



## **AGENDA MEMORANDUM**

Corpus Christi Tax Increment Reinvestment Zone #3 Meeting April 27, 2021

**DATE:** April 15, 2021

**TO:** Peter Zanoni, City Manager

**FROM:** Alyssa Barrera Mason, Executive Director, CCDMD  
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<p><b>Approval of an Eight Month Extension to the Reimbursement Agreement with South Chaparral Square (Agnes Water, LLC) at 402 So. Chaparral St.</b></p>
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**CAPTION:**

Motion approving Amendment No. 1 to the Downtown Development Reimbursement Agreement for Agnes Water, LLC which provides an eight-month (8) extension that the Developer must complete improvements on or before March 31, 2022, effective upon signature by the City Manager or designee.

**SUMMARY:**

This motion authorizes an extension of the completion date requirement for South Chaparral Square. This project consists of the exterior renovation of the building facing So. Chaparral into office space with exterior improvements including lighting, security cameras, landscaping, new stucco, paint, awning, sidewalk replacement, new windows and doors, and new entry feature on the East of South side of the property.

**BACKGROUND AND FINDINGS:**

On October 27, 2020, the TIRZ #3 Board approved a Downtown Development Reimbursement Agreement with Agnes Water, LLC for the property located at 402 So. Chaparral St. The project fit the criteria for the Streetscape and Safety Improvement Program which was created to assist property owners with improvements to the right of ways, façades, and alleys that comprise shared public space. These improvements impact perceptions of safety and contribute to the experience of residents and tourists.

Recently, the developer has increased their scope of the project to include the addition of a second story over the portion of the building that serves as rooftop parking and converting it into

climate-controlled storage. Additionally, the developer will hire an engineer for structural analysis of a second story. Early indications show the project is feasible from an engineering standpoint. Due to these changes and additions, the remainder of the required improvements on this portion of the property cannot be completed until after the addition is finished.

To date, the Developer has completed the following improvements:

- Exterior refaced with new windows, doors, awning, paint, and lighting
- Chaparral Sidewalk replacement is complete

Final improvements include:

- Additional lighting
- Security cameras
- Installation of sidewalk on Broadway Street

The total project cost was originally \$1,200,000 but is anticipated to exceed this budget due to the addition and quickly rising costs of construction. Despite these challenges, the Developer is fully committed to completing this project in accordance with the requested revised schedule.

#### **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 Streetscape and Safety Improvement Program FY21 & FY 22. The budget for this program is \$200,000 and this project consists of an incentive value of \$200,000 with a two-part annual payout of \$100,000 each year.

#### **Funding Detail:**

Fund: 1112 – TIF #3  
Organization/Activity: 10286 – Streetscape & Safety Improvement Program  
Mission Element: 707 - Economic Development  
Project # (CIP Only): N/A  
Account: 540450 – Reimbursement to Developers

#### **RECOMMENDATION:**

Staff recommends approving the amendment to the Agreement and extending the completion date for this project by eight months from July 31, 2021 to March 31, 2022. This project is phase 2 of the redevelopment of this city block. The renovation of the office spaces has resulted in Victory Building Team relocating their offices downtown and the cleaning up of this problematic area of squatters, trash debris, and graffiti. This developer is experienced in these types of developments and intends to continue improving this property once phase 2 is complete.

#### **LIST OF SUPPORTING DOCUMENTS:**

Letter Requesting Extension – So. Chaparral Square  
Amendment No. 1 Development Reimbursement Agreement – So. Chaparral Square