



AGENDA MEMORANDUM

Corpus Christi Tax Increment Reinvestment Zone #4 Meeting October 20, 2020

DATE: October 7, 2020

TO: President and Honorable Board Members,
Corpus Christi Tax Increment Reinvestment Zone #2

FROM: Heather Hurlbert, Director of Finance & Business Analysis
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<p style="text-align: center;">Discussion on Tax Increment Reinvestment Zones (TIRZ) and details of the North Beach TIRZ #4</p>
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STAFF PRESENTER(S):

<u>Name</u>	<u>Title/Position</u>	<u>Department</u>
1. Heather Hurlbert	Director	Finance & Business Analysis

OUTSIDE PRESENTER(S):

<u>Name</u>	<u>Title/Position</u>	<u>Organization</u>
1. None		

BACKGROUND:

A Tax Increment Reinvestment Zone (TIRZ) is an economic development tool that captures the projected increase in tax revenue that is created by development within a defined area and reinvests those funds into public improvements and development projects that benefit the zone.

A base value is determined by the existing taxable value of real property within the TIRZ at the time the TIRZ is created. The taxing entities (i.e. the city, county, and school district) continue to receive the base year value of the property taxes throughout the life of the zone. The increment, the portion of incremental increase in real property tax revenue above the base year resulting from increases in taxable value of property, is captured for the TIRZ and used as detailed in the Project and Financing Plan adopted by the governing body.

North Beach TIRZ #4 was created on 2019 with the base year of values as of 1-1-2019. The TIRZ is a 20-year TIRZ with the taxing entities contributing as shown below:

Taxing Entity	Maximum Dollar Contribution	Increment Percentage	Tax Years
City of Corpus Christi	\$20,000,000	100%	2019-2028
		75%	2029-2038
Nueces County	None	100%	2019-2038
Del Mar College	None	100%	2019-2028
		75%	2029-2038

The Project and Financing Plan included estimated revenues from the TIRZ of \$42,139,811 and these revenues were assigned to four major project categories as follows:

1. Infrastructure Projects \$19,944,815
 - a. Wayfinding Infrastructure
 - b. Park Improvements
 - c. Demolition of Blighted Structures
 - d. Public Safety
 - e. Residential Streets
2. Maintenance Projects \$2,106,990
 - a. North Beach Public Spaces Beautification and Revitalization Programs and Services
3. Incentives \$17,838,006
 - a. Project Specific Development Agreement
 - b. North beach Property Improvement Program
 - c. North Beach Living Initiative
4. Administrative Costs \$2,250,000
 - a. Creation
 - b. Administration

The Frazier Hotel project is a Project Specific Development Agreement which falls under project category 3.a for a total maximum incentive payment of \$7,826,200 for any of the costs incurred in the construction of:

A 138-unit upscale hotel and a 109-unit luxury multifamily residential development, including 320-unit concealed parking facility on the bottom floors, 47 surface parking spaces, a restaurant, fitness center, pool and manicured courtyard areas.

Eligible reimbursable costs include:

Improvement	Estimated Cost (\$)	Category
Landscape Design	30,900	Beautification
Landscape and Irrigation	269,230	Beautification
Swimming Pool and Fence Allowance	299,750	Beautification
Pool Cabana	21,800	Beautification
Monument Sign	15,000	Beautification
Concealed Parking Structure (Concrete)	7,303,000	Parking Structure
Permit Fee, Temp Utilities, Electrical/Water/Sewer Distribution, Tap Fees	463,500	Utilities

Fire Sprinkler, Fire Alarm, Safety Railing	814,959	Code Compliance & Safety
Elevators	384,225	Code Compliance & Safety
Total Possible Reimbursement Basis*	\$9,602,364	

- Identified the project costs that are eligible for reimbursement. Total reimbursement is limited to a total of \$7,826,200

Annual reimbursement is limited to an amount equal to 95% of the tax revenue collected from the increment created by the Frazier Hotel and the La Vista Point development.

LIST OF SUPPORTING DOCUMENTS:

Power Point
TIRZ #4 Project Plan