



AGENDA MEMORANDUM

First Reading Ordinance for the City Council Meeting of October 27, 2015
Second Reading Ordinance for the City Council Meeting of November 10, 2015

DATE: September 24, 2015
TO: Ronald L. Olson, City Manager
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Authorizing Tax Increment Reinvestment Zone #3 to Expend Funds and Approve Reimbursement Agreements.

CAPTION:

Ordinance authorizing the Tax Increment Reinvestment Zone #3 Board ("Board") to approve expenditure of funds and reimbursement agreements in accordance with the TIRZ #3 Project and Financing Plan ("Project Plan").

PURPOSE:

The purpose of this item is to authorize the TIRZ #3 Board to approve expenditure of funds and Reimbursement Agreements, in order to implement the Project Plan.

BACKGROUND AND FINDINGS:

In 2008, the City of Corpus Christi created TIRZ #3 in the City's downtown. On August 25, 2015 the Council approved the Project Plan by ordinance.

To implement the Project Plan, we are establishing a new set of processes that require teamwork, flexibility and continuous refinement. Approval of the Project Plan has generated increased interest in downtown investments. Based on feedback from the private sector, it is clear that in order to accomplish the goals of the Plan, we need to keep the process succinct, simple and clear.

Currently, any reimbursement agreement or expenditure of funds would require approval at three meetings; one TIRZ #3 Board and two Council Meetings. Since Council members are on the TIRZ #3 Board, they see the same item three times. We have an opportunity to create another critical path by asking Council to authorize the TIRZ #3 Board to approve agreements and expenditure of funds. Chapter 311 of the Tax Code gives a Reinvestment Zone Board the authority to approve agreements and expend funds to implement the Project Plan, if authorized by the municipality.

When TIRZ #3 was conceived, these authorities were not delegated. However, based on the complexity of scheduling, the possible extended timeline these approvals would require and the amount of administrative work that is necessary to prepare multiple agenda items, we are requesting to have this authorization re-considered.

Additionally, since activation of TIRZ #3 is being undertaken with no additional staff,

streamlining administrative workload by delegating approval authority to a single body will increase efficiency and ensure this effort makes progress in a timely manner.

We have developed the TIRZ #3 Reimbursement Agreement Template (attached), so that the authority to approve reimbursement agreements is limited to the form approved by the Council.

ALTERNATIVES:

The Council could decide not to authorize the TIRZ #3 Board to approve expenditure of funds or reimbursement agreements.

OTHER CONSIDERATIONS:

The TIRZ #3 Board approved a resolution in support of this action on October 20, 2015.

CONFORMITY TO CITY POLICY:

Conforms with the Tax Code and City Charter.

EMERGENCY / NON-EMERGENCY:

Not Applicable

DEPARTMENTAL CLEARANCES:

Downtown Management District
Tax Increment Reinvestment Zone #3 Board

FINANCIAL IMPACT:

Operating Revenue Capital X Not applicable

Fiscal Year: 2015-2016	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget				
Encumbered / Expended Amount				
This item				
BALANCE				

RECOMMENDATION:

Staff recommends approval of the Ordinance as presented.

LIST OF SUPPORTING DOCUMENTS:

Ordinance – TIRZ #3 Board Approval Authorization
TIRZ #3 Template Reimbursement Agreement