



## **AGENDA MEMORANDUM**

Corpus Christi Tax Increment Reinvestment Zone #3 Meeting September 30, 2020

**DATE:** September 9, 2020

**TO:** Peter Zaroni, City Manager

**FROM:** Alyssa Barrera Mason, Executive Director, CCDMD  
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<p><b>Approval of TIRZ #3 Reimbursement Agreement for Produce Art Gallery at 419 Peoples Street</b></p>
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**CAPTION:**

Motion to approve a Downtown Development Reimbursement Agreement with Carlos Villarreal for improvements to the property located at 419 Peoples Street related to the development of an art gallery and studio for a total incentive amount not to exceed \$7,500 to be completed on or before January 31, 2021, effective upon signature by the City Manager or designee.

**SUMMARY:**

This motion authorizes a Reimbursement Agreement for Carlos Villarreal through the New Commercial Tenant Finish Out Program in the amount of \$7,500.

**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. The New Commercial Tenant Finish Out Grant Program was created to assist new businesses leasing commercial space in the Reinvestment Zone.

The Developer, Carlos Villarreal, will be renovating this vacant space into an art gallery and studio space in the vacant space formerly known as Hank's Lounge which closed its doors in April 2019. Carlos intends to turn this space into a community art and creative space for all artists. He will also curate art exhibitions from a variety of different artists. He plans to incorporate and plan his exhibits with ArtWalk and the Dia De Los Muertos Festival. Carlos teaches art and photography at TAMU-CC and has experience running and curating a gallery and has assisted with gallery operations at TAMU-CC and in New York City. The improvements include a new ADA restroom,

new electrical wiring and lighting, new HVAC, framing and drywall installation, window repair, and concrete floor repairs. The landlord has already remediated the asbestos and gutted the interior at a cost of \$25,000 in order to prepare the site for the tenant. The total project cost is \$63,500 which includes the completed landlord's work.

**ALTERNATIVES:**

The Board could not approve this agreement, choose to limit the total reimbursement amount, or change elements to the reimbursement agreement.

**FINANCIAL IMPACT:**

The funding source for this project is from the TIRZ #3 New Tenant Commercial Finish Out Program. The budget for this program is \$100,000 and this project will consist of a one-time expenditure of an amount not to exceed \$7,500. The remaining balance will be \$84,612.

**Funding Detail:**

Fund: 1112 – TIF #3  
Organization/Activity: 10277 – New Tenant Commercial Finish Out  
Mission Element: 707 – Economic Development  
Project # (CIP Only): N/A  
Account: 540450 – Reimbursement to Developers

**RECOMMENDATION:**

Staff recommends approving the agreement as it will not only activate a vacant space in the downtown core. With K Space Contemporary and the upcoming art studios in the historic Ward Building mixed-use project (both TIRZ #3 projects), this art gallery will be within walking distance to each location and help create an art cluster to coincide with the growing mural installations throughout downtown.

**LIST OF SUPPORTING DOCUMENTS:**

TIRZ #3 Reimbursement Agreement – Produce Art Gallery