



AGENDA MEMORANDUM

Corpus Christi Tax Increment Reinvestment Zone #3 Meeting November 28, 2017

DATE: November 10, 2017

TO: President and Honorable Board Members,
Corpus Christi Tax Increment Reinvestment Zone #3

THROUGH: Margie C. Rose, City Manager

FROM: Alyssa M. Barrera, Business Liaison
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Approval of a 3rd Amendment TIRZ #3 Reimbursement Agreement for the 600 Building at 600 Leopard Street
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CAPTION:

Motion approving Amendment No. 3 to the Downtown Development Reimbursement Agreement for the 600 Building with the 600 Building, L.L.C., which provides that the Developer must close on the purchase of the property on or before March 31, 2018.

PURPOSE:

The purpose of this item is to extend the closing date performance requirement for the 600 Building in response to Department of Housing and Urban Development (HUD) delays because of Hurricane Harvey's regional impacts.

BACKGROUND AND FINDINGS:

In 2016 the TIRZ #3 Board approved an incentive package for the 600 Building, a project to convert the existing office building to a 126-unit apartment complex. The developer, Marcel Wisznia, is a Corpus Christi native who has successfully converted historic buildings to apartments in New Orleans, Louisiana and sees an opportunity for this type of product in the Corpus Christi market. The project utilizes State and Federal Historic Tax Credits in addition to the Department of Housing and Urban Development (HUD) Mortgage Insurance for Rental and Cooperative Housing.

The Agreement includes a cap of \$2,560,000, to be paid over a ten-year period, composed of:

- \$10,000 Reimbursement for 126 Units, paid over 2 years
- Up to \$1,300,000 Reimbursement of taxes paid to City, County and Del Mar for 10 years.

In June 2017 the TIRZ #3 Board approved an Amendment extending the performance deadline to November 30, 2017. On September 20, 2017 we were notified that since Nueces County was in the Presidentially Declared Disaster Area, there would be additional delays in HUD's process. Staff has spoken with HUD's Regional Director of Multifamily Housing and recommends extending the performance deadline to accommodate HUD's requirements.

ALTERNATIVES:

If the TIRZ #3 Board adopts a different Code Citation threshold for the TIRZ #3 Development Agreement Template, this item shall be

- 1) Amended to incorporate the template changes
- 2) Approved as amended.

OTHER CONSIDERATIONS:

N/A

CONFORMITY TO CITY POLICY:

Conforms with the Tax Code, City Charter and TIRZ #3 Project & Financing Plan.

DEPARTMENTAL CLEARANCES:

Finance

Legal

FINANCIAL IMPACT:

☐ Operating ☐ Revenue ☐ Capital X Not applicable

Fiscal Year: 2017-2018	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget				
Encumbered / Expended Amount				
This item				
BALANCE				

RECOMMENDATION:

Staff recommends approving the amendment to the Agreement

LIST OF SUPPORTING DOCUMENTS:

Letter Requesting Extension – 600 Building

Amendment No. 3 - Downtown Development Reimbursement Agreement – 600 Building