



AGENDA MEMORANDUM

Corpus Christi Tax Increment Reinvestment Zone #4 Meeting of April 09, 2024

DATE: April 04, 2024

TO: President and Honorable Board Members,
Corpus Christi Tax Increment Reinvestment Zone #4

THROUGH: Peter Zanoni, City Manager

FROM: Heather Hurlbert, CPA, CGFO, Assistant City Manager
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Approval of TIRZ #4 Reimbursement Agreement for Fajitaville Restaurant

CAPTION:

Motion to approve a Development Reimbursement Agreement with C&P Monarch LP for exterior and interior improvements to the restaurant located at 221 S Hotel PL., that benefit the TIRZ #4, for a total incentive amount not to exceed \$879,984 and completion date on or before March 31, 2025.

SUMMARY:

This motion authorizes a Reimbursement agreement with C&P Monarch LP for improvements and project located at 221 S Hotel PL. Proposed project includes structural repairs and improvements, outdoor entertainment area repairs and improvement, mechanical/electrical/plumbing (MEP) repairs and improvements, fire safety repair and upgrades, façade improvements, landscaping, signage, exterior security cameras, and parking lot improvements.

BACKGROUND AND FINDINGS:

The primary functions of the TIRZ #4 Zone are to support Infrastructure Projects, Maintenance Projects, and Development Incentives. The North Beach Property Improvement Program is an incentive that encourages private investment in the existing structures and facilities on North Beach.

This is an impactful redevelopment project for North Beach that activates a currently vacant building. The location, which has been vacant since the restaurant closed in Spring of 2022, is situated near the popular Texas State Aquarium and the USS Lexington attractions that are visited by over 500,000 visitors annually. Scheduled for completion by March 2025, the developers will

complete significant exterior and interior renovations to the existing restaurant building. The planned improvements include:

- Repairs and enhancements to the outdoor entertainment area
 - MEP upgrades for the HVAC systems, elevators and kitchen
 - Structural repairs and improvements including roof and gutter system
 - Fire safety enhancements for the kitchen
 - Ground floor bar reconstruction
 - Building facade improvements
 - Exterior and parking lot landscaping
 - Installation of exterior security cameras
 - Upgrades to exterior lighting and electrical systems
 - LED lighting for building signage
 - Parking lot improvements
 - *Restaurant furniture and fixtures**
 - *Kitchen equipment**
- *Improvements not eligible for reimbursement consideration but part of the total investment

The total investment by the developer in the project is estimated at \$2,933,280.

The total costs eligible for reimbursement include the following:

Eligible Reimbursement Project Costs	
Description	Estimate
Structural Repairs & Improvements	\$210,440
Outdoor entertainment area including patio, stage, ground level bar/restaurant sitting area, and gazebo repairs and improvements	\$548,450
MEP-HVAC, elevators, and kitchen	\$839,560
Fire Safety	\$153,900
Façade Improvement	\$99,800
Landscaping-Exterior, outdoor entertainment area, and parking lot	\$344,380
Signage	\$25,000
Security Cameras	\$52,800
Parking Lot Improvements	\$40,600
Total Eligible Reimbursement Project Costs	\$2,314,930

The program allows for a reimbursement of up to 50% of total eligible costs. This would allow for a reimbursement of up to \$1,157,465. Based on best practices that allows for reimbursement of not more than 30% of the total investment, staff recommends a reimbursement of an amount not to exceed \$879,984 which is equal to 30% of the total investment.

The incentives will be paid out on a reimbursement basis in five annual payments beginning in fiscal year 2025, as funds are available in the TIRZ.

ALTERNATIVES:

The Board could choose not to approve this agreement or modify the incentive amount.

FINANCIAL IMPACT:

The funding source for this project is from the TIRZ #4 North Beach Property Improvement Program in an amount not to exceed \$879,984. The incentives will be paid in five annual payments beginning in fiscal year 2025.

Funding Detail:

Fund: 1114
Organization/Activity: 13905
Mission Element: 57
Project # (CIP Only): N/A
Account: 540450

RECOMMENDATION:

Staff recommends approval of this agreement.

LIST OF SUPPORTING DOCUMENTS:

PowerPoint – Fajitaville Presentation Agreement