



AGENDA MEMORANDUM

Corpus Christi Tax Increment Reinvestment Zone #3 Meeting January 25, 2022

DATE: January 25, 2022

TO: Peter Zaroni, City Manager

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

Motion approving an amendment to the Downtown Development Reimbursement Agreement with 1001 N Water Street LLC, which provides that the Developer will have an extension for the completion date for the Northwater to December 31, 2022.

SUMMARY:

The purpose of this item is to approve an extension for the completion date for the Northwater Apartments to December 31, 2022. The Agreement that was approved in 2021 and had the completion date to be January 31, 2022, but due to squatter issues there was a hold on construction.

BACKGROUND AND FINDINGS:

The TIRZ #3 Board approved an incentive package for the Princess Apartments, a project to renovate the existing apartment building. Shortly after the project was approved the developer, David Fournier, ran into issues with residents continuing to occupy the building after being given notice to vacate. The project was originally approved in May, but it took several months to vacate the property, so construction was not started until September.

The Agreement, approved by council on May 25, 2021, includes 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.

ALTERNATIVES:

The Board could not approve this amendment.

OTHER CONSIDERATIONS:

N/A

CONFORMITY TO CITY POLICY:

Conforms with the Tax Code, City Charter and TIRZ #3 Project & Financing Plan.

DEPARTMENTAL CLEARANCES:

Finance

Legal

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 ratifying the amendment to the Agreement

LIST OF SUPPORTING DOCUMENTS:

Amendment No. 1 - Downtown Development Reimbursement Agreement – The Northwater