

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is by and between the City of Corpus Christi, Texas (the "City"), as the agent of the Corpus Christi Tax Increment Reinvestment Zone #3 ("TIRZ #3"), and Corpus Christi PATCH, Inc. (the "Developer"). The City and the Developer shall be referred to herein collectively as the "Parties."

The Parties agree that any reference to "City" or "City Staff," is entirely in agency capacity for TIRZ #3, and, further, that the City as a home-rule municipal corporation is not a party to this MOU. This MOU will guide the relationship of the Parties with respect to the preliminary planning phase of the Development, as defined below.

- 1. Definition.** The "Development" is the proposed renovation of the Ritz Theatre located within the geographical boundaries of the Tax Increment Reinvestment Zone (the "Zone") at 715 N. Chaparral Street. Phase 1 of the Development will bring the Ritz Theatre into compliance with all required building ordinances in order to ensure the comfort and safety of the patrons. The focus of Phase 1 is to ensure needed standards are met in order to place the theatre in service. The work to be done in Phase 1 includes roof repairs, repairs to the HVAC, plumbing and electrical repair, repair of the signage, a wall mural, and any other work needed to obtain a Certificate of Occupancy from the City's Development Services Department.

2. City's Responsibilities.

- a. The City shall set aside \$100,000 from the Chaparral Street Property Improvement Program. It is the intent of the City and the TIRZ #3 Board of Directors (the "Board") to commit the funds to the Developer for Phase 1 of the Development upon execution of a subsequent, more detailed contractual agreement between the Parties if such an agreement can be reached. Funds shall not be paid before a Certificate of Occupancy has been obtained for the Development.
- b. The City shall hold such funds until the termination of this MOU and shall not expend any of the funds on other projects until the termination of this MOU.

3. Developer's Responsibilities.

- a. Developer shall seek to obtain the additional funding required for the Development. During the term of this MOU, the Developer shall obtain, at a minimum, \$100,000 in matching funds for the Development.
- b. Developer shall apply for the Texas Historical Commission's Town Square Initiative and seek a partnership and resources to assist in the Development, including Historic Rehabilitation Tax Credits. A copy of the application for this program is attached as Exhibit A. The Town Square Initiative's Theater Feasibility Study includes:
 - i. Establishment of a detailed business plan discussing the various phases of the Development and the intended use of the Development upon completion of the renovation. It is the understanding of the City and the Board that the

Development will become a public facility providing cultural experiences to the Zone including art and music.

- ii. Creation of visual representations of the planned work in Phase 1, evidencing an intention to maintain the historical and cultural integrity of the Ritz Theatre.
 - c. Developer shall also provide economic impact models showing the expected impact that the Development will have on the Zone.
4. **Term.** This MOU shall be effective upon the date last signed and executed by the duly authorized representatives of the Parties to this MOU and shall remain in full force and effect for one year following that date, unless terminated earlier.
5. **Agreement.** The Parties agree that once the Developer has complied with all of the requirements of Section 3 of this MOU, the parties shall attempt to negotiate a more detailed contractual agreement, which will replace this MOU once agreed to and executed by the parties. If the Developer does not comply with all of the requirements of Section 3 within the term of this MOU, this MOU shall automatically terminate. In the event that this MOU is terminated, automatically or otherwise, and not replaced by a new contractual agreement, the City shall immediately release the hold on the funds and such funds shall be available for other projects under the Chaparral Street Property Improvement Program.
6. **Amendments or Modifications.** No amendments or modifications to this MOU may be made, nor any provision waived, unless the amendment or modification is made in writing and signed by persons duly authorized to sign agreements on behalf of both Parties.
7. **Notices.**
 - a. Any required written notices shall be sent, certified mail, return receipt requested, addressed as follows:

If to City:

City of Corpus Christi
Attn.: City Manager's Office
Tax Increment Reinvestment Zone #3
P.O. Box 9277
Corpus Christi, Texas 78469-9277

If to Developer:

Corpus Christi PATCH, Inc.
Attn: Monica M. Sawyer
402 Peoples Street, Suite 1A
Corpus Christi, Texas 78401
 - c. Notice is effective upon deposit in the United States mail in the manner provided above.

8. **Third Party Beneficiary Rights.** The Parties do not intend to create in any other entity or individual the status of a third party beneficiary, and this MOU shall not be construed to create such status. The rights, duties, and obligations contained in this MOU shall operate only between the Parties, and shall inure solely to the benefit of the Parties. The provisions of this MOU are intended only to assist the Parties in determining and performing their obligations under this MOU. The Parties intend and expressly agree that only they shall have legal or equitable rights to enforce this MOU or to seek any remedy arising out of either party's performance or failure to perform under this MOU.
9. **Captions.** The captions in this MOU are for convenience only and are not a part of this MOU. The captions do not in any way limit or amplify the terms and provisions of this MOU.
10. **Termination.** The Parties may, by written agreement, terminate this MOU at any time. Either Party may, with 30-days written notice, request that the MOU terminate. If the other Party does not object within the 30 days, the MOU shall terminate immediately. If the other Party does object within 30 days, the MOU shall continue until the end of the term unless otherwise terminated earlier.
11. **Assignment.** The Developer may not assign all or any part of its rights, privileges, or duties under this MOU without the prior written approval of the Board.
12. **Severability.** If any provision of this MOU is determined to be illegal or unenforceable, such provision shall be fully severable, and the remainder of this MOU shall continue in full force and effect.

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**CITY OF CORPUS CHRISTI,
AS AGENT FOR TIRZ #3**

City Manager/Designee

Date: _____

ATTEST:

Rebecca Huerta
City Secretary

Date: _____

CORPUS CHRISTI PATCH, INC.



Monica M. Sawyer
Title: _____ President

Date: _____ 7/10/18

APPROVED AS TO FORM:

Aimee Alcorn-Reed
Assistant City Attorney

Date: _____