



## **AGENDA MEMORANDUM**

Corpus Christi Tax Increment Reinvestment Zone #3 Meeting November 28, 2023

**DATE:** October 27, 2023

**TO:** Peter Zaroni, City Manager

**FROM:** Alyssa Barrera Mason, Executive Director, CCDMD  
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<p><b>Approval of 3<sup>rd</sup> Amendment to TIRZ #3 Downtown Development Reimbursement Agreement with 1001 N Water Street LLC at 1001 N Water Street for The Northwater</b></p>
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**CAPTION:**

Motion to approve a 3<sup>rd</sup> amendment to the TIRZ #3 Downtown Development Reimbursement Agreement with 1001 N Water Street, LLC for the property located at 1001 N Water Street, which provides the developer with an extension for the completion date from December 31, 2023 to December 31, 2024, effective upon signature by the City Manager or designee.

**SUMMARY:**

This motion authorizes an extension to the completion date for the Northwater Apartments to December 31, 2024. An extension was approved in November 2022, but due to continued delays the developer is requesting an additional extension to complete the project.

**BACKGROUND AND FINDINGS:**

On May 25, 2021, an original Agreement was approved by the TIRZ #3 board and included an incentive for \$678,000 comprised of \$580,000 from the Downtown Living Initiative Program and \$98,000 from the Project Specific Development Program for a comprehensive renovation of this 58-unit apartment complex and off-site parking lot development.

On January 25th, 2022, the TIRZ #3 Board approved the first amendment to the agreement for an extension to the completion date for The Northwater Apartments of December 31, 2022. On November 15, 2022, the TIRZ #3 Board approved a second amendment to the agreement for an extension of December 31, 2023. Completed work includes: electrical wiring for individual units, upgraded fire alarm system, wall construction, flooring, kitchen build outs, and shower/tub installation. A third amendment to the agreement for an extension to December 31, 2024 is now needed due to continued delays regarding the parking lot and completion of the façade improvements to the building.

**ALTERNATIVES:**

The Board could not approve this amendment or limit the completion date requirement.

**FINANCIAL IMPACT:**

The first funding source for this project is from the TIRZ #3 Downtown Living Initiative Program. The commitments for this program are determined on a case-by-case basis based on TIRZ #3 balance available for commitments. This project will consist of an expenditure not to exceed \$580,000 from the DLI Program paid out equally over five (5) years at \$116,000 per year.

The other funding source for this project is from the TIRZ #3 Project Specific Development Program. This project will consist of a reimbursement of taxes paid in an amount not to exceed \$98,000 over 10 years or expiration of the TIRZ #3, whichever occurs first. The funds for this program are from a reimbursement on taxes paid by the property owner on an annual basis.

**Funding Detail:**

Fund: 1112 – TIF #3  
Organization/Activity: 10278 – Downtown Living Initiative  
10279 – Project Specific Development Program  
Mission Element: 707 – Economic Development  
Project # (CIP Only): N/A  
Account: 540450 – Reimbursement to Developers

**RECOMMENDATION:**

Staff recommends approving the amendment to the Agreement to extend the completion date for this project from December 31, 2023 to December 31, 2024. Once completed, this apartment complex will no longer be a source of blight and be a significant asset to the residential sector in Downtown.

**LIST OF SUPPORTING DOCUMENTS:**

TIRZ #3 Presentation – 3rd Amendment to The Northwater  
TIRZ #3 Reimbursement Agreement – 3rd Amendment to The Northwater  
Letter Requesting 3rd Extension – The Northwater