



AGENDA MEMORANDUM

First Reading Ordinance for the City Council Meeting of January 09, 2024
Second Reading Ordinance for the City Council Meeting of January 18, 2024

DATE: November 29, 2023
TO: Peter Zaroni, City Manager
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Approval of Eleventh Amendment to the TIRZ #3 Project & Financing Plan

CAPTION:

Ordinance approving the amended Tax Increment Reinvestment Zone #3 Project & Financing Plans as approved by the Board of Directors of Reinvestment Zone Number Three, City of Corpus Christi, Texas on November 28, 2023, which expands eligibility under the Commercial Finish-Out Program.

SUMMARY:

The purpose of this item is to approve an amendment to the Project & Financing Plan for TIRZ #3 that will add language to the Commercial Finish-Out Program to include wall construction to separate existing spaces into more leasable space.

BACKGROUND AND FINDINGS:

In 2008, the City of Corpus Christi created Tax Increment Reinvestment Zone #3 in the City's Downtown, adopting a draft Project & Financing Plan (Project Plan). The Project Plan is required by the State, must include all activities of a Tax Increment Reinvestment Zone, and must be adopted by the municipality by ordinance.

In 2015, the TIRZ #3 Board and City Council approved an Amended Project Plan, which created programs and initiatives to facilitate types of development needed in the downtown. In 2016, a Second Amendment was made to expanded programming and services from the Downtown Management District; refined Incentive Programs; and enabled funds to be expended for public, cultural and/or historic properties within the Zone and extended Del Mar College's Participation. Seven additional amendments have been made to broaden the scope of programs and initiatives.

This eleventh amendment adds the below language to the Commercial Finish-Out Program:

- **Commercial Finish-Out Program**

Landlord Policy – Due to severe lack of building maintenance, many buildings require significant mechanical, electrical, or plumbing repairs that cannot be funded by a small business tenant. Additionally, wall construction could be required to separate existing spaces into more than one leasable space. Thus, 50% of Mechanical, Electrical, Plumbing, and/or Wall Construction Costs (Up to \$20,000) will be available to the landlord with a new tenant if that landlord provides a 6-month rent waived lease on first-floor, active street use projects. Payout to landlord will occur when the tenant receives a Certificate of Occupancy.

ALTERNATIVES:

City Council may choose not to adopt the eleventh Amendment to the Project & Financing Plan.

FINANCIAL IMPACT:

There is no financial impact.

RECOMMENDATION:

Staff recommends approving the amendment to the TIRZ #3 Project & Financing Plan.

LIST OF SUPPORTING DOCUMENTS:

Ordinance – Eleventh Amendment to TIRZ #3 Project & Financing Plan
Eleventh Amendment to TIRZ #3 Amended Project & Financing Plan (Track Changes Version)
Presentation – Eleventh Amendment to Project & Financing Plan