



Downtown Area Development Plan (DADP)
Plan Update and
Policy Issues



City Council Presentation
April 14, 2015



Agenda

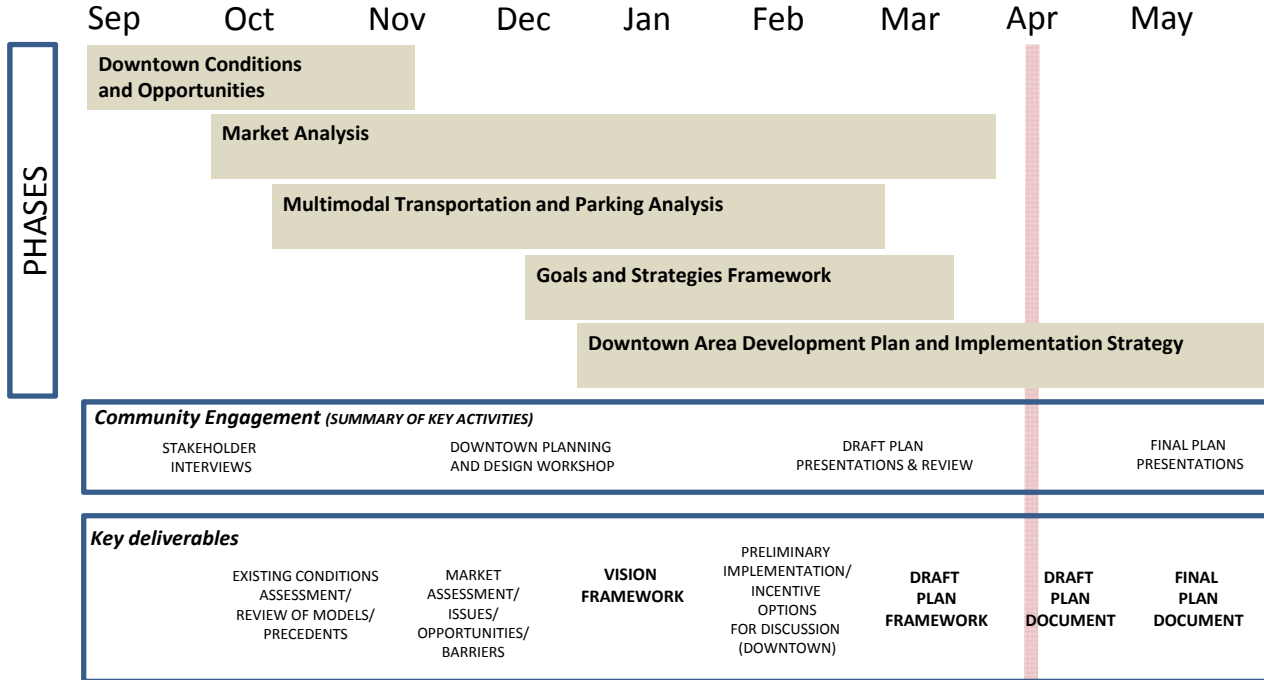


- DADP Process update
- DADP Themes
- DADP Implementation initiatives
- Key outstanding policy issues for the Downtown Area Development Plan
- Questions/Discussion





Process update





DADP Theme 1



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



Vision: Chaparral Street at Artesian Park



Vision: Leopard Street at Tancahua Street



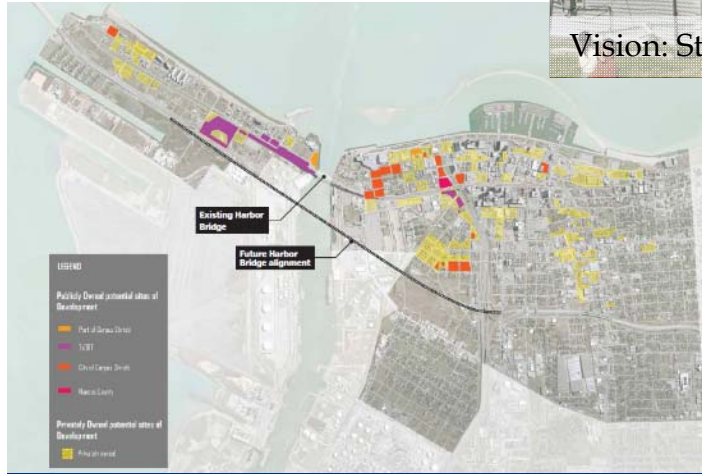
DADP Theme 2



Create more housing options for all households



Vision: Staples Street in Washington-Coles



Prime development opportunities



DADP Theme 3



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



Vision: Park Avenue at Upper Broadway



Park & trail network



Vision: Art Center/Marina at Shoreline



DADP Theme 4



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





DADP Theme 5



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



Vision: Water Garden



Implementation Initiatives #1-3



1. Utilize TIRZ #3 to unlock market-driven development with flexible, effective options serving the different incentive needs of different projects
2. Outside TIRZ #3, 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**

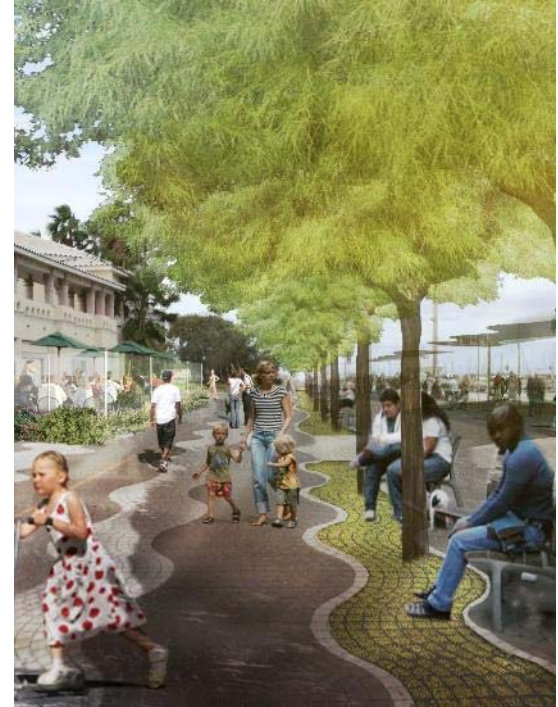




Implementation Initiatives #4-6



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 #7-10



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**





Key Outstanding Policy Issues



Common topic: Incentives for market-driven development

1. Expanding **range of project types** eligible for incentives
2. Defining **eligibility** for incentives
3. Defining more explicit incentive **target areas outside of TIRZ**
4. Considering **additional TIRZ districts**
5. Utilizing **Type A funds** as well as TIRZ #3 and tax abatement
6. Expanding City role **acquiring/selling redevelopment parcels**



1. Range of project types eligible for incentives



Eligible Project Types

Policy Choices	Benefits	Issues
Multifamily Housing & Capital Investment/Job-Creating Projects <i>current policy</i>	<ul style="list-style-type: none">• Targets current housing opportunity.• Promotes economic development.	<ul style="list-style-type: none">• Lacks hotel/multi-tenant office incentive.
Multifamily Housing & Capital Investment/Job-Creating Projects <u>Plus</u> <u>Additional Project Types</u>	<ul style="list-style-type: none">• Broadens eligible project types.• Encourages targeted mixed-use development.	<ul style="list-style-type: none">• Need to identify additional project types.
Any Appropriate Project	<ul style="list-style-type: none">• No need to require certain project types.• Encourages mixed-use development.	<ul style="list-style-type: none">• Need to prevent excessive outlays.



1. Range of project types eligible for incentives



Recommendations

- **Add as eligible types** for TIRZ and tax abatement incentives for new construction, modernization or expansion:
 - Non-convention center hotel
 - Multi-tenant office
 - Provide **small businesses** with as few as 20 employees access to full incentive level (currently reserved for businesses with 200+ employees)
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2. Defining eligibility for incentives “By-Right” vs “Needs-Based”



Policy Choices	Benefits	Issues
By-right with specific criteria <i>current policy</i>	<ul style="list-style-type: none">• Clear, predictable, perceived as fair.	<ul style="list-style-type: none">• Potential windfall profits to recipient.• Lacks flexibility for other project types.
Needs-based with criteria	<ul style="list-style-type: none">• Level of incentive is justified.• Conserves funds for projects needing them most.	<ul style="list-style-type: none">• Developer must demonstrate need.• Application/Review require technical expertise (used in Dallas, Arlington)
Both: By-Right for eligible project types, plus Needs-Based for additional TIRZ resources and/or for other project types	<ul style="list-style-type: none">• Clarity with flexibility	<ul style="list-style-type: none">• Same issues as for Needs-based



2. Defining eligibility for incentives



Recommendations

- Apply two-tiered incentive system to TIRZ #3 and, if possible, tax abatement
 - **Tier one:** basic incentives available **as-of-right** for eligible project types in appropriate locations
 - Example: 50% tax rebate or abatement for 5 years; TIRZ or city investment in up to \$50,000 water connection upgrade
 - Underscores city's invitation to invest in downtown area
 - **Tier two:** additional incentives available for **projects demonstrating financial need** (feasible only with incentive)
 - Example: 100% tax rebate or abatement for 8 years based on demonstrated need; TIRZ-funded street tree installation along project street frontages
 - Promotes cost-effective use of incentive resources
-



3. Target areas outside TIRZ

What is “Downtown?”



- Areas appropriate for “**downtown multifamily housing**” tax incentives have been vaguely defined in recent policies and sometimes overlap with TIRZ #3
- **Focusing reinvestment** in more localized, marketable areas can offer more return on investment





3. Target areas outside TIRZ

Recommendations



- **Outside TIRZ #3**, prioritize application of tax abatement and other incentives (such as street and utility improvements, Type A funds) in **focus areas** with these qualities:
 - Visibility
 - Access
 - Large parcels appropriate for redevelopment
 - Multiple property owners
 - Opportunity to reinforce established adjacent neighborhoods
- **Retain flexibility** to assist highly beneficial projects in other areas





4. Additional TIRZ districts Recommendations



- Context: TIRZ has been proposed for North Beach
- Current TIRZ #3:
 - Boundary appropriately focuses on areas of strongest market-driven development potential
 - Changing the boundary risks dispersing impact, dismantling a strong tool
 - TIRZ incentive project plan is being formed, not yet applied
- Additional TIRZ zones may be considered **after TIRZ #3 operations are well-established**





5. Type A funds

Recommendations



- **Continue to use Type A funds** as a resource for affordable unit production in **multifamily** and single family buildings
 - Affordable (preferably mixed-income) housing development is often not feasible at the rates households can pay, without incentive
 - Multifamily housing adds undersupplied unit types (accessible, low-maintenance, views, walkable locations near transit and services)
 - Continued opportunity for affordable single-family homes in Uptown, Washington-Coles, North Beach
 - Funds may be applied to land purchase, utility upgrades or other forms of gap financing suitable to project

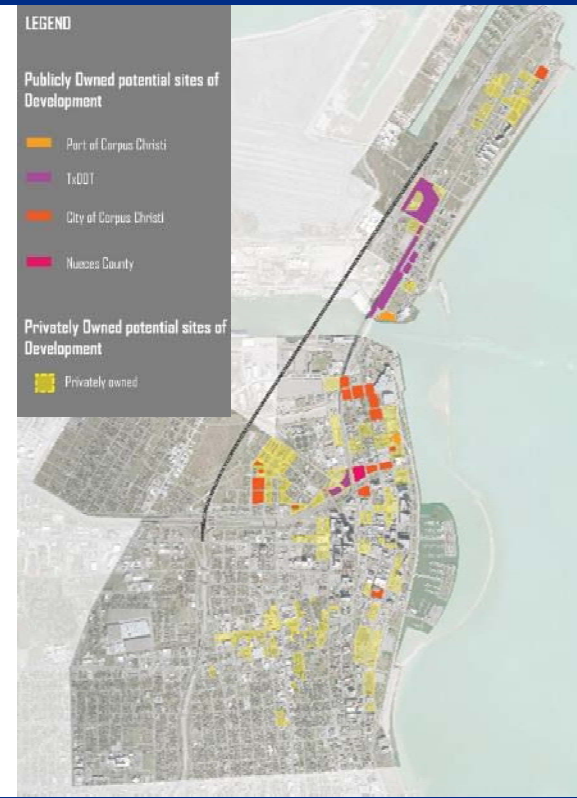


6. City's role in strategic use of land

Recommendations



- **Establish redevelopment entity** with ability for strategic land acquisition, holding and sale per plan criteria
- Part of **city-wide** Plan CC approach
- Focus on **voluntary sales**
- **Partner stakeholders** can play supportive roles
 - DMD (development standards, marketing)
 - County, TxDOT, Port (land transfer to City, or use of City criteria for sales)





Questions / Discussion