition Briefing

- PID Policy was adopted on March 31, 2020
- Two PID applications have been submitted to the City of Corpus Christi
- Whitecap PID application was submitted on September 22, 2021
  - Petition submitted on February 9, 2022
  - Revised Petition submitted on April 8, 2022
- City Council was briefed on the concepts of PIDs, Texas Local Government Code Chapter 372 and comparisons of economic development tools
- Ashlar Development introduced the Whitecap Improvement District #1 on April 12, 2022
- Set the Public Hearing and Accept the Petition on April 26, 2022
- Approved the creation of the Whitecap Public Improvement District #1 on May 17, 2022.



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# Public Improvement District Overview

- A Public Improvement District (PID) is created by a City
  - The PID can only pay for public infrastructure that benefits the property within the PID
- Council action is required at each step of the PID process
- City-issued PID bonds are repaid only from the assessments collected from the benefited properties within the PID boundaries
  - City keeps 100% of taxable assessed value and sales tax revenues (other forms of development assistance typically require the City to share property tax and sales tax dollars with the developer)
- Administration, collection costs and other legal and financial services are paid by the assessments collected from the benefited properties within the PID boundaries.
- Ability to overlay a TIRZ to pay for additional regional public improvements



# Public Improvement District

## DO:

- Generally, creation, administration, and bond issuance costs associated with the PID are not paid by the City – they are paid from deposits by the Developer, from the annual PID installments, or from PID Bond proceeds
- Bonds are paid from PID assessments not City property taxes
- The PID allows the City to negotiate above the minimum development standards.
- New construction in a PID increases City's taxable assessed values
- Allows for negotiated development standards that are prohibited by State Law except through Planned Development
- Provides enhanced public improvements
- Requires a Traffic Impact Analysis

# Public Improvement District

## DOES NOT:

- The issuance of PID bonds **does not** impact the City's bonding capacity or bond rating
- PIDs are not separate political subdivisions and do not have the authority to levy property taxes
- PIDs do not have the ability to act unilaterally – City action is required at all steps

# For Additional Information

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