



AGENDA MEMORANDUM
Corpus Christi Tax Increment Reinvestment Zone #3 Meeting March 24, 2020

DATE: March 6, 2020

TO: Peter Zanoni, City Manager

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Downtown Vacant Buildings/ Retail Pop Up Pilot Program

CAPTION:

Discussion and possible action regarding a Downtown Retail Pop Up Pilot Program.

SUMMARY:

The purpose of this item serves as a follow-up to the Downtown Vacant Building (DVB) Ordinance by making the Rehabilitation Program (Retail Pop Up Program) available as the next step in the development for property owners in compliance with the DVB Ordinance.

BACKGROUND AND FINDINGS:

The 2015 Amended Project & Financing Plan, the Downtown Area Development Plan, the Downtown Management District's (DMD) Three Year Strategic Plan and the DMD's Fiscal Year 2018 Service Plan included a recommendation for a new downtown vacant building program. DMD worked with City Staff and the TIRZ #3 Board for over a year to develop the Downtown Vacant Building Program. Upon consideration at the City Council, significant changes were requested by the Corpus Christi Realtors Association. A modified version of Downtown Vacant Building Ordinance (DVBO) was adopted in 2018, and perceptions of safety have improved with additional exterior lighting and removal of boards off windows.

At the adoption of the DVBO, we held back the 2nd part of the initial Vacant Building Program, a rehabilitation component, to see how the DVBO would impact the market. Downtown vacancy is now at a historic low and demand is at an all-time high, but 1st floor white-box retail space is no longer available. Additionally, despite these positive statistics, many buildings still sit vacant. DMD is now proposing to bring back the 2nd part of the Vacant Building Program to spur property owners to action with a limited time, high impact incentive that will enable us to develop vibrant, locally owned, retail mix that defines Downtown Corpus Christi's character.

This item is the second program- a Rehabilitation (Pop Up) Pilot Program. It is intended to create an achievable next step for property owners in compliance with the new standard of care that became effective October 1, 2018. It also creates an opportunity for information to be gathered on the condition of the buildings and the work that would need to be done to put the properties back into use. In return for providing the Property Report, owners would be able to identify the first improvement and receive up to a \$50,000 reimbursement once it is completed. This program will only be available until September 30, 2020. The DMD would manage this program, in addition to the other incentive programs funded through TIRZ #3.

ALTERNATIVES:

The Board could not approve this program or give further direction on the program requirements and eligible improvements.

FINANCIAL IMPACT:

This initiative is not funded in the FY2020 budget and would require a budget amendment to increase the FY2020 budget by \$250,000.

Funding Detail:

Fund: 1112 – TIRZ #3
Organization/Activity: 10282- Downtown Vacant Building Ordinance
Mission Element: 707 – Economic Development
Project # (CIP Only): N/A
Account: 540140 – Reimbursement to Developers

RECOMMENDATION:

Staff recommends adopting the Downtown Vacant Building Rehabilitation (Pop Up) Pilot Program because it will assist in providing new retail spaces available for lease. Staff has recognized a high demand for available retail spaces. Unfortunately, most of the vacant buildings have years and, more often than not, decades old deferred maintenance. By encouraging and assisting in the development of vacant spaces we get one step closer to achieving the goal of activating more vacant buildings in our Downtown.

LIST OF SUPPORTING DOCUMENTS:

About DVB Retail Pop Up Pilot Program