



## **AGENDA MEMORANDUM**

Action item for the Tax Increment Reinvestment Zone #2 Meeting of July 15, 2025

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**DATE:** July, 10, 2025

**TO:** Board of Directors  
Tax Reinvestment Zone No. 2

**THROUGH:** Peter Zaroni, City Manager

**FROM:** Arturo Marquez, CECD, Ms. Econ, Director of Economic Development  
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361-826-3885

<p><b>Motion Approving the Developer's Request to Amend the Developer Reimbursement Agreement with Ashlar Interests, LLC</b></p>
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**CAPTION:**

Motion approving an amendment to the Tax Increment Reinvestment Zone #2 (TIRZ #2) Development Reimbursement Agreement with Ashlar Interests, LLC to revise the payment schedule for the Commodores Drive Bridge Project, modify the payment and scope of work for the Encantada Mobility Bridge Project, and descope the Aquarius Street Box Culvert Water Exchange and Aquarius Street Water Quality Circulation Aqueduct Products.

**SUMMARY:**

This motion approves an amendment to the Tax Increment Reinvestment Zone #2 (TIRZ #2) Development Reimbursement Agreement with Ashlar Interests, LLC to revise the payment schedule for the Commodores Drive Bridge Project, adjust the payment terms and scope of work for the Encantada Mobility Bridge Project, and remove the Aquarius Street Box Culvert Water Exchange and Aquarius Street Water Quality Circulation Aqueduct projects from the agreement.

**BACKGROUND AND FINDINGS:**

The total eligible public infrastructure improvements for the Development Reimbursement Agreement with Ashlar Interests, LLC, for the Whitecap development in TIRZ #2 amount

to \$25,500,000, which includes the following projects:

<b>Projects</b>	<b>Estimated Investment</b>
2 Mobility Bridges	\$4,000,000
Preserve Community Walking Trail	\$1,200,000
Aquarius Street Box Culvert Water Exchange	\$400,000
Commodores Dr Ave Mobility Bridge	\$9,200,000
Encantada Ave Mobility Bridge	\$2,700,000
Whitecap Effluent Line to Preserve Ponds	\$1,000,000
Preserve Ponds Interconnectivity	\$300,000
Public Mobility Bridge at Park Road 22	\$3,000,000
Aquarius Street Canal Walk	\$2,100,000
Kayak Launches at Public Parks	\$600,000
Aquarius Street Water Quality Circulation Aqueduct	\$1,000,000
<b>Total Investment</b>	<b>\$25,500,000</b>

The Commodores Drive Bridge project is nearing completion and is expected to be finalized by September 2025. The current Development Reimbursement Agreement outlines reimbursement in three equal annual payments of \$3,066,667. The developer is requesting an amendment to modify the payment structure to \$4,000,000 in FY 26, \$3,500,000 in FY 27, and \$1,700,000 in FY 28.

In addition, the developer is requesting modifications to the Encantada Bridge project. The original scope included a bridge with clearance for boat passage; however, this is no longer feasible due to right-of-way constraints. The new scope reduces the payment from \$2,700,000 to \$650,000 and changes the scope of work to only include dredging. The developer is also requesting to descope the Aquarius Street Box Culvert Water Exchange project, totaling \$400,000, and the Aquarius Street Water Quality Circulation Aqueduct project, totaling \$1,000,000, from the Development Reimbursement Agreement. As the project has progressed, the developer will no longer pursue these items.

#### **FISCAL IMPACT:**

The fiscal impact is a decrease of \$3,450,000 from the developer reimbursement agreement, adjusting it to \$22,050,000. Increasing the first payment in FY 26 for the Commodores Bridge Project to \$4,000,000.

**FINANCIAL DETAIL:**

Fund:	1111	TIF #2
Organization/Activity:	10273	Whitecap Development
Mission Element:	57	Economic Development
Project # (CIP Only):	N/A	
Account:	540450	Reimbursement to Developer

**RECOMMENDATION:**

City staff recommends approving the amendment to the TIRZ #2 Development Reimbursement Agreement with Ashlar Interests, LLC to revise the payment schedule for the Commodores Drive Bridge Project, modify the payment and scope of work for the Encantada Mobility Bridge Project, and descope the Aquarius Street Box Culvert Water Exchange and Aquarius Street Water Quality Circulation Aqueduct Products.

**LIST OF SUPPORTING DOCUMENTS:**

Presentation