



AGENDA MEMORANDUM

Corpus Christi Tax Increment Reinvestment Zone #3 Meeting April 25, 2017

DATE: April 14, 2017

TO: President and Honorable Board Members,
Corpus Christi Tax Increment Reinvestment Zone #3

THROUGH: Margie C. Rose, City Manager

FROM: Alyssa M. Barrera, Business Liaison
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<p>Approval of TIRZ #3 Reimbursement Agreement for the Hilton Garden Inn/Homewood Suites at the corner of Brewster St. and Tancahua St.</p>
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CAPTION:

Motion to approve a Downtown Development Reimbursement Agreement with SEA District Hotel Group LP, for improvements to the property located at the corner of Brewster St. and Tancahua St. for a total incentive amount not to exceed \$1,400,000, which is comprised of incentives under a Project-Specific Development Agreement.

PURPOSE:

The purpose of this item is to approve a Reimbursement Agreement for the Hilton Garden Inn / Homewood Suites Hotel.

BACKGROUND AND FINDINGS:

The Incentive Programs adopted by the TIRZ #3 Board in the Project and Financing Plan are specially structured to encourage specific types of development, key to our community's long term goal of Downtown Revitalization. Developments that include improvements to the right of way, walkability and urban design features are a high priority. Additionally, the incentives are intended to support necessary infrastructure improvements for challenged development sites.

On August 23, 2016 the TIRZ #3 Board directed staff to prepare a Downtown Development Reimbursement Agreement for the Hilton Garden Inn / Homewood Suites Hotel. This project will create overnight lodging in the SEA District, a neighborhood in downtown Corpus Christi with high concentration of tourism generators. The 6-story, steel and concrete building will contain 196 rooms, 110 under the Hilton Garden Inn brand and 86 extended stay suites under the Homewood Suites brand. The urban design features will include shade trees, pedestrian lighting, landscaping to screen surface parking. Additionally, equipment will be installed to accommodate use of Whataburger Field parking lots. The infrastructure improvements include a waterline, underground drainage and resurfacing of Brewster Street.

The Agreement includes a cap of \$1,400,000 to be paid over a ten year period, composed of:

- 75% Reimbursement of taxes paid to City, County and Del Mar on the new improvements.

ALTERNATIVES:

The Board could not approve this agreement.

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:

☐ Operating

☐ Revenue

☐ Capital

X Not applicable

Fiscal Year: 2016-2017	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget				
Encumbered / Expended Amount				
This item				
BALANCE				

RECOMMENDATION:

Staff recommends approving the reimbursement agreement.

LIST OF SUPPORTING DOCUMENTS:

Downtown Development Reimbursement Agreement – SEA District Hilton Garden Inn