

Downtown Area Development Plan

Draft vision and implementation initiatives

Planning Commission Workshop

April 15, 2015



DRAFT



Downtown
AREA DEVELOPMENT PLAN

Agenda

- Welcome
- Planning process update
- Technical findings:
 - Office, hotel and retail market opportunity
 - Development economics
 - Transportation
- Draft vision themes
- Draft implementation strategies
- Discussion



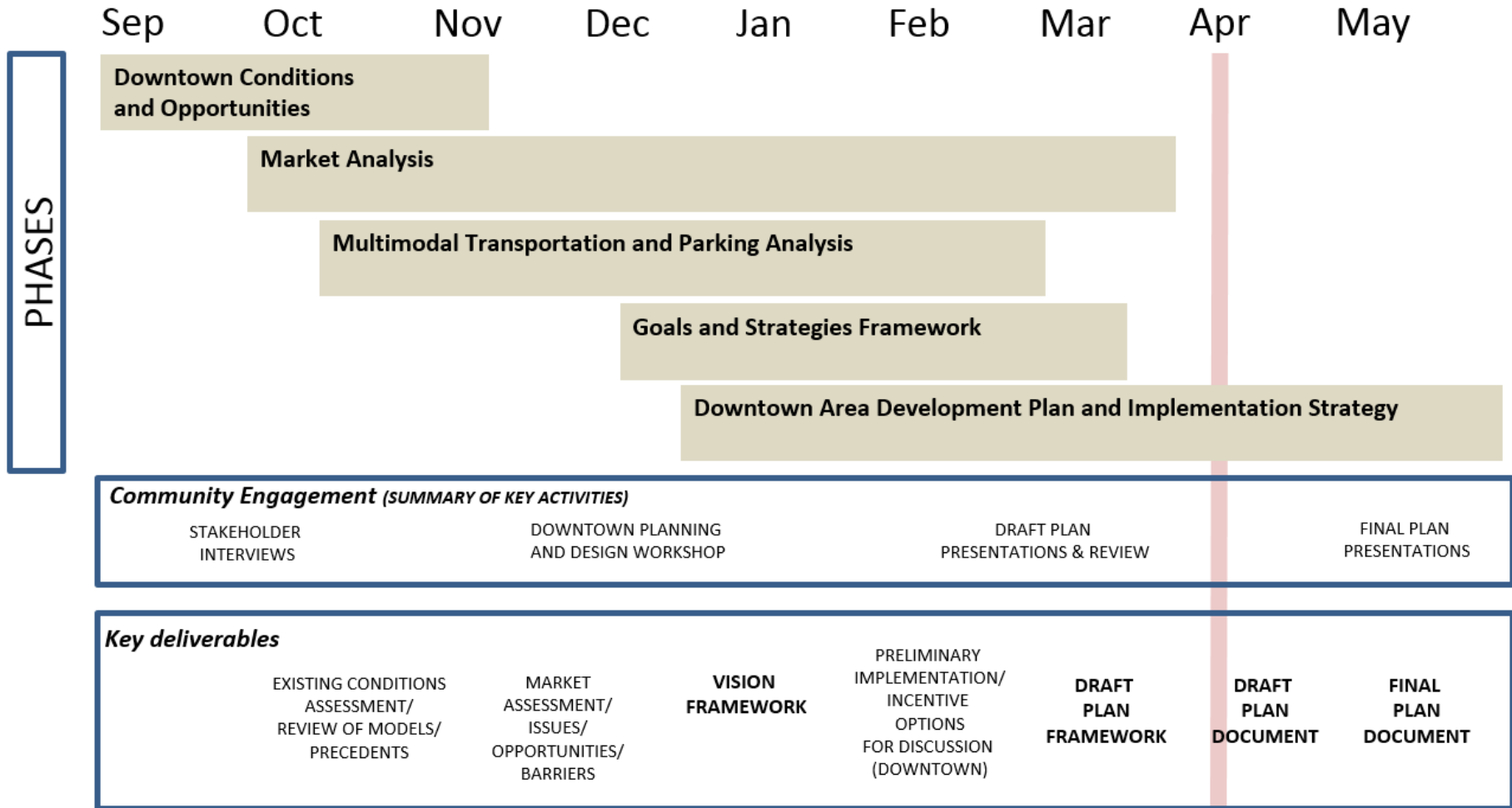
DADP Study Area

LEGEND

- Recent/ ongoing housing development
- ✱ Potential or planned development
- Recent park or path improvement
- Potential park or path improvement
- Planned/ ongoing road improvement
- Road removal
- Potential new Connection
- Potential enhanced connection
- Special opportunity for change due to recent or potential investments



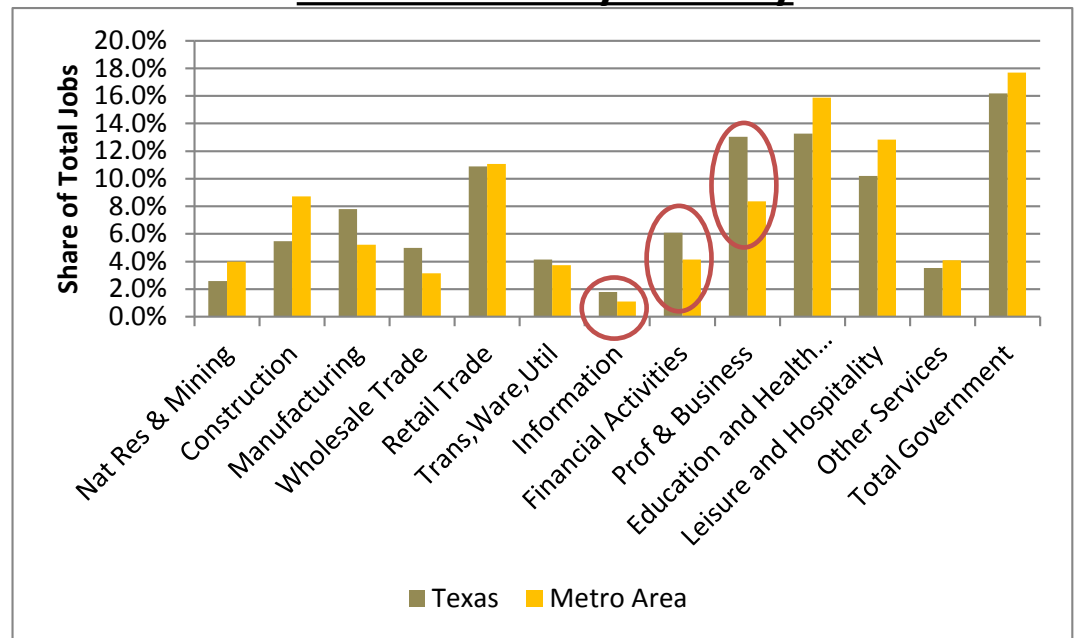
Planning process



Office Market: Trends

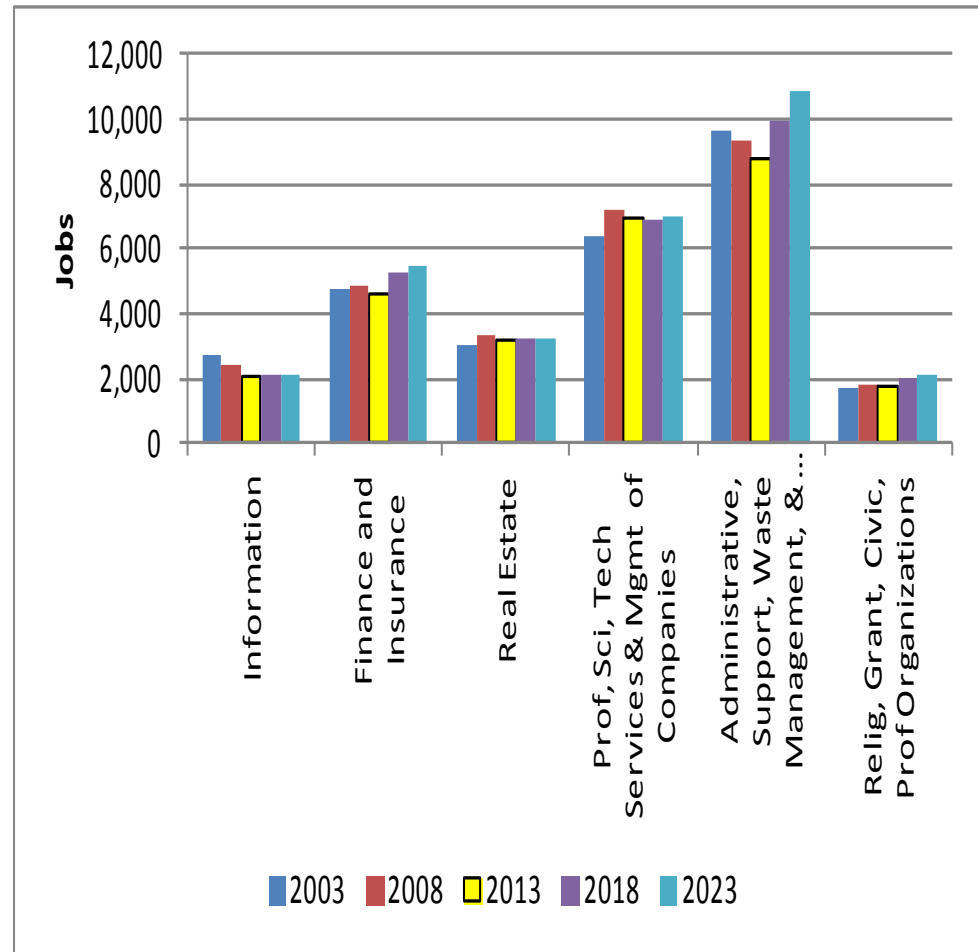
- **Corpus Christi economic base** not conducive to Downtown office market
- **Office vacancy** among large buildings in the Plan Area – 19% vacant
 - Uptown – 17%
 - Downtown – 19%
- Low Class A rent @ \$20 sq ft

Share of Jobs by Industry



Office Market: Conclusions

- Growth projected in **administrative and support industries**, not typically Downtown tenants.
- Limited growth among other office-inclined industries.
- <100,000 square feet of Downtown office demand in 10 Years.
- **Existing vacant space will accommodate employment growth.**



Hotel Market: overview

- Among mid- and upscale hotels reporting operating performance, over one-third of the rooms are in the DADP.

DADP Hotel Stock

	Scale	Rooms
<u>Downtown</u>		
Omni Corpus Christi Hotel	Upscale	475
Holiday Inn Corpus Christi Downtown Marina	Midscale	346
Best Western Marina Grand Hotel	Midscale	173
Super 8 Corpus Christi/Bayfront	Economy	94
Bayfront Plaza Hotel	Independent	200
Bayfront Inn	Independent	120
V Boutique Hotel	Independent	8
Sub-Total		1,416
<u>North Beach</u>		
Radisson Hotel Corpus Christi Beach	Upscale	139
Quality Inn & Suites On The Beach	Midscale	112
Knights Inn	Economy	39
Days Inn CC Beach	Economy	55
Sub-Total		345
Total DADP Area		1,761
Source: Hotels.com; Smith Travel Research		

DADP Hotel Sample

	Open Date	Scale	Rooms
Omni Corpus Christi Hotel	1985	Upscale	475
Holiday Inn CC Downtown Marina	2013	Midscale	346
Best Western Marina Grand Hotel	1970	Midscale	173
Radisson Hotel Corpus Christi Beach	1960	Upscale	139
Quality Inn & Suites On The Beach	2000	Midscale	112
Total			1,245
Source: Hotels.com; Smith Travel Research			

Hotel Market: trend

- Tourism and economic expansion have fueled the hotel economy.
- The hotel economy is healthy.
- DADP weekend hotel revenue exceeds city average, evidence of its role in tourism

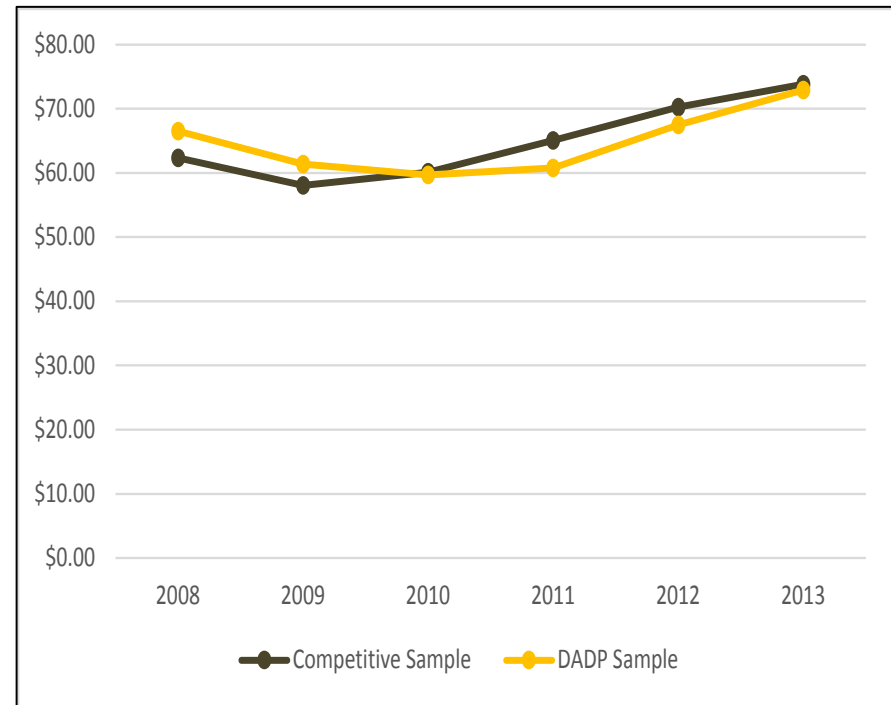
Available Roomnights

Year	Remainder of City	SPID	DADP
2008	299,440	277,810	454,425
2009	335,460	318,540	454,425
2010	346,020	330,690	454,425
2011	346,020	344,386	454,425
2012	346,020	354,050	443,699
2013	361,122	391,645	443,699
Change '08-'13	21%	41%	-2%

Source: Smith Travel Research; W-ZHA

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Revenue Per Available Room (2013 \$'s)



Hotel Market: conclusions

- Visitor market has grown by 2.4% per year since 2006. Continuation of this trend would create demand for 500 more rooms by 2023.
- Schlitterbahn will attract additional rooms to the Island.
- Low gas prices may slow business travel in near term.
- **DADP: 150 to 250 non-convention hotel rooms by 2023.**

Development Economics: yield and incentives

- What is “investment yield” and why does it matter?

Example 165-unit multi-family Downtown development project

Net Operating Income \$2,226,979

Total Development Cost \$34,615,698

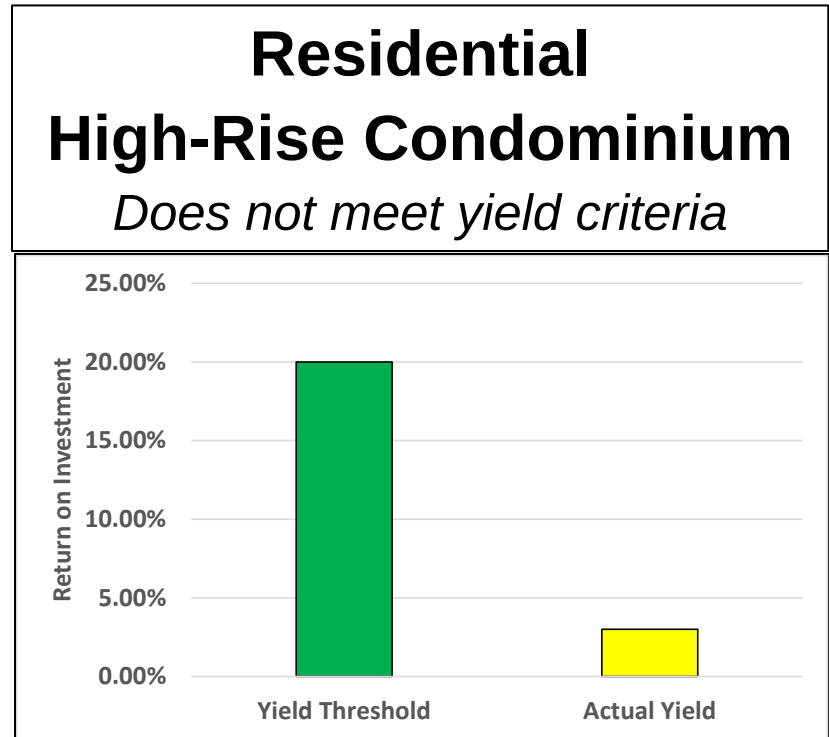
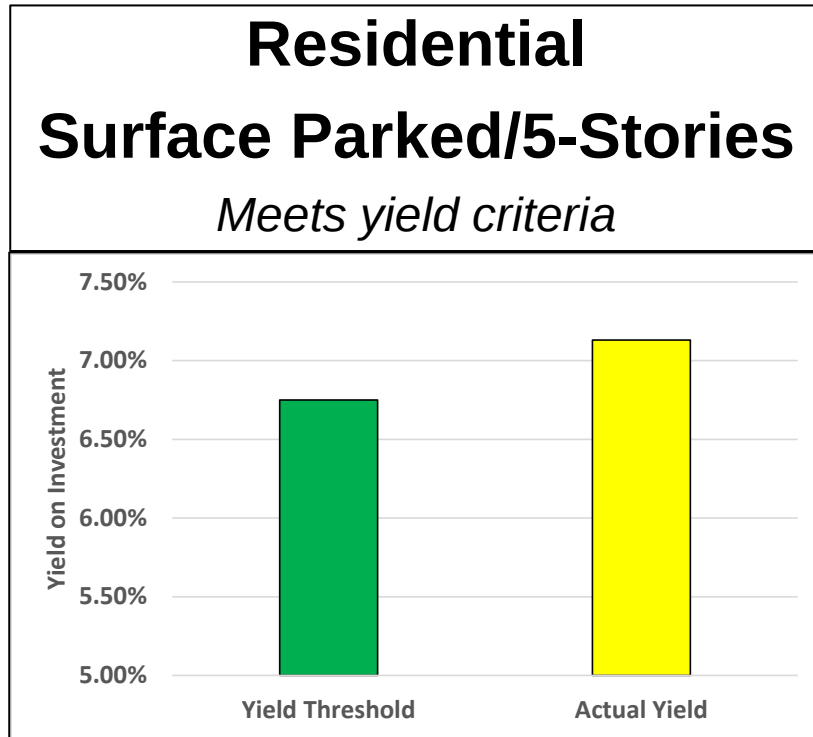
Yield on Investment 6.43%

Minimum Threshold 6.75%

Doesn't meet threshold

- Incentives can be offered by the City to **make up the gap** and to support community goals, such as Downtown housing

Development Economics: feasibility depends on construction type and land use



Hotel with structured parking infeasible without subsidy as well.

How to capture market-driven investment

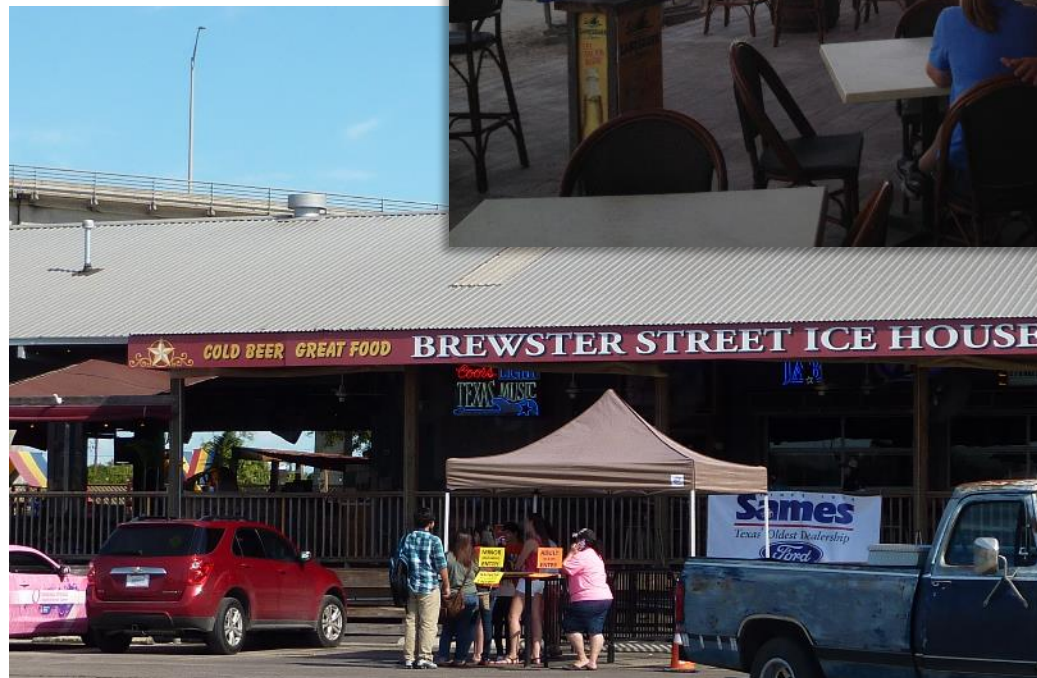
Refine and optimize investment tools for the Downtown Area to make Corpus Christi an attractive, welcoming, and safe place to do business

- **Property Tax Abatement** – *economic development*
- **Tax Increment Reinvestment Zone (TIRZ)** – *economic development*
- **Public Improvement District (DMD)** – *marketing, security, cleanliness, events/programming*
- **Type A Funds** – *economic development, affordable housing*
- **Various Local Government Corporations** - *housing*
- **Chapter 380 Agreements** – *commercial development*
- **City's Capital Improvement Plan** - *infrastructure*
- **Development Services Expedited Reviews/Approvals**

Retail market: current positioning

Strengths:

- Live music
- Bars & nightlife
- Unique/locally-owned restaurants
- Visitors



Retail market: growth opportunities

- Additional small (100-person) and mid-size (1,000-person) live music venues
- Diversified nightlife – combining elements like nightclub + bowling, dueling piano bar, “barcade”, sports bar, multiplex cinema
- Additional destination dining capturing growing demand – one-of-a-kind and established regional enterprises
- Mobile retail (food trucks)



Retail market: neighborhood retail possibilities

Current market demand may support:

- Limited-assortment grocer
- Discount variety store
- Family restaurant/diner
- Coffeehouse
- Catalytic daytime anchors
 - Additional family-themed amusement destinations?
 - Outdoor outfitter
 - Art supplies/TAMU-CC art school



Retail market: implementation strategies

- Focus on one district, and one main street
 - Chaparral Street downtown
 - Additional retail nearby on Peoples, Schatzell
 - Mobile retail at La Retama Park, Shoreline Boulevard
- New opportunities on vacant/redevelopment sites
- Harness TIRZ for fit-out support
- Enlist DMD to assist tenanting, marketing, clean/safe
- Expand evening transit connecting among Downtown, SEA District, North Beach, TAMU-CC



Transportation: improving SEA District access



Transportation: Harbor Bridge opportunities



LEGEND

- NEW CROSSINGS
- NEW RECREATIONAL TRAIL
- Boulevard Improvements

Transportation: enhancing transit

LEGEND

- North-south transit
- East west transit
- Dedicated Shoreline shuttle route
- Enhanced ferry service
- Key interchanged points



Transportation: convenient, efficient parking

- Organize management+placement of on street Parking: pricing, time limits, and investment of proceeds
- Sample "Parking Sheds" with opportunity for land uses with different demand peaks to share spaces

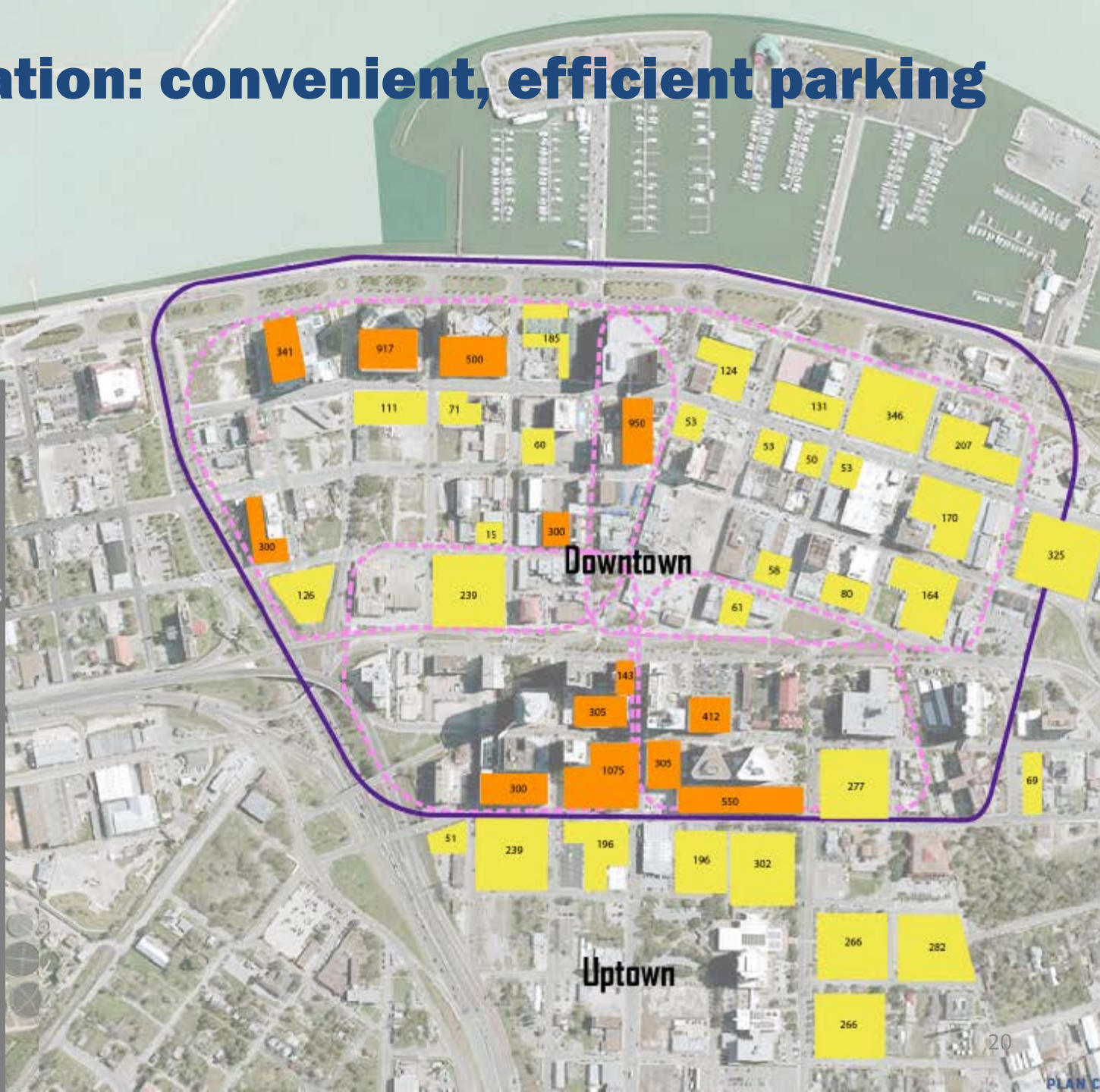
Uptown

- Existing surface parking spaces total 1,802
- Existing structured parking spaces total 0

Downtown

- Existing surface parking spaces total 2,492
- Existing structured parking spaces total 6,917

11,395 parking spaces available



Vision Theme 1

Catalyze housing and other market-driven development with a more targeted and versatile incentive program



Vision Theme 2

Create more housing options for all households



Vision: Staples Street in Washington-Coles



Prime development opportunities

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Vision Theme 3

Complete a waterfront park and trail network that celebrates the Bay and connects destinations



Vision Theme 4

Leverage the Harbor Bridge relocation and creating an enhanced “Gateway to the Bay” through a transformed IH-37 and North Beach Gateway



Vision Theme 5

Promote the visitor economy and a downtown area “play” environment



Vision: Water Garden

Implementation initiatives

1. Utilize TIRZ #3 to unlock market-driven development with flexible, effective options serving the different incentive needs of different projects
2. Target tax abatement and other incentives to **reinforce neighborhoods with new jobs and mixed-income housing**
3. Proactively encourage redevelopment of well-located, underutilized parcels by **engaging owners and strategically buying and selling property**



Implementation initiatives

4. **Organize parking at district scale** to increase convenience and efficiency
5. Support new development with **infrastructure investments** that are timed and located together with private investment
6. Fill missing links in **Corpus Christi's signature waterfront park and path network**



Implementation initiatives

7. Transform old Harbor Bridge infrastructure to **connect districts and the bay** with walkable development and access
8. Work with TxDOT to **invest New Harbor Bridge mitigation funding to benefit neighborhoods**, in ways consistent with Plan CC 2035 and the DADP
9. **Actively manage event traffic and parking**
10. Intensify **destination arts and retail programming**



Discussion

