



AGENDA MEMORANDUM

First Reading Ordinance for the City Council Meeting of May 8, 2018
Second Reading Ordinance for the City Council Meeting of May 15, 2018

DATE: April 25, 2018
TO: Margie C. Rose, City Manager
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Type A Grant for Nueces County Courthouse Development Partners, LLC

CAPTION:

Ordinance approving a Business Incentive Agreement between the Corpus Christi Business and Job Development Corporation and Nueces County Courthouse Development Partners, LLC, to provide a grant of up to \$3,000,000, for the creation of jobs and infrastructure construction to enhance economic development; appropriating said funds from the Business/Job Development Fund; and amending the budget.

PURPOSE:

Nueces County Courthouse Development Partners (Courthouse) will renovate the old County Courthouse to create a 159-room four-star hotel. They will create 25 full-time jobs.

BACKGROUND AND FINDINGS:

The old County Courthouse has not been in use since the County moved to the new courthouse in 1975. There have been many plans to renovate but none have come to fruition. This project is also receiving \$1,000,000 from the Downtown TIRZ #3. Courthouse will pay all of the back taxes owed to the various taxing entities 90 days after closing on the property. The City's portion is approximately \$300,000. The return on investment for this project is 26.1% and a payback of 3.9 years.

ALTERNATIVES:

If this project does not move forward the courthouse will be demolished once it is off of the historical rolls.

OTHER CONSIDERATIONS:

Once the replacement for the Harbor Bridge is complete all of the entrance ramps will be demolished and this building will be the gateway to downtown.

CONFORMITY TO CITY POLICY:

This project is consistent with the City's stated goals of promoting economic development and

incentivizing business to expand and thrive in downtown Corpus Christi.

EMERGENCY / NON-EMERGENCY:

Non-emergency

DEPARTMENTAL CLEARANCES:

Engineering

FINANCIAL IMPACT:

Operating Revenue Capital Not applicable

Fiscal Year: 2017-2018	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget		3,000,000		3,000,000
Encumbered / Expended Amount				
This item		3,000,000		3,000,000
BALANCE		0		0

Fund: Type A 1140

RECOMMENDATION:

Staff recommends approval of the Type A Grant to Nueces County Courthouse Development Partners, LLC in the amount of \$3,000,000 for the creation of jobs and infrastructure construction to enhance economic development.

LIST OF SUPPORTING DOCUMENTS:

Ordinance – Courthouse
Agreement – Courthouse
Economic Impact – Courthouse Project
Courthouse Application