



## **AGENDA MEMORANDUM**

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

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**DATE:** September 14, 2020

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

**FROM:** Heather Hurlbert, Director of Finance & Business Analysis  
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<p><b>Approval of 2021 Tax Increment Reinvestment Zone #3 Amended Project &amp; Financing Plan</b></p>
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**CAPTION:**

Resolution approving the Fifth Amendment to the Tax Increment Reinvestment Zone #3 Project & Financing Plan for implementation with the FY2021 budget.

**BACKGROUND AND FINDINGS:**

In 2008, the City of Corpus Christi created Tax Increment Reinvestment Zone #3 in the City's Downtown, adopting a draft Project & Financing Plan.

In 2015, the TIRZ #3 Board and City Council approved an Amended Project & Financing Plan, which created programs and initiatives to facilitate type of developments needed in downtown.

In 2016, the TIRZ #3 Board accepted a Second Amendment, which expanded programming and services from the Downtown Management District; refined the Incentive Programs; and enabled funds to be expended for public, cultural and/or historic properties within the Zone, updated Del Mar College's Participation, and updated the Project Plan Budget for FY 2017.

In 2017, the TIRZ #3 Board authorized a Third Amendment, which renamed the Site Assembly & Development category to Site Management & Development; expanded both Parking Management and Traffic Pattern and Streetscapes to authorize funding for implementation; and expand other Programs and Initiatives to include Cultural District Plan as part of the DMD's FY 2018 Scope of Services.

In 2018, the TIRZ #3 Board authorized a Fourth Amendment to the Project & Financing Plan, which updated the language to show that the Downtown Area Development Plan was complete, extended the incentive programs for an additional 3 years, provided an updated table showing the projected TIRZ revenue, provide funding for the implementation of the Parking Action Plan, and identify changes to Other Programs & Initiatives undertaken by the DMD.

Staff is proposing a fifth amendment, this amendment incorporates implementation of programs introduced in Fiscal Year 2020 for more aggressive incentives based upon the remaining rehabilitation hurdles and economics.

1) Chaparral Street Property Improvement Grant Program:

- A 20% incentive cap had been adopted for FY16 - FY20 but will be removed and now a max of \$100,000 is available for a single project in a single fiscal year.

2) New Tenant Commercial Finish-Out Grant Program:

- Existing inventory has not proven to be tenant ready so a modification to reimburse up to 50% of mechanical, electrical, or plumbing costs (up to \$20,000), will be available to the landlord with a new tenant if that landlord provides a 6-month rent waived lease.

3) Project Specific Development Agreement:

- For catalytic projects with per unit development cost above \$100,000, a 10% threshold will be considered based on available funding, up to \$20,000 per unit.
- It was previously available to projects with 100 units or more but has now been reduced down to a minimum of 10 units to incentivize smaller, incremental projects.

4) Traffic Pattern Study and Streetscape was implemented as a first phase in the previous project and finance plan but now 5 different projects have been initiated specifically below:

- *Streetscape program*-Funding \$200,000 for right of way and façade improvements to increase lighting and security beginning in FY18 and funded annually thereafter.
- *Artesian Park*-\$150,000 initial funding in FY20, then \$50,000 annual for La Retama & Artesian.
- *Two-way Conversion; Shoreline to Water Street*-Up to \$400,000 (Funded FY20, rolled into FY21).
- *General Right of Way Maintenance*-\$50,000 annually
- *Broadway Bluff Maintenance and Repair Assessment*-\$150,000 (funded FY20, rolled into FY21)

5) Other Programs & Initiatives:

- Implementation of approved projects from TIRZ #3 Traffic & Planning Analysis, specifically Artesian Park upgrades
- Capital Maintenance for public spaces and right of ways throughout the zone and continued capital management

**ALTERNATIVES:**

The Board could choose not to incorporate a fifth amendment to the Project and Financing Plan.

**FISCAL IMPACT:**

N/A

**FUNDING DETAIL:**

Fund:	N/A
Organization/Activity:	N/A
Mission Element:	N/A
Project # ( <b>CIP Only</b> ):	N/A
Account:	N/A

**RECOMMENDATION:**

Staff recommends approving the amended Project and Financing Plan.

**LIST OF SUPPORTING DOCUMENTS:**

Resolution – TIRZ #3 Amended Project & Financing Plan  
Plan - TIRZ #3 Amended Project & Financing Plan