



## **AGENDA MEMORANDUM**

Corpus Christi Tax Increment Reinvestment Zone #3 Meeting October 15, 2019

**DATE:** October 3, 2019

**TO:** Peter Zanoni, City Manager

**FROM:** Alyssa Barrera Mason, Executive Director, CCDMD  
Alyssa@cctexasdmd.com  
(361) 882-2363

Jason Alaniz, Real Estate & Main Street Manager, CCDMD  
Jason@cctexasdmd.com  
(361) 882-2363

<p style="text-align: center;"><b>Approval of TIRZ #3 Reimbursement for Stonewater Properties Carancahua Inc. at 817 N Carancahua Street</b></p>
--

**CAPTION:**

Motion to approve a reimbursement request of \$185,000 with Stonewater Properties Carancahua under the Downtown Development Reimbursement Agreement for 817 N Carancahua Street which will be paid in two equal installments of \$92,500 over two fiscal years.

**SUMMARY:**

This motion authorizes payment under the Downtown Development Reimbursement Agreement for the conversion of a vacant office building into residential apartments, Studio 44, at 817 N Carancahua. The incentive is to be paid out over two consecutive fiscal years at \$92,500 per year.

**BACKGROUND AND FINDINGS:**

On April 12, 2016, the TIRZ #3 Board approved a Downtown Development Reimbursement Agreement with Stonewater Properties 723 Broadway LLC and Stonewater Properties Carancahua, Inc. - a three-phased project to convert two vacant office buildings to residential apartments and to upgrade the supporting parking facilities. The first phase of the project was the conversion of 817 N Carancahua from a vacant office building into residential apartments, Studio 44. In April 2019, Stonewater Properties sold the properties located at 723 Broadway and 822 N Carancahua which was the

building redevelopment identified in Phase II and one of the parking lots identified in Phase III. On July 23, 2019, The TIRZ #3 Board removed Phase II from the Downtown Development Reimbursement Agreement and modified Phase III to reflect the sale of those properties. Stonewater Properties 723 Broadway LLC was the ownership name associated with these two properties.

The project fits the criteria for the Downtown Living Initiative, which is intended to increase residential units in the Reinvestment Zone. The total project cost was \$2,900,000. In accordance to the Reimbursement Agreement, the incentive is to be paid out over two consecutive years at \$92,500 per year.

Studio 44 has been leasing apartments for one month and is at 25% occupancy. The micro-units range in size from 250 – 500 square feet. The landscaping is expected to begin by November 2019.

#### **ALTERNATIVES:**

The Board could not approve this reimbursement.

#### **FISCAL IMPACT:**

The funding source for this project is from the TIRZ #3 Downtown Living Initiative Program. The project will consist of two annual payments in the amount of \$92,500 for a total incentive amount of \$185,000.

#### **Funding Detail:**

Fund:	1112 – TIRZ #3
Organization/Activity:	10278 – Downtown Living Initiative
Mission Element:	707 – Economic Development
Project # (CIP Only):	N/A
Account:	540140 – Reimbursement to Developers

#### **RECOMMENDATION:**

Staff recommends approval of the motion as presented. Per the TIRZ #3's service agreement with the Downtown Management District (DMD), DMD staff has completed a compliance performance audit in accordance with Section 2 of the Downtown Development Reimbursement Agreement. DMD staff has confirmed completion of the project as stated in the Reimbursement Agreement.

#### **LIST OF SUPPORTING DOCUMENTS:**

Reimbursement Request – Stonewater Properties Carancahua  
Certificate of Occupancy  
PowerPoint – Studio 44