



AGENDA MEMORANDUM

Action Item for the TIRZ #2 Board Meeting of April 18, 2023

DATE: February 16, 2023

TO: Peter Zaroni, City Manager

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Motion to authorize a Development Reimbursement Agreement for Public Infrastructure in the Whitecap Preserve development in TIRZ #2

CAPTION:

Motion authorizing a Development Reimbursement Agreement with Ashlar Interests, LLC, located in the Tax Increment Reinvestment Zone No. 2 in an amount not to exceed \$11,500,000 for public infrastructure improvements related to the Whitecap PID, a large-scale development in the Zone.

SUMMARY:

This motion will authorize a reimbursement agreement with the Whitecap Preserve developer in the amount up to \$11,500,000 for public improvements. The term of this agreement is to terminate upon the earlier of either the completion and reimbursement of the eligible projects to the developer or until the TIRZ's expiration on December 31, 2042.

BACKGROUND AND FINDINGS:

At the October 25, 2022 meeting, the board made a motion to extend the boundaries of the TIRZ #2 Zone, to include two sections of the Whitecap Preserve development so that all portions of the development and Public Improvement District (PID) are within the Zone.

On the November 1, 2022 meeting, the board made a motion to amend the TIRZ #2 project and financing plan to include public infrastructure projects in the Whitecap Preserve development in an amount not to exceed \$11,500,000. The purpose of the reimbursement is for the development of public infrastructure in the Whitecap project areas including public mobility bridges, water exchange bridges/connections, and public walking trails that will be open to the public. The maintenance of the public infrastructure internal to the development including the two public

mobility bridges, and the walking trails will be the responsibility of the PID for the life of the PID while the maintenance of the bridges for public streets will be the responsibility of the City.

Eligible Infrastructure improvements include:

Project	Estimated Investment	Maintenance	Reimbursement
2 Mobility Bridges	\$4.0M	PID	50% of contributed increment
Preserve Community Walking Trail	\$1.2M	PID	50% of contributed increment
Aquarius Street Box Culvert Water Exchange	\$0.4M	City	50% of contributed increment
Commodores Dr Mobility Bridge	\$3.2M	City	Three equal annual payments from the general TIRZ funds
Encantada Ave Mobility Bridge	\$2.7M	City	Three equal annual payments from the general TIRZ funds
Total Investment	\$11.5M		

The Encantada Bridge and Commodores Bridge (capped at \$5.9 million total) will be eligible for reimbursement from general TIRZ #2 funds in three equal annual payments after completion and acceptance by the City. The remaining public improvements may be reimbursed from revenue generated by the Project Increment after completion of eligible infrastructure improvements and acceptance by the City. The reimbursement will be made from 50% of the available contributed project increment revenue resulting from the Whitecap Preserve development.

ALTERNATIVES:

The Board can choose to not approve the Motion or to revise the Motion.

FISCAL IMPACT:

The Developer Reimbursement Agreement is a maximum amount, not to exceed \$11,500,000.

Funding Detail:

Fund:

Organization/Activity:

Mission Element:

Project # **(CIP Only)**:

Account:

RECOMMENDATION:

Staff recommends approval of the Developer Reimbursement Agreement. The redevelopment of the Whitecap areas will enhance economic development, stimulate business and commercial activity, and add public infrastructure like bridges, pedestrian mobility with preserve trails, and culverts.

LIST OF SUPPORTING DOCUMENTS:

Presentation