

# Tax Increment Reinvestment Zone #3 Amended Project & Financing Plan

## Introduction

Tax Increment Financing is an economic development tool authorized by Chapter 311 of the Texas Tax Code, through which governments can designate a portion of tax increment to finance improvements to promote development of a defined area, called a “Reinvestment Zone.” The defined area must meet one of the five criteria outlined in Chapter 311.

In 2008, through Ordinance 027996, the City of Corpus Christi created Tax Increment Reinvestment Zone #3 (“TIRZ #3” or “the Zone”), over a portion of the city that includes the city’s Downtown area. There have been three amendments to the ordinance; expansion of boundaries (April 2009), correction of termination date (March 2012) and correction of board composition (August 2014). A change in the economic climate immediately after the creation of TIRZ #3 hindered the performance of the fund and prevented any investment from occurring.

Throughout this time, there has not been an update to the Preliminary Project & Financing Plan in the 2008 Ordinance. This document, the **2015 Amended Project & Financing Plan**, is intended to replace the previous Project & Financing Plan and any future amendments will modify this version.

This **2015 Amended Project & Financing Plan** is based on research conducted for the **Downtown Area Development Plan (DADP)**, currently underway. Upon completion of the **DADP**, there will be an amendment to refine aspects of the **2015 Amended Project & Financing Plan**. TIRZ #3 consists of a Board of Directors and is supported by the City Manager’s designee, currently the City’s Business Liaison, and the Executive Director of the Corpus Christi Downtown Management District (DMD).

## Criteria for Zone Creation

The 2008 Project Plan stated that the defined area of TIRZ #3 qualified for designation as a “Reinvestment Zone” because it suffered from “economic stagnation, inadequate infrastructure, and deteriorating properties. Without intervention by the public sector, private market forces will not be sufficient to generate significant development and redevelopment.” Conditions listed that met the Criteria of Chapter 311, Section 005 included:

- A substantial number of substandard, slum, deteriorated, or deteriorating structures;
- The predominance of defective or inadequate sidewalk or street layout;
- Unsanitary or unsafe conditions;
- The deterioration of site or other improvements; and
- Conditions that endanger life or property by fire or other cause.

According to Chapter 311, these conditions must “substantially arrest or impair the sound growth of the municipality or county creating the zone, retard the provision of housing accommodations, or constitute an economic or social liability and be a menace to the public health, safety, morals, or welfare in its present condition and use.”

Conditions in 2008 met these requirements, as indicated by the Market and Economic Study undertaken at that time. While our community has benefitted from a boost in economic activity since 2008, the Downtown did not see the same level of development. This solidifies the 2008 position that conditions would not be overcome or corrected without significant intervention and assistance from the public sector.

### A Consistent Vision for Downtown

For decades, efforts had been made to improve and revitalize Downtown Corpus Christi, with various levels of success. The 2006 Downtown Redevelopment Vision resulted in the creation of TIRZ #3, but a change in environment prevented immediate implementation. Other efforts have included:

- 2004 – Bayfront Master Plan
- 2006 – Downtown Redevelopment Report
- 2013 – Central Business Development Plan
- 2014 – RUDAT
- 2015 – Downtown Area Development Plan (*Underway*)

The 2006 Redevelopment Report vision statement is consistent with the vision illustrated in the 2015 Downtown Area Development Plan, which is currently in draft form.

**“Downtown Corpus Christi is a safe, clean, pedestrian friendly community comprised of a central business district, arts and culture, sports and entertainment areas. This unique vibrant waterfront community will provide local residents, tourists and families’ opportunities to enjoy fine restaurants, shops and residential facilities.”**

### Anticipated Zone Role in Downtown Improvements

The 2008 Market and Economic Study indicated the nature of the intervention and assistance needed to spur economic growth in different areas of the Zone. It stated that the “current structure of Corpus Christi’s economy, the aging of existing development, and inadequate public infrastructure and facilities together depress the viability of new development and redevelopment in Downtown.” The **2014 Analysis of Residential Market Potential** repeated those themes, with extra emphasis on residential development and introduction of the concept of gap financing. Additionally, the 2015 environment has the new dynamic of regional investment valued at tens of billions of dollars.

The primary functions of TIRZ #3 will be

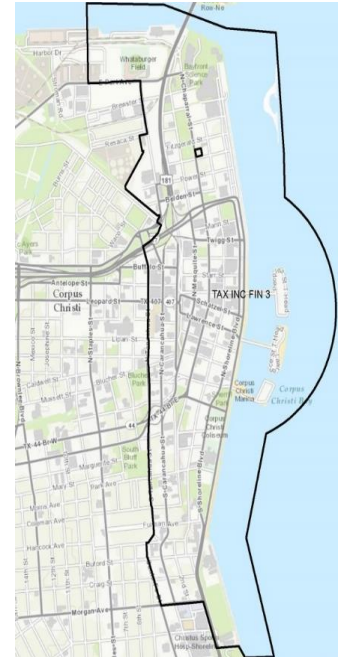
- To Support Private Sector Development & Investment
- To Plan & Construct Public Improvements
- To Provide Revitalization Focused Programs & Services

The Zone is expected to be one of a variety of planned funding sources and programs that will be acting in concert to accomplish a changed public environment in Downtown. By improving and enhancing streets, sidewalks, and public spaces, plus upgrading utilities, the zone and the other programs will encourage the development of new land uses and the redevelopment or rehabilitation of existing uses. The intended result is that Downtown will become a vibrant and economically vital urban waterfront district with a variety of residential, retail, and lodging uses, a strong office base, and popular public facilities.

## Project Plan

### Existing Uses and Conditions/Boundaries §311.01 (b) (1)

The Zone includes approximately 856 acres wholly within the City of Corpus Christi. Its boundaries encompass nearly all of the Downtown area. A very wide variety of land uses are present within the TIRZ. The boundaries and land uses within the Zone are shown in **Exhibit A**. The existing conditions within the Zone are shown described generally below. A legal description of the Zone with a specific accounting for the proposed boundaries is given in **Exhibit B**. In the 2015 DADP, the identities of neighborhoods in the Downtown were emphasized as way to build unifying identities and create distinct experiences. Each of those regions is described generally below.



**SEA District** - A large area of publicly owned cultural and entertainment facilities comprises the north end of the zone. These facilities include:

- Port of Corpus Christi's Ortiz Center
- Corpus Christi Museum of Science & History
- Art Museum of South Texas
- Whataburger Field
- American Bank Convention Center & Arena
- Harbor Playhouse
- Brewster Street Icehouse
- Heritage Park – Restored Historic Homes, now used as Non-Profit Offices or Cultural Museums.

Moving south, the next few blocks vary between vacant, undeveloped land and low density residential, bordered to the west by Port facilities and storage space, southeast by the Port of Corpus Christi Offices and the Federal Courthouse. The southern portion of the SEA District also includes two restaurants, a vacant hotel, U-Haul, Fire Station #1 and the historic Nueces County Courthouse. IH 37 is the physical southern border of this area, with the transition from a highway to on and off ramps coming to surface grade.

**Uptown** – South of IH 37, a natural bluff distinguishes the high-rise, office building core of the Uptown. Broadway marks a topo-graphical change as the edge of a bluff, and the higher elevation area to the west of the street north of Lipan Street is characterized mainly by professional office uses, some in high-rise towers. TIRZ #3 picks up two blocks of Uptown, with Tancahua as the west border. Of Downtown's office properties, only the Frost Bank building is one of two Class "A" properties. Overall occupancy for the Downtown office market is around 80 percent.

Outside of the Zone, Uptown continues to include major government anchors, including Corpus Christi Independent School District Offices, Nueces County Courthouse, a Regional Transportation Authority Service Center (under construction) and Corpus Christi City Hall.

**Marina Arts District (Downtown Management District)** – The area east of Broadway is lower in elevation and features a walkable pedestrian grid with a mix of land uses, including hotels, office, residential and retail. The boundary of this neighborhood is based on the petition of property owners that created the Downtown Management District in 1993. This area is the historic center of Corpus Christi, but many of the original buildings have been demolished, due to neglect or natural disasters. The last large wave of construction occurred in the 1980's. The most recent investment large scale private investment is currently under construction, a \$27 million residential property with ground floor retail,

the Cosmopolitan. The area is interspersed with surface parking lots and vacant, blighted property. In several places, public spaces and sidewalks are in deteriorated condition.

Another unique feature of this neighborhood is the Corpus Christi Municipal Marina, spanning three man-made T-heads along the Bayfront. The Marina is comprised of over 600 slips, several restaurants and the Corpus Christi Yacht Club, the third oldest yacht club in the Gulf Coast.

**Bayshore Park Neighborhood** – At Kinney Street, the Zone gets divided by a redundancy of roadways and a few vacant parcels. This portion of the Zone includes the YMCA, a Greek Orthodox Church, Episcopal Church, Methodist Church and several parks. Additionally, there is a mix of early 20<sup>th</sup> century single family homes and multi-family residential developments. The multi-family developments are truly a diverse mix, including high rise and mid-rise, market rate and affordable, ownership and rental, constructed at all different times with various architectural styles. Many of the original homes, especially at the south end of the neighborhood, have been converted to professional office use. This neighborhood would lend itself to the revitalization seen in older neighborhoods across the country, however an absence of neighborhood support services prevents the unification necessary to create this self identity.

A potentially defining feature of this neighborhood is the 34 acres of park land for which the City is currently undergoing a Design-Build process to complete a Bond 2008 project that relocated traffic lanes to unite a patchwork of public space. The southeastern corner of the zone includes the Emerald Beach hotel and Marina del Sol condominiums. This neighborhood abuts the Christus Spohn Shoreline hospital complex. Christus Spohn Shoreline is just outside TIRZ #3 Boundaries, but the system is planning a \$325 million investment in the community in the coming years.

**Municipal Ordinances §311.011 (b) (2)**

The City may modify existing ordinances in order to make the area in and around TIRZ #3 more friendly to the types of residential and recreational activity desired. Some other policies that will be updated include building design, setbacks and streetscape requirements, in order to establish a built environment that supports the downtown character.

**City Planned Improvements (Non Project Costs) §311.011 (b) (3)**

The City of Corpus Christi has over \$29 million in improvement projects currently funded and in some stage of planning or construction, independent from this TIRZ #3 Project Plan. The City will continue to use Bonds packages a major source of public improvement funding.

Project	Source	Timeframe	Cost
Shoreline Realignment	Bond 2008	Ongoing	\$13,000,000
SEA District Improvements	Bond 2012	2015-2016	\$500,000
Chaparral St. Phase II	Bond 2014	2015-2016	\$9,000,000
Water Street Improvements	Bond 2014	2015-2016	\$5,000,000
Streetscape Improvements	Bond 2014	2015-2015	\$1,500,000
Wayfinding Program	HOT Funds	2015	\$200,000
		<b>Total</b>	<b>\$29,200,000</b>

## Relocation §311.011 (b) (4)

No relocation of existing residents is anticipated to be required as part of the Project Plan.

## Financing Plan

### Estimated Project Cost Description (§311.011 (c) (1) & Kind, Number and Location of TIRZ Improvements §311.001 (c) (2)

TIRZ #3 is anticipated to participate in projects that support the development and economic activity projected in the DADP, especially when cost of development creates a gap due to utility or infrastructure conditions. The initial focus is on residential and mixed-use development.

- 1. Chaparral Street Property Improvement Grant Program** – This three-year matching grant program will support and encourage private investment in the built environment along Chaparral Street for active businesses. Due to its “Main Street” characteristics and its function of connecting the Marina Arts District (Downtown Management District Boundary) and SEA District, Chaparral Street is a first phase priority for successful revitalization of the Zone. During FY 2016-2019, TIRZ #3 will make \$200,000 available per year to match approved property improvements funded by the property owners. The Zone will consider from a 50/50, up to 30/70 match, depending on how the scope of the project meets the priorities of the Zone. Applications will be accepted until the allocation is exhausted for each fiscal year.
- 2. New Tenant Commercial Finish-Out Grant Program**– In order to support mixed-use developments and the demand for more dining and entertainment venues in the Downtown, the Zone will reimburse approved leasable new tenant finish-outs at a maximum rate of \$10 per square foot. First-floor, active street use projects will be a priority consideration. During FY 2016- 2019, \$100,000 will be allocated annually. Qualified expenses include: floor and wall upgrades, HVAC, kitchen equipment, awnings and other permanent, semi-permanent fixtures. Grant is reimbursable to the Tenant, but written approval must come from Landlord in application. Applications will be accepted until the allocation is exhausted for each fiscal year.
- 3. Downtown Living Initiative** – The Residential Demand Study conducted for the DADP stated that over the next 5 years, 1,850 new units could be absorbed in the greater downtown if the threshold made investment attractive. Apartment occupancy was 94.2% in the first Quarter of 2015 (industry considers 96% to be full occupancy). In order to stimulate development, for FY 2016-2019, the Zone will provide a \$10,000 per unit reimbursement grant for multi-family developments of over 10 units. Applications will be accepted until the allocation is exhausted for each fiscal year.
- 4. Project Specific Development Agreement** – In situations where higher development costs create a financing gap, TIRZ #3 can provide assistance to property owners or developers through a Development Agreement for reimbursement of net new tax increment. A pro-forma is required to qualify for up to 75% reimbursement of the new taxes for 10 years if a development is 5,000 sq. ft or creating 25 or more new residential units. If further gap exists, staff will undertake additional third party review to justify any additional reimbursement, based on the “but, for” principle. The qualifying elements for this Program include:
  - Environmental Remediation/Code Compliance

- Historic Preservation
  - Structured Parking
  - Urban Design/Landscaping
  - Public Improvements/Utilities
  - Residential Developments over 100 Units
5. **Site Assembly & Development** – In order to activate strategically located properties, TIRZ #3 may place properties under option and work towards developing proposals for development, then assist in acquisition and development of the properties. Additionally, the Zone may purchase properties outright for redevelopment, if approved by the Board.
  6. **Parking Study & Development**– In key locations where parking is undersupplied or inadequately distributed, the Zone can assist in providing public parking facilities such as on-street spaces or off-street lots and structures. TIRZ #3 will contribute up to \$100,000 for a study in FY 2016 in order to develop a strategic approach for parking in the Downtown. Additionally, the Zone may support any efforts City may undertake for appropriate parking management infrastructure such as meters, structured lots and occupancy monitoring systems.
  7. **Traffic Pattern Study & Streetscapes** – TIRZ #3 may contribute to studies for traffic movement and improvements in roadway infrastructure (repaving, repair, widening, redesign), traffic management infrastructure (signals, signs), and beautification (landscaping in medians, special lighting, etc.). In FY 2016, the Zone will contribute up to \$150,000 for a traffic pattern study. Additionally, pedestrian accommodations and streetscapes will be a priority.
  8. **Other Programs & Initiatives** – TIRZ #3 will develop other programs and initiatives that will be presented to the Board for approval, during the life of the Zone.
  9. **Management & Professional Services**- Zone funds will compensate for the costs of ongoing administration of the Zone, including but not limited to accounting, legal services, consulting services, document production and maintenance, and other administrative costs. These costs were originally estimated at \$50,000 per year for the 20-year life of the Zone, but to date the only dollars expended have been for state reporting requirements. Staff plans to strategically engage outside resources to evaluate revenue projections and continue to develop innovative, effective programs.

### [Economic Feasibility Study §311.011 \(c\) \(3\)](#)

The **2008 Market and Economic Feasibility Study** for TIRZ #3 was completed by CDS Market Research I Spillette. In 2014 and 2015, Goody Clancy completed additional studies that reflect the more recent environment, and emphasize the importance of residential development in any revitalization. Those studies include:

- **Residential Market Potential** (Zimmerman/Volk) – final
- **Retail Market Analysis & Strategy** (Mike Berne) – draft
- **Hotel, Office, Retail** (W-ZHA, Sarah Woodworth) – draft
- **Incentives & Development Economics** (W-ZHA, Sarah Woodworth) – draft

Estimate of Bonded Indebtedness §311.011 (c) (4)

It was not anticipated that TIRZ would issue bonded debt, but would be funded on a pay-as-you-go basis. If the annual revenue and available non-bonded debt financing are insufficient to address the needs of TIRZ #3, we may issue bonded debt commensurate with the specific project costs under consideration and anticipated annual Zone revenues to support debt service payments.

Timing of Incurring Costs or Monetary Obligation §311.011(c) (5)

Costs will be incurred over the life of the Zone based on its Board of Directors’ identification of priority activities and projects, opportunities for implementation, and available revenues to sustain a pay-as-you-go project expenditure approach.

The following table summarizes proposed planned expenditures for TIRZ #3 until FY 2019. Another set of programs will be proposed in FY 2018, based on an assessment of needs at that time.

Schedule of Project Expenditures					
FY	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Year	2015	2016	2017	2018	2019
Beg. Bal	\$1,563,751	\$2,333,342	\$1,730,387	\$1,540,935	\$1,631,307
+ New Increment <sup>1</sup>	794,591	997,045	1,160,548	1,440,372	1,615,149
1 Chaparral Street Grant Program <sup>2</sup>		200,000	200,000	200,000	
2 New Tenant Commercial Finish Out Grant Program <sup>2</sup>		100,000	100,000	100,000	
3 Downtown Living Initiative <sup>2</sup>		1,000,000	1,000,000	1,000,000	
4 Project Specific Development Agreement <sup>3</sup>	TBD	TBD	TBD	TBD	TBD
5 Site Assembly & Development					
6 Parking Study & Development		100,000			
7 Traffic Pattern Analysis & Streetscapes		150,000			
8 Other Programs & Initiative					
9 Management & Professional Services	25,000	50,000	50,000	50,000	50,000
Expenditure Totals	25,000	1,600,000	1,350,000	1,350,000	50,000
<b>TIRZ Ending Balance</b>	<b>2,333,342</b>	<b>1,730,387</b>	<b>1,540,935</b>	<b>1,631,307</b>	<b>3,196,456</b>
Notes: 1 Increment Projection developed by CCREDC, will be monitored closely to ensure program allocations 2 Program allocations will be authorized each Fiscal Year. 3 Incentive available will be based on the amount of investment and increment generated by private sector.					

Method of Financing and Sources of Revenue §311.011(c) (6)

Methods of Financing. TIRZ #3 will initially take a primarily pay-as-you-go approach to financing projects that could utilize the following methods:

- Cash funds generated from existing property value increment,
- Developer cash reimbursement agreements where the revenues from the Zone’s property tax increment compensate a developer for fronting eligible expenditures in a specific taxable project.

- If future Zone revenues to support debt service payments are anticipated, the Zone may also issue bonded debt, the term of which will not extend past the expected life of the Zone.

**Sources of Revenue.** The primary source of revenue for TIRZ #3 will be funds from the contributed property tax collections of the City of Corpus Christi, Nueces County, and Del Mar College on the taxable property value increment within TIRZ #3. The City and County have agreed to participate in funding TIRZ #3 with 100% of the incremental property taxes collected over the life of the Zone. Del Mar College has committed to participating from the second through 2018, but may extend. The assessed value base year for the City of Corpus Christi is 2009; the base year for Nueces County and Del Mar College is 2010. The 2015 adjusted projection of incremental property tax revenue contributed to the Zone is as follows:

Sources of Revenue							
Year	Increment Value			Tax Revenue			TOTAL
	City	County	Del Mar	City	County	Del Mar	
FY 10	\$ 8,655,793			\$ 50,400	\$ -	\$ -	\$ 50,400
FY 11	21,931,954	4,698,427	4,674,139	127,703	16,488	12,059	156,251
FY 12	22,782,697	15,449,665	15,290,811	129,988	54,227	39,451	223,666
FY 13	43,910,295	38,988,148	38,041,488	250,533	136,845	98,148	485,526
FY 14	57,920,528	52,767,539	51,604,697	338,988	179,932	129,355	648,275
FY 15	71,728,002	65,346,609	63,906,562	419,798	216,258	158,535	794,591
FY 16	90,003,549	81,996,244	80,189,287	526,758	271,358	198,928	997,045
FY 17	104,763,037	95,442,631	93,339,356	613,140	315,858	231,550	1,160,548
FY 18	130,022,872	118,455,186	115,844,781	760,977	392,016	287,380	1,440,372
FY 19	145,800,015	132,828,691	129,901,537	853,315	439,583	322,251	1,615,149
FY 20	173,112,004	157,710,826	154,235,343	1,013,162	521,928	382,616	1,917,707
FY 21	189,976,968	173,075,373	169,261,300	1,111,867	572,776	419,892	2,104,534
FY 22	207,413,655	188,960,778	184,796,638	1,213,917	625,347	458,431	2,297,695
FY 23	225,441,446	205,384,699	200,858,623	1,319,428	679,700	498,276	2,497,404
FY 24	244,080,379	222,365,390	217,465,110	1,428,515	735,896	539,472	2,703,883
FY 25	263,351,172	239,921,727	234,634,557	1,541,300	793,997	582,065	2,917,362
FY 26	283,275,244	258,073,223	252,386,047	1,657,908	854,068	626,102	3,138,077
FY 27	303,874,743	276,840,056	270,739,314	1,778,469	916,174	671,631	3,366,275
FY 28	325,172,564	296,243,083	289,714,756	1,903,118	980,387	718,704	3,602,209
FY 29	347,192,382	316,303,874	309,333,466	2,031,992	1,046,776	767,373	3,846,141
							<b>\$ 35,963,109</b>

These estimates will continue to be monitored and adjusted quarterly.

**Current Appraised Value & Estimated Captured Appraised Value §311.011(c)(7), (8)**

According to the Nueces County Appraisal District, the 2009 certified taxable appraised value for the Zone is \$310,019,372.

The table above projects taxable value increment captured by the Zone over the remainder of its duration, if all taxing entities continue participation. Due to differences in policies regarding exemptions and tax abatements, the captured increment differs among the three jurisdictions. Captured value projections assume a 3.39% annual value appreciation rate for existing development, based on estimates by economist Dr. Ray Perryman and do not take into account future investments.



Duration of the Zone §311.011(c)(9)

TIRZ #3 will exist until 2028, however, the Board, City and other taxing entities may agree to extend the Zone.

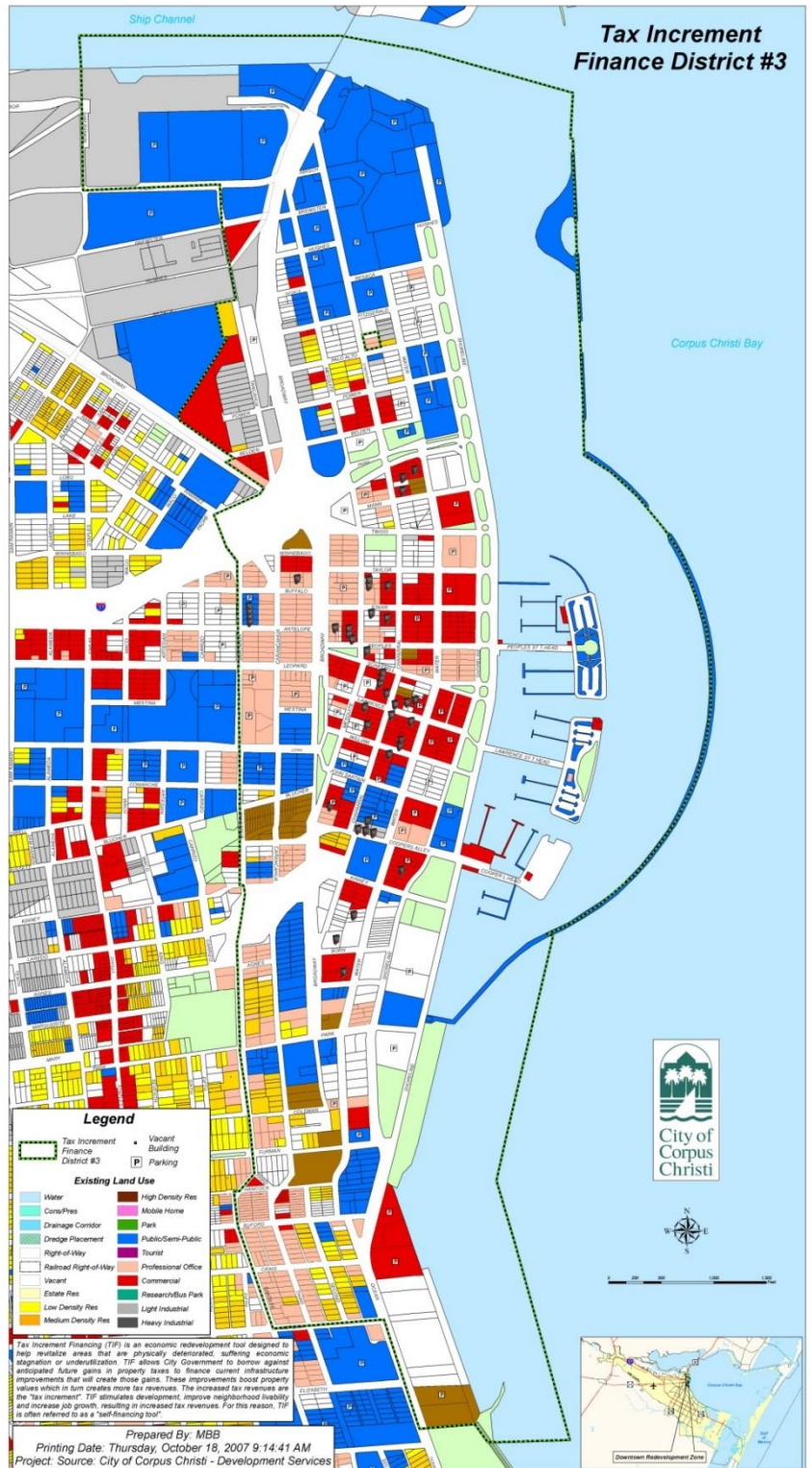
## List of Exhibits

Exhibit A	TIRZ #3 Boundaries and Land Uses
Exhibit B	Legal Description

Exhibit A – Boundaries & Land Use



- TIRZ Boundary
- SEA District
- Uptown
- Marina Arts District (DMD)
- Bayshore Park



## Exhibit B - Legal Description of the Zone

BEGINNING AT A POINT on the center line of the Corpus Christi Ship Channel and commonly known as the Corpus Christi – Port Aransas Waterway at its intersection with the northerly extension of the West right-of-way line of Sam Rankin Street;

Thence Easterly along the centerline of the Corpus Christi – Port Aransas Waterway to its intersection with the northerly extension of a line parallel with the breakwater 50' feet on the east side for a point in the Corpus Christi Bay and the Northeast corner;

Thence Southerly along said line, being 50 feet on the East side and parallel with the breakwater, following the meanders of the breakwater in the Corpus Christi Bay to its intersection with an "A-2" zoning line approximately 1,000 feet from the shoreline and parallel with the East right-of-way line of Shoreline Boulevard for a point in the Corpus Christi Bay;

Thence Southwesterly along said "A-2" zoning line extending parallel and approximately 1,040 feet from the East right-of-way line of South Shoreline Boulevard to its intersection with a second "A-2" zoning line extending parallel and approximately 1,000 feet from an existing 18 foot seawall easement, inside the Marina Del Sol Boat Harbor, for a point in the Corpus Christi Bay;

Thence Southeasterly along said line 200 feet more or less past its intersection with the easterly extension of the south most boundary of Lot 3, Block 1 of Marina Del Sol Subdivision for a point in the Corpus Christi Bay and the Southeast corner;

Thence Southwest along a line 200 feet more or less to the South and parallel with the extension of the south boundary of Lot 3, Block 1 of Marina Del Sol Subdivision to the Corpus Christi Bay Shoreline;

Thence Northwest along the Corpus Christi Bay Shoreline to its intersection with the extension of the South most boundary of Lot 3, Block 1 of Marina Del Sol Subdivision;

Thence Southwest along the South boundary of Lot 3, Block 1 of Marina Del Sol Subdivision, 540 feet more or less to the centerline of Ocean Drive for a point;

Thence Northwest along the centerline of Ocean Drive to its intersection with the centerline of Morgan Avenue;

Thence Southwest along the centerline of Morgan Avenue, to a point in the center line of Santa Fe Street for the Southwest corner;

Thence Northwest along the centerline of Santa Fe Street to its intersection with the centerline of Hancock Street;

Thence Southeast along the centerline of Hancock Street to its intersection with the centerline of South Tanchua Street;;

Thence Northerly along the centerline of South Tanchua Street, passing Furman, Coleman, Park, Agnes, and Laredo Street, to a point in the centerline where South Tanchua becomes North Tanchua, and continuing along North Tanchua, passing Kinney, Blucher, Comanche, Lipan, Leopard, Antelope and Buffalo Street and continuing past IH 37 to its intersection with the centerline of the existing northwest frontage road of I.H. 37, for a point;

Thence Northeast along the centerline of said existing northwest frontage road of I.H. 37 to its intersection with the South right-of-way line of West Broadway Street for a point;

Thence along the South right-of-way line of West Broadway Street to its intersection with the westerly extension of the South right-of-way line of Concrete Street for a point;

Thence Northeasterly along the South right-of-way line of Concrete Street extended, to its intersection with the north right-of-way line of West Broadway Street, for a point;

Thence Northwesterly along the North right-of-way line of West Broadway Street to the Southeast property line of the City of Corpus Christi's Broadway Wastewater Treatment Plant;

Thence Northeasterly along the City of Corpus Christi's Broadway Wastewater Treatment Plant Southeast property line to its intersection with the common South boundary line of Lots 1, Block 58 of the Beach Addition;

Thence West along the South boundary line of Lot 1, Block 58 out of the Beach Addition, to its Southwest corner for a point;

## City of Corpus Christi / Corpus Christi Downtown Management District

Thence Northwest along the common, West boundary line of Lots 1 thru 6, Block 58, of the Beach Addition, to its intersection with the South right-of-way line of Resaca Street;

Thence Northeast along the South right-of-way line of Resaca Street to its intersection with the centerline of Tancahua Street, for a point;

Thence Northwest along the centerline of Tancahua Street to its intersection with the centerline of Port Avenue, for a point;

Thence Southwest along the centerline of Port Avenue, to its intersection with the West right-of-way line of Sam Rankin Street for an outside corner;

Thence Northerly along the West right-of-way line of Sam Rankin Street and its extension to its intersection with the centerline of the Corpus Christi – Port Aransas Waterway center line in the Corpus Christi Ship Channel to the POINT OF BEGINNING.

Excluded properties to meet state statute prohibiting Tax Increment Financing Districts from containing 10% or more of the area used for residential purposes:

Beach Addition Block 55 Lots 10 thru 12