



DATE: September 4, 2019

TO: Peter Zanoni, City Manager

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Approval of TIRZ #3 Reimbursement Agreement for 31102, LLC at 201 S Chaparral Street

CAPTION:

Motion to approve a Downtown Development Reimbursement Agreement with 31102, LLC for improvements to the property located at 201 S Chaparral Street for a total incentive amount not to exceed \$220,000, effective upon signature by the City Manager or designee.

SUMMARY:

This motion authorizes a Reimbursement Agreement with 31102, LLC through the Downtown Living Initiative Program in the amount of \$220,000.

BACKGROUND AND FINDINGS:

The Incentive Programs adopted by the TIRZ #3 Board in the Project and Financing Plan are specially structured to encourage specific types of development, key to our community's long-term goal of Downtown Revitalization. The Downtown Living Initiative Grant Program was created to increase residential units in the Reinvestment Zone.

On August 27, 2019 the TIRZ #3 Board directed staff to prepare a Downtown Development Reimbursement Agreement with 31102, LLC at 201 S Chaparral Street. The Developer will be renovating the property known as the Limerick Apartments which has been vacant since April 2018 due to a fire on the first floor which rendered the apartment complex unfit for occupancy. The project includes a full-scale renovation to include new HVAC, electrical, plumbing, roof, fire safety systems, and elevator systems. Each of the 29 apartment units will have new paint, flooring, cabinets, appliances, and fixtures. The exterior improvements will include new doors, paint, improved lighting, front and rear awning, and new signage. The parking lot will be resurfaced and striped. Per the Downtown Living Initiative Program, 22 out of 29 units are eligible for the \$10,000 incentive per unit due to 22 units having dedicated on-site parking. The total project cost is \$1,702,100.

ALTERNATIVES:

The Board could choose not approve this agreement.

FINANCIAL IMPACT:

The funding source for this project is from the TIRZ #3 Downtown Living Initiative Program. On July 23, 2019, the TIRZ # 3 Board amended the Reimbursement Agreement for the Stonewater projects. This action deobligated \$395,000, making funds available for this project. The Limerick Apartment Project will consist of a one-time expenditure of an amount not to exceed \$220,000. The remaining balance in the Downtown Living Initiative Org for FY 2019 will be \$175,000.

Funding Detail:

Fund: 1112
Organization/Activity: 10278
Mission Element: 707
Project # (CIP Only): N/A
Account: 540450

RECOMMENDATION:

Staff recommends approving the agreement.

LIST OF SUPPORTING DOCUMENTS:

TIRZ #3 Reimbursement Agreement – Limerick Apartments