



**AGENDA MEMORANDUM**

Corpus Christi Tax Increment Reinvestment Zone #3 Meeting January 26, 2021

---

**DATE:** January 12, 2021

**TO:** Peter Zaroni, City Manager

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

Jason Alaniz, Economic Development Manager, CCDMD  
Jason@cctexasdmd.com  
(361) 882-2363

**Approval of 1<sup>st</sup> Amendment TIRZ #3 Reimbursement Agreement for Produce Art Gallery  
at 419 Peoples Street**

**CAPTION:**

Motion approving Amendment No. 1 to the Downtown Development Reimbursement Agreement for Produce Art Gallery, which provides a six-month extension that the Developer must complete improvements on or before July 31, 2021, effective upon signature by the City Manager or designee.

**SUMMARY:**

This motion authorizes an extension of the completion date requirement for Produce Art Gallery. This project consists of renovating a former bar that has sat vacant since April 2019 into an art gallery and studio.

**BACKGROUND AND FINDINGS:**

On September 29, 2020, the Board approved a Downtown Reimbursement Agreement with Carlos Villarreal for improvements to the property located at 419 Peoples Street. The project fit the criteria for the New Commercial Tenant Finish Out Program which was created to assist new businesses leasing commercial space in the Reinvestment Zone.

The Developer has demolished and cleaned out the interior to a shell space, prepared the walls for framing, and begun the plumbing re-route. Additionally, the landlord has performed an asbestos abatement. This project has encountered several delays that began with the electricity being cut off from the building as the sidewalk was being reconstructed. Next, there was a flooding issue with stormwater runoff getting into the building from the adjacent property owner's building. Lastly, as the partial plumbing re-route was in progress, the plumber discovered a larger issue

with the overall system and recommended a full re-route where tunneling under the building was required. The previous tenant occupied the space for decades with various code violations and a non-compliant restroom. These delays backed up construction into the holidays where progress slowed down significantly. Construction is moving forward again and is expected to be complete by July 31, 2021. The total project cost is \$63,500.

**ALTERNATIVES:**

The Board could not approve this amendment or limit the completion date requirement.

**FINANCIAL IMPACT:**

There is no financial impact associated with this item. The funding source for this project is from the TIRZ #3 New Tenant Commercial Finish Out Program for FY20. The budget for this program is \$100,000 and this project consists of a one-time expenditure of an amount not to exceed \$7,500. The funds have been encumbered.

**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 amendment to the Agreement by extending the completion date for this project by six months from January 31, 2021 to July 31, 2021. The renovation of this space will activate a vacant space and add to the growing art landscape of Downtown.

**LIST OF SUPPORTING DOCUMENTS:**

Letter Requesting Extension – Produce Art Gallery  
Amendment No. 1 Development Reimbursement Agreement – Produce Art Gallery