



AGENDA MEMORANDUM

Corpus Christi Tax Increment Reinvestment Zone #3 Meeting July 30, 2024

DATE: July 16, 2024

TO: Peter Zaroni, City Manager

FROM: Alyssa Barrera Mason, Executive Director, CCDMD
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**Approval of TIRZ #3 Downtown Development Reimbursement Agreement with
YC Texas Hotel, LLC at 601 N Water Street for Hotel Arya Retail Space**

CAPTION:

Motion to approve a Downtown Development Agreement with YC Texas Hotel, LLC for improvements to the property located at 601 N Water Street for a total incentive amount not to exceed \$20,000, effective upon signature by the City Manager or designee.

SUMMARY:

This motion authorizes a Reimbursement Agreement for YC Texas Hotel, LLC in the amount of \$20,000 from the Commercial Finish Out (Landlord) Program. The owner proposes improvements to the vacant space to prepare for a future tenant.

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, the key to our community's long-term goal of Downtown Revitalization. The Commercial Finish Out Program was created to assist businesses in the Reinvestment Zone with regard to interior permanent/semi-permanent finish-out improvements.

YC Texas Hotel, LLC acquired this property at 601 N Water Street in 2019 and plans to completely transform the former Bayfront Hotel into a new 200-room hotel, *The Hotel Arya*. With the hotel construction underway the retail space is in need of extensive repair in order to move forward with future tenant plans. The owner proposes all new mechanical, electrical and plumbing installation as well as a new HVAC system to be installed in the space.

ALTERNATIVES:

The Board could not approve this agreement or limit the incentive amount.

FINANCIAL IMPACT:

The funding source for this project is from the TIRZ #3 Commercial Finish-Out (Landlord) Program. The budget for this program is \$20,000.

Funding Detail:

Fund: 1112 – TIF #3
Organization/Activity: 10277 – Commercial Finish-Out Program
Mission Element: 707 – Economic Development
Project # (CIP Only): N/A
Account: 540450 – Reimbursement to Developers

RECOMMENDATION:

Staff recommends approving this agreement. The proposed interior improvements will significantly improve the current condition of the retail space allowing for a future tenant to occupy the space.

LIST OF SUPPORTING DOCUMENTS:

TIRZ #3 Presentation – Hotel Arya Retail Space (Landlord)
TIRZ #3 Reimbursement Agreement – Hotel Arya Retail Space (Landlord)
TIRZ #3 Exhibit – Hotel Arya Retail Space (Landlord)