



## AGENDA MEMORANDUM

First Reading Ordinance for the City Council Meeting of October 31, 2023  
Second Reading Ordinance for the City Council Meeting of November 14, 2023

**DATE:** October 12, 2023  
**TO:** Peter Zaroni, City Manager  
**FROM:** Heather Hurlbert, CPA CGFO, Assistant City Manager  
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**Approval of Tenth Amendment to the TIRZ #3 Project & Financing Plan, Appropriation of Funds from Fund Balance, and Amending the Operating Budget**

**CAPTION:**

Ordinance approving the amended Tax Increment Reinvestment Zone #3 Project & Financing Plans, which includes language regarding revitalization and cleaning of the Zone and the creation of a new Rooftop Activation incentive program; appropriating \$1,944,727.00 from the TIRZ #3 fund balance for additional program expenses recommended by the Downtown Management District; and amending the operating budget, all as approved by the Board of Directors of Reinvestment Zone Number Three, City of Corpus Christi, Texas on September 19, 2023

**SUMMARY:**

The purpose of this item is to approve the amended Project & Financing Plan; appropriation of \$1,944,727.00 from the TIRZ #3 fund balance; and amending the operating budget.

**BACKGROUND AND FINDINGS:**

In 2008, the City of Corpus Christi created Tax Increment Reinvestment Zone #3 in the City's Downtown, adopting a draft Project & Financing Plan (Project Plan). The Project Plan is required by the State, must include all activities of a Tax Increment Reinvestment Zone, and must be adopted by the municipality by ordinance.

In 2015, the TIRZ #3 Board and City Council approved an Amended Project Plan, which created programs and initiatives to facilitate types of development needed in the downtown. In 2016, a Second Amendment was made to expanded programming and services from the Downtown Management District; refined Incentive Programs; and enabled funds to be expended for public, cultural and/or historic properties within the Zone and extended Del Mar College's Participation. Seven additional amendments have been made to broaden the scope of programs and initiatives.

This tenth amendment adds the following sections to the Project Plan:

**11. Other Revitalization Services** – The DMD will also provide revitalization services to the zone. These services will include operations – such as cleaning, beautification, landscaping, and seasonal improvements; as well as activities that improve business operations and climate, as allowed by Chapter 311; as well as activities approved by the Board that are found to be convenient for improving implementation of the project and financing plan. The DMD will propose an annual list of one-time projects but may include re-occurring services in the Interlocal Agreement with the annually approved Service Plan. Examples include – micro mobility (previously Bike Share), district wide branding, website development, construction mitigation and other items that provide a unified front door for TIRZ #3.

**12. Rooftop Activation Program** - In many waterfront downtowns, rooftops are utilized as patios to create unique experiences that highlight the views. Historically, there have been challenges with the cost of meeting codes required to create these spaces in Corpus Christi. By making incentives available to downtown businesses and buildings for this feature, we may expand the availability of these types of businesses. In this program, TIRZ #3 will agree to reimburse an approved existing or new business' rooftop patio improvements, as well as rooftop access. Qualified rooftop patio and accessibility expenses include: floor and wall upgrades, lighting, security cameras, signage, bar build out, restrooms, mechanical/electrical/ plumbing costs, roof repair, structural roof support, rooftop safety, permanent seating, awnings, rooftop accessibility costs (elevators and stairs), enclosed landings, windows, doors, and other permanent fixtures. An owner or tenant can qualify for up to 50% of the overall eligible costs, but payout will not exceed \$500,000 per year per building.

**Operating Budget Amendment** - During the June and July 2023 TIRZ #3 meeting, City staff and DMD staff jointly presented a budget that included projects and expenses identified by the DMD for the TIRZ area, a final decision was postponed until an updated service plan could be provided by the DMD to the TIRZ #3 board. At the September TIRZ #3 meeting, the DMD presented their proposed service plan along with the identified needs requests, which included one-time line-item expenditures not exceeding \$1,734,727 and an increase in the DMD's interlocal agreement by \$210,000. All as approved by the TIRZ #3 Board on September 19, 2023.

### **ALTERNATIVES:**

City Council may choose not to adopt or modify the Tenth Amendment to the Project Plan. City Council may also choose not to allocate funds from the fund balance or choose to make modifications to the dollar amount. Additionally, City Council may choose to not amend the operating budget or choose to make modifications to it.

### **FISCAL IMPACT:**

The financial impact is an increase in the TIRZ #3 operating budget of \$1,944,727.00 for programs and operations of the TIRZ #3.

**FUNDING DETAIL:**

Fund: 1112  
Organization/Activity 10287  
Department 57  
Project # (CIP only) N/A  
Account: 530000  
Amount: \$210,000

Fund: 1112  
Organization/Activity Requesting new org  
Department 57  
Project # (CIP only) N/A  
Account: 530000  
Amount: \$1,734,727

**RECOMMENDATION:**

Staff recommends approving the Project and Financing Plan amendment and the FY 2023-24 TIRZ #3 operating budget amendment.

**LIST OF SUPPORTING DOCUMENTS:**

Ordinance  
Tenth Amendment to TIRZ #3 Amended Project & Financing Plan  
Presentation – Tenth Amendment to Project Plan – Rooftop Activation Program