



## AGENDA MEMORANDUM

First Reading for the City Council Meeting of March 19, 2024  
Second Reading for the City Council Meeting of March 26, 2024

**DATE:** February 23, 2024  
**TO:** Peter Zaroni, City Manager  
**FROM:** Heather Hurlbert, CPA CGFO, Assistant City Manager  
[HeatherH3@cctexas.com](mailto:HeatherH3@cctexas.com)  
(361) 826-3506

**Ordinance Amending Tax Increment Reinvestment Zone #3 Fiscal Year 2023-24  
Operating Budget for Payout to Agnes Water, LLC at 401 Water Street**

**CAPTION:**

Ordinance amending the FY 2023-24 Corpus Christi Tax Increment Reinvestment Zone #3 (TIRZ #3) budget, to increase expenditures by a total of \$3,690.60.

**SUMMARY:**

This Ordinance authorizes an amendment to the FY 2023-24 TIRZ #3 budget for Payout to Agnes Water, LLC in the amounts of \$723.47 for tax year 2020 and \$2,967.13 for tax year 2021, from the TIRZ #3 Project Specific Development Program.

**BACKGROUND AND FINDINGS:**

After the successful renovation of a building that had been vacant for 30+ years, Stonewater Properties, LLC submitted the completion of improvements made to the property located at 401 Water Street in 2019, making them eligible for a 5-year reimbursement. In 2020, Agnes Water, LLC bought out Stonewater Properties, LLC, thereby transferring all future reimbursement payments to Agnes Water, LLC. They did not submit a request for reimbursement at that time.

In 2021, the appraised value of the property increased significantly, prompting Agnes Water, LLC to submit a property tax appeal. Because of the tax appeal, Agnes Water, LLC was ineligible for reimbursement for tax years 2020 and 2021 at that time. In October 2023, Agnes Water, LLC submitted a request for reimbursement and staff paid out a reimbursement amount of \$11,722.58 for tax year 2022 but could not issue payment for tax years 2020 and 2021 without a motion of approval from the TIRZ #3 Board.

At the February 20, 2024 meeting, the board authorized a resolution authorizing an amendment to the FY 2023-24 Corpus Christi Tax Increment Reinvestment Zone #3 (TIRZ #3) budget, which increases expenditures by a total of \$3,690.60, for the increased funding for the Downtown Development Reimbursement Agreement payout to Agnes Water, LLC, for \$723.47 for tax year 2020 and \$2,967.13 for tax year 2021.

**ALTERNATIVES:**

The City Council can choose to not approve this ordinance or choose to make changes.

**FISCAL IMPACT:**

The fiscal impact is in the amount of \$3,690.60 from the TIRZ #3 unreserved fund balance.

**Funding Detail:**

Fund:	1112	TIF #3
Organization/Activity:	10279	Project Specific Development Program
Department:	57	Economic Development
Project # (CIP Only):	N/A	
Account:	540450	Reimbursement to Developers

**RECOMMENDATION:**

Staff recommends approving the TIRZ #3 FY 2023-24 operating budget amendment for payout to Agness Water, LLC at 401 Water Street.

**LIST OF SUPPORTING DOCUMENTS:**

N/A