



AGENDA MEMORANDUM

Corpus Christi Tax Increment Reinvestment Zone #3 Meeting November 15, 2022

DATE: November 15, 2022

TO: Peter Zaroni, City Manager

FROM: Alyssa Barrera Mason, Executive Director, CCDMD
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<p>Approval of an Amendment 2 TIRZ #3 Reimbursement Agreement for The Northwater at 1001 N Water Street</p>
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CAPTION:

Motion approving a 2nd Amendment to the Downtown Development Reimbursement Agreement for 1001 N Water Street LLC, which provides the Developer with an extension for the completion date from December 31, 2022, to December 31, 2023.

SUMMARY:

This motion authorizes an extension for the completion date for the Northwater Apartments to December 31, 2023. The Agreement was approved in 2021 and had the completion date to be December 31st, 2022, but due to supply chain issues there is a delay in construction and an extension is needed.

BACKGROUND AND FINDINGS:

On May 25, 2021, an original Agreement was approved by the TIRZ #3 council and included an incentive for \$678,000 comprised of \$580,000 from the Downtown Living Initiative Program to be paid out in equal amounts over five (5) years 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 Board approved an amendment to the agreement to approve an extension for The Northwater. The completion date extended to December 31, 2022, due to unauthorized persons occupying the building. Legal action was required which delayed construction till September 2021. Because of the original delays and supply chain issues, 2nd amendment is needed. The completion date will extend from December 31, 2022, to December 31, 2023.

ALTERNATIVES:

The Board could not approve this amendment.

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.

RECOMMENDATION:

Staff recommends approving the amendment to the Agreement. This project will enhance a once-problematic apartment complex and create 58 new market-rate apartments. The renovation of this project will not only create more housing opportunities for professionals wanting to live downtown but will enhance the aesthetics of this property.

LIST OF SUPPORTING DOCUMENTS:

Letter from the Property owner, David Fournier

TIRZ #3 Presentation – The Northwater

Amendment No. 2 - Downtown Development Reimbursement Agreement – The Northwater