



AGENDA MEMORANDUM

Action Item for Tax Increment Reinvestment Zone #2 June 10, 2025

DATE: June 6, 2025

TO: Peter Zaroni, City Manager

FROM: Arturo Marquez, Director of Economic Development
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Discussion on possible amendment the TIRZ #2 Development Reimbursement Agreement with Ashlar Interests, LLC to revise project scope and payment schedule.

CAPTION:

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

BACKGROUND AND FINDINGS:

At the April 18, 2023 TIRZ #2 meeting, the board approved the Development Reimbursement Agreement located in TIRZ #2 in an amount not to exceed \$11,500,000 for public infrastructure improvements related to the Whitecap PID, a large-scale development in the zone. The approved eligible infrastructure improvements included:

Projects	
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	\$3,200,000
Encantada Ave Mobility Bridge	\$2,700,000
Total Investment	\$11,500,000

At the January 23, 2024 TIRZ #2 meeting, the board approved an amendment to the TIRZ #2 Development Reimbursement Agreement with Ashlar Interests, LLC, for the Whitecap development, which increases the reimbursement by an amount not to exceed \$14,000,000 for additional public improvements projects related to the large-scale development in the Zone, with a total reimbursement amount not to exceed \$25,500,000.

Additional Funded Projects	
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
Commodores Bridge Project - Construction Bid Cost	\$6,000,000
Total Additional Funded Projects	\$14,000,000

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 instead receive two equal annual payments of \$4,600,000 in FY 2026 and FY 2027. While we can accommodate a revised payment schedule, reimbursements would be contingent on available funding.

In addition, the developer is proposing 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. Discussions are now focused on the use of box culverts beneath the bridge to ensure adequate water flow.

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.

As the development continues to move forward there may be additional requests from the developer for other public improvement projects to be funded.

LIST OF SUPPORTING DOCUMENTS:

Presentation