



## **AGENDA MEMORANDUM**

First Reading for the City Council Meeting of December 1, 2020  
Second Reading for the City Council Meeting of December 8, 2020

**DATE:** November 9, 2020

**TO:** Peter Zaroni, City Manager

**FROM:** Heather Hurlbert, Director of Finance & Business Analysis  
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### **Ordinance approving the Tax Increment Reinvestment Zone #3 Amended Project and Financing Plan**

#### **CAPTION:**

Ordinance approving the Tax Increment Reinvestment Zone #3 (Downtown) Project & Financing Plans approved by the Board of Directors of Reinvestment Zone Number Three, City of Corpus Christi.

#### **SUMMARY:**

This Ordinance approves the Fifth Amendment to the Tax Increment Reinvestment Zone #3 Amended Project and Financing Plan which will incorporate implementation of programs introduced in FY2020 for more aggressive incentives based upon the remaining rehabilitation hurdles and economics.

#### **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.

September 2020, the Tax Increment Reinvestment Board #3 Board made a motion to approve the resolution of the fifth amendment to the TIRZ #3 Project & Financing Plan for implementation with the FY2021 budget. This amendment incorporates implementation of programs introduced in FY 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:**

Council could choose not to incorporate a fifth amendment to the Project & Financing Plan

**FISCAL IMPACT:**

N/A

**Funding Detail:**

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

**RECOMMENDATION:**

Staff recommends approving the amended Project & Financing Plan.

**LIST OF SUPPORTING DOCUMENTS:**

Ordinance

Project & Financing Plan