



City of Corpus Christi

1201 Leopard Street
Corpus Christi, TX 78401
cctexas.com

Meeting Agenda

Reinvestment Zone No. 3

Tuesday, September 17, 2019

9:30 AM

City Council Chambers

Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services are requested to contact the City Secretary's office (at 361-826-3105) at least 48 hours in advance so that appropriate arrangements can be made.

- A. Chairman Everett Roy to call the meeting to order.
- B. City Secretary Rebecca Huerta to call roll of the Corporation Directors.

TIRZ No. 3 Board Members:

Everett Roy (Chair)	Carolyn Vaughn (Vice-Chair, Nueces County)
Ben Molina	Joe McComb
Michael T. Hunter	Al Jones (Downtown Management District)
Paulette Guajardo	Susan Hutchinson (Del Mar)
Greg Smith	Rudy Garza
Gil Hernandez	Roland Barrera

C. **PUBLIC COMMENT:**

PLEASE BE ADVISED THAT THE OPEN MEETINGS ACT PROHIBITS THE BOARD OF DIRECTORS FROM RESPONDING AND DISCUSSING YOUR COMMENTS AT LENGTH. THE LAW ONLY AUTHORIZES THEM TO DO THE FOLLOWING:

1. MAKE A STATEMENT OF FACTUAL INFORMATION.
2. RECITE AN EXISTING POLICY IN RESPONSE TO THE INQUIRY.
3. ADVISE THE CITIZEN THAT THIS SUBJECT WILL BE PLACED ON AN AGENDA AT A LATER DATE.

D. **MINUTES:**

1. [19-1296](#) Approval of Minutes of the August 27, 2019 Regular Meeting

E. **FINANCIAL REPORT:**

2. [19-1264](#) TIRZ #3 Financial Reports as of July 31, 2019

Sponsors: Financial Services Department

F. EXECUTIVE SESSION ITEMS: (None)**G. AGENDA ITEMS:**

3. [19-1276](#) Motion to approve a Downtown Development Reimbursement Agreement with 31102, LLC for improvements to the property located at 201 S Chaparral Street for a total incentive amount not to exceed \$220,000, effective upon signature by the City Manager or designee.
Sponsors: Downtown Management District
4. [19-1277](#) Motion to approve a Downtown Development Reimbursement Agreement with 807 N Upper Broadway, LLC for improvements to the property located at 807 N Upper Broadway for a total incentive amount not to exceed \$520,000, effective upon signature by the City Manager or designee.
Sponsors: Downtown Management District
5. [19-1278](#) Motion to approve a Downtown Development Reimbursement Agreement with Corpus Christi PATCH, Inc. for improvements to the property located at 715 N Chaparral Street for a total incentive amount not to exceed \$100,000, effective upon signature by the City Manager or designee.
Sponsors: Downtown Management District
6. [19-1279](#) Motion to approve a reimbursement request with Centre Theatre, LLC under the Downtown Development Reimbursement Agreement for 301 & 305 N Chaparral Street and authorizing the expenditure of \$18,964.
Sponsors: Downtown Management District
7. [19-1281](#) Motion to approve a Streetscape Reimbursement Agreement with KPL Holdings LLC for improvements to the property located at 424 N Chaparral Street for an incentive amount not to exceed \$45,700, effective upon signature by the City Manager or designee.
Sponsors: Downtown Management District
8. [19-1283](#) Motion to renew the Interlocal Cooperation Agreement between Corpus Christi Tax Increment Reinvestment Zone #3 (TIRZ #3) and the Corpus Christi Downtown Management District (DMD) to encourage the redevelopment of TIRZ #3, approve a Service Plan for Fiscal Year 2020 and ratify the Budget amount of \$510,000.
Sponsors: Downtown Management District and Business Liaison

H. PRESENTATION ITEMS:

9. [19-1294](#) Update of TIRZ #3 Approved Programs and Initiatives - August 2019
Sponsors: Business Liaison

I. IDENTIFY FUTURE AGENDA ITEMS:

J. ADJOURNMENT

** Regardless of the agenda heading under which any item is listed, any word or phrase of any item listed on this agenda shall be considered a subject for consideration for purposes of the Texas Open Meetings Act and other relevant laws, and the Board of Directors may deliberate and vote upon any such subject and resolutions related thereto. Any descriptions of property or amounts stated in this agenda are descriptive and not restrictive, and property and amounts may be changed in the motions, actions or documents. In addition to other items listed in this agenda, policies and procedures of this corporation, legal analysis of any items, policies or procedures, and any items that are currently receiving funding from this corporation may be discussed and deliberated and these matters are added as subjects of discussion to this meeting. This agenda has been reviewed and approved by the attorney for the governing body, and the presence of any subject or description in the Executive Session portion of this agenda constitutes a written interpretation of Chapter 551 of the Texas Local Government Code by the attorney for this corporation indicating that said subject or description thereof may be legally discussed in a closed meeting.*



City of Corpus Christi

1201 Leopard Street
Corpus Christi, TX 78401
cctexas.com

Meeting Minutes

Reinvestment Zone No. 3

Tuesday, August 27, 2019

9:30 AM

City Council Chambers

Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services are requested to contact the City Secretary's office (at 361-826-3105) at least 48 hours in advance so that appropriate arrangements can be made.

A. Chairman Everett Roy to call the meeting to order.

Chairman Roy called the meeting to order at 9:31 a.m.

B. City Secretary Rebecca Huerta to call roll of the Corporation Directors.

Secretary Rebecca L. Huerta called the roll and verified that a quorum of the Board was present to conduct the meeting. Board Member Guajardo arrived at 9:32 a.m.

Present 11 - Chair Everett Roy, Board Member Roland Barrera, Board Member Rudy Garza, Board Member Paulette Guajardo, Board Member Gil Hernandez, Board Member Michael Hunter, Board Member Susan Hutchinson, Board Member Al Jones, Board Member Joe McComb, Board Member Greg Smith, and Vice Chair Carolyn Vaughn

Absent 1 - Board Member Ben Molina

C. PUBLIC COMMENT:

Chairperson Roy referred to Public Comment. There were no comments from the public.

D. MINUTES:

1. Approval of Minutes of the July 23, 2019 Regular Meeting

Chairman Roy referred to approval of minutes. Board Member Garza made a motion to approve the minutes, seconded by Board Member Hunter and passed unanimously (Board Member Molina - absent).

E. FINANCIAL REPORT:

2. TIRZ #3 Financial Reports as of June 30, 2019

Chairman Roy referred to Item 2. Treasurer Constance Sanchez presented the financial report for Tax Reinvestment Zone No. 3 ending June 30, 2019 including: total assets; revenues; expenditures; commitment reports; and fund

balance.

F. EXECUTIVE SESSION ITEMS:

Chairman Roy referred to the day's Executive Session Items. Board Members went into executive session at 9:34 a.m. Board Members returned from executive session at 10:00 a.m.

3. **Executive Session pursuant to Texas Government Code § 551.071** and Texas Disciplinary Rules of Professional Conduct Rule 1.05 to consult with attorneys concerning legal issues related to economic development agreement(s) involving 31102 LLC and/or other persons or entities desiring to engage in commercial development at or in the vicinity of 201 S Chaparral Street; **and pursuant to Texas Government Code § 551.087** to discuss or deliberate regarding commercial or financial information relating to some or all of the aforementioned matter(s) or entities that the governing body seeks to have locate, stay, or expand within the City limits and with which the governing body is conducting economic development negotiations and/or financial or other incentives involving said business prospect, and possible action related to the aforementioned matters in open session.

Chairman Roy referred to Item 3 and the following motion was considered:

Motion directing the City, as an agent of TIRZ #3, to prepare a Downtown Development Reimbursement Agreement with 31102 LLC, for improvements to the property located at 201 South Chaparral Street for a total incentive amount not to exceed \$200,000 under the Downtown Living Initiative grant program, the incentive being contingent on the subsequent execution of an agreement and approval of the agreement by the Board.

Board Member Guajardo made a motion to approve the Motion, seconded by Board Member Garza and passed unanimously (Board Member Molina - absent).

4. **Executive Session pursuant to Texas Government Code § 551.071** and Texas Disciplinary Rules of Professional Conduct Rule 1.05 to consult with attorneys concerning legal issues related to economic development agreement(s) involving 807 N Upper Broadway, LLC and/or other persons or entities desiring to engage in commercial development at or in the vicinity of 807 N Upper Broadway; **and pursuant to Texas Government Code § 551.087** to discuss or deliberate regarding commercial or financial information relating to some or all of the aforementioned matter(s) or entities that the governing body seeks to have locate, stay, or expand within the City limits and with which the governing body is conducting economic development negotiations and/or financial or other incentives involving said business prospect, and possible action related to the aforementioned matters in open session.

Chairman Roy referred to Item 4 and the following motion was considered:

Motion directing the City, as an agent of TIRZ #3, to prepare a Downtown Development Reimbursement Agreement with 807 N. Upper Broadway, LLC, for improvements to the property located at 807 N. Upper Broadway for a total incentive amount not to exceed \$520,000, which consists of reimbursement of 75% of the increased tax increment paid to the TIRZ #3 over 10 years, or until expiration of the TIRZ #3, under the Project Specific Development Agreement grant program, the incentive being contingent on the subsequent execution of an agreement and approval of the agreement by the Board.

Board Member Garza made a motion to approve the Motion, seconded by Board Member Vaughn and passed unanimously (Board Member Molina - absent).

G. AGENDA ITEMS:

11. Motion to approve a TIRZ #3 redevelopment letter for the 1914 Nueces County Courthouse regarding a potential reimbursement of TIRZ #3 ad valorem property tax until the expiration of the Reinvestment Zone Number Three.

Chairman Roy deviated from the agenda and referred to Item 11. Executive Director of the Downtown Management District (DMD) Alyssa Barrera Mason stated that the purpose of this agenda item is to approve a TIRZ #3 redevelopment letter for the 1914 Nueces County Courthouse regarding a potential reimbursement of future TIRZ #3 ad valorem property taxes for a future development.

Board Members, Nueces County Judge Barbara Canales, and Ms. Mason discussed the following topics: Texas Historical Commission restrictions on the courthouse; Nueces County securing a grant through the National Park Service, in conjunction with the Texas Historical Commission, in the amount of \$150,000; cleaning up the courthouse and grounds; interest in developing the courthouse property; the recently completed feasibility study; the impact on the courthouse property from changes to rights-of-way resulting from the eventual removal of the existing Harbor Bridge; a timeline regarding development of the courthouse property; rebating TIRZ#3 property taxes as an incentive to development; creating an incentive package for potential developers and if doing so creates a precedent for TIRZ#3; the potential increase in value of the courthouse property once the existing Harbor Bridge is removed; delinquent property taxes owed on the courthouse; the current availability/inventory of vacant properties downtown; Nueces County and the City of Corpus Christi working in cooperation with each other to facilitate the development of the courthouse property; the potential economic impact of developing the courthouse property; the negative impact of Fire Station Number 1's proximity to the courthouse property; relocating Fire Station Number 1, which serves North Beach, due to changes in access to the new Harbor Bridge and to relieve the negative impact of the station's proximity to the courthouse property; the cost to relocate Fire Station Number 1; potential uses for the Fire Station Number 1 property in relation to developing the courthouse; the Texas Department of Transportation's process for making properties surplus; Nueces County and the City working in cooperation with the Regional Transportation Authority (RTA) and the Metropolitan Planning Organization (MPO) to designate properties as surplus; petitioning the Texas Legislature to change existing

statutes that prohibit the forgiveness of delinquent property taxes; the impediment created by the statutory prohibition on the forgiveness of delinquent property taxes; the dollar amount of the delinquent taxes versus additional fees and penalties thereon; the potential to forgive penalties and interest on the delinquent taxes owed; and if approval of the proposed motion would create restrictions on the type of development.

Board Member Vaughn made a motion to approve Item 11, seconded by Board Member Hunter and passed unanimously (Board Member Molina - absent).

5. Resolution to approve the Proposed FY 2020 Tax Increment Reinvestment Zone Number Three Board Operating Budget

Chairman Roy referred to Item 5. Director of the Office of Management and Budget Eddie Houlihan presented the proposed FY 2020 Tax Increment Reinvestment Zone Number Three (TIRZ#3) operating budget.

A board member asked for clarification regarding revenue from property taxes.

Board Member Barrera made a motion to approve Item 5, seconded by Board Member Garza and passed unanimously (Board Member Molina - absent).

6. Motion to approve nine additional Corpus Christi Police Department surveillance cameras in the Corpus Christi Downtown in the amount of \$3,510 to be purchased with funding currently encumbered for this purpose.

Chairman Roy referred to Item 6. Business Liaison Arlene Medrano stated that the purpose of this item is to approve funding for nine additional cameras in the downtown area.

Business Liaison Medrano presented information on the following topics: the locations of cameras currently installed; the proposed locations of the nine additional cameras proposed; and the cost. There were no comments from board members.

Board Member Barrera made a motion to approve Item 6, seconded by Board Member Garza and passed unanimously (Board Member Molina - absent).

7. Motion recommending that City Council approve an Interlocal Cooperation Agreement between the City of Corpus Christi and the Corpus Christi Downtown Management District (DMD) for improvements to Artesian Park and encumbering \$150,000 of FY 2019 budgeted funds for said improvements to become effective once approved by City Council.

Chairman Roy referred to Item 7. Business Liaison Arlene Medrano presented information on the following topics related to proposed improvements to Artesian Park: purpose; site; location of Artesian Park; approval timeline; project timeline; oversight; and maintenance.

Board Members, Business Liaison Medrano and Executive Director of the Downtown Management District Alyssa Barrera Mason discussed the following topics: the cost of erecting a fence around the park; protecting investment in

the park; controlling access to the park; restricting access to the park after hours; opposition to erecting a fence around the park; separating the phase proposed in this agenda item from installation of a fence around the park; maintenance of pet waste stations; the potential impact on the park of improvements to Twigg Street that are part of the new Harbor Bridge project; installing surveillance cameras to monitor park activity; that adding lighting to the park is a priority; adding hedges to define the park's boundary; security concerns; adding to this agenda item fencing, as Phase 2; that installation of fencing would require the allocation of additional funds; the type of activity that occurs in the park at night; and the need to approve this agenda item in order to move forward with wrapping trees in the park with lights for Christmas.

Board Member Garza made a motion to approve Item 7, including direction to staff to bring back to the TIRZ#3 a Phase 2, to include a fence or landscaping barrier, seconded by Board Member Hunter and passed unanimously (Board Member Molina - absent).

8. Motion to approve a TIRZ #3 Downtown Development Reimbursement Agreement for Gift & Gallery Shop with K Space Contemporary for improvements to the property located at 623 N Chaparral Street for a total incentive amount not to exceed \$6,490

Chairman Roy referred to Items 8 - 10. There were no comments from board members.

Board Member Smith made a motion to approve Items 8 - 10, seconded by Board Member Jones and passed unanimously, by one vote (Board Members Hunter and Molina - absent).

9. Motion to approve a TIRZ #3 Streetscape Reimbursement Agreement with Tim Clower for improvements to the property located at 623 N Chaparral Street for a total incentive amount not to exceed \$20,075

This item was passed by one vote (see Item 8).

10. Motion to approve a TIRZ #3 Streetscape Reimbursement Agreement with Americano Properties for improvements to the properties located at 415 & 419 Peoples Street for an incentive amount not to exceed \$76,450 and a sidewalk repair to be performed by the City not to exceed \$17,000 for a total incentive amount not to exceed \$93,450

This item was passed by one vote (see Item 8).

12. Motion to approve Amendment No. 2 to the TIRZ #3 Downtown Development Reimbursement Agreement for Shoreline Hospitality, LP, at 311 S. Shoreline Blvd. which provides that the Developer must complete improvements on or before November 30, 2019, effective upon signature by the City Manager.

Chairman Roy referred to Item 12. Executive Director of the Downtown Management District Alyssa Barrera Mason stated that the purpose of this item is to extend the completion date requirement to November 30, 2019 due to the impact of recently imposed tariffs on furniture and fixtures from China is having on meeting the existing completion date requirement.

There were no comments from board members.

Board Member Garza made a motion to approve Item 12, seconded by Board Member Smith and passed unanimously (Board Members Hunter and Molina - absent).

H. PRESENTATION ITEMS:

- 13. Funding and Grant Update for the Ritz Theatre and TIRZ #3 MOU executed in August 2018.

Chairman Roy referred to Item 13. Executive Director of the Downtown Management District Alyssa Barrera Mason presented information on the following topics related to the Ritz Theater: background; memorandum of understanding (MOU) details; TSI feasibility study; funding and grant update; and next steps.

There were no comments from board members.

MOTION OF DIRECTION

Board Member Smith made a motion directing General Manager Peter Zaroni to implement Option 1, as presented, seconded by Board Member Hunter and passed unanimously (Board Member Molina - absent).

- 14. Presentation on the Proposed Seawall Steward Program

Chairman Roy referred to Item 14 and announced that this item is postponed to the next TIRZ#3 meeting.

- 15. Monthly update of the TIRZ #3 Approved Programs and Initiatives - August 2019

Chairman Roy referred to Item 15. Business Liaison Arlene Medrano presented the August 2019 Update of TIRZ#3 Programs and Initiatives. There were no comments from board members.

I. IDENTIFY FUTURE AGENDA ITEMS:

Chairman Roy referred to Identify Future Agenda Items. The following item was identified: the presentation on the proposed seawall steward program, postponed from today's meeting.

J. ADJOURNMENT

The meeting was adjourned at 11:07 a.m.

** Regardless of the agenda heading under which any item is listed, any word or phrase of any item listed on this agenda shall be considered a subject for consideration for purposes of the Texas Open Meetings Act and other relevant laws, and the Board of Directors may deliberate and vote upon any such subject and resolutions related thereto. Any descriptions of property or amounts stated in this agenda are descriptive and not restrictive, and property and amounts may be changed in the motions, actions or documents. In addition to other items listed in this agenda, policies and procedures of this corporation, legal analysis of any items, policies or procedures, and any items that are currently receiving funding from this corporation may be discussed and deliberated and these matters are added as subjects of discussion to this meeting. This agenda has been reviewed and approved by the attorney for the governing body, and the presence of any subject or description in the Executive Session portion of this agenda constitutes a written interpretation of Chapter 551 of the Texas Local Government Code by the attorney for this corporation indicating that said subject or description thereof may be legally discussed in a closed meeting.*

REINVESTMENT ZONE #3
BALANCE SHEET
July 31, 2019

ASSETS	
Cash, cash equivalents and investments	\$ 5,205,697
Total assets	<u>5,205,697</u>
 LIABILITIES	
	-
 FUND BALANCE	
Restricted	
Downtown development	<u>5,205,697</u>
Total liabilities and fund balance	<u>\$ 5,205,697</u>

REINVESTMENT ZONE #3
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Ten Months Ended July 31, 2019

Revenues	
Taxes and business fees	\$ 1,389,927
Earnings on investments	97,644
Total revenues	<u>1,487,571</u>
Expenditures	
Current	
Downtown development	<u>404,084</u>
Excess of revenues over expenditures	1,083,487
Other financing sources (uses)	
Transfers out	<u>(45,918)</u>
Net change in fund balance	1,037,569
Fund balance at beginning of year	<u>4,168,128</u>
Fund balance for the ten months ended 07/31/2019	<u><u>\$ 5,205,697</u></u>

**REINVESTMENT ZONE # 3 (TIF FUND - 1112)
CASH FLOW STATEMENT (ACTUALS)
October 1, 2018 - July 31, 2019**

	October	November	December	January	February	March	April	May	June	July
Beginning cash balance	4,168,128.05	4,285,032.51	4,270,082.73	4,523,168.63	5,046,496.20	5,364,430.08	5,347,362.42	5,372,867.09	5,276,820.50	5,246,984.17
Revenue:										
Property Taxes Received	107,871.37	48,981.63	300,923.11	561,751.73	336,326.70	2,074.58	19,814.90	19,875.37	(11,477.18)	3,785.16
Interest on investments	13,623.09	7,060.39	7,693.79	8,667.84	9,345.18	10,435.76	10,281.77	10,538.04	10,191.85	9,806.48
Miscellaneous Revenue	-	-	-	-	-	-	-	-	-	-
Total revenue	121,494.46	56,042.02	308,616.90	570,419.57	345,671.88	12,510.34	30,096.67	30,413.41	1,285.33	13,591.64
Total cash available	4,289,622.51	4,341,074.53	4,578,699.63	5,093,588.20	5,392,168.08	5,376,940.42	5,377,459.09	5,403,280.50	5,275,535.17	5,260,575.81
Expenditures:										
Chaparral St. Grant Program -10276	-	-	8,439.00	-	-	-	-	-	20,390.00	-
New Tenant Commercial Finish Out -10277	-	-	-	-	-	-	-	-	-	-
Downtown Living Initiative - 10278	-	-	-	-	-	-	-	-	-	-
Project Specific Development -10279	-	-	-	-	-	-	-	-	-	-
Site Management & Development - 10280	-	21,250.00	21,250.00	42,500.00	11,573.00	12,493.00	-	17,184.00	(79,583.33)	21,250.00
Downtown Vacant Build Rehabilitation Pilot Program - 10281	-	-	-	-	-	-	-	-	-	-
Downtown Vacant Build Ordinance Code Enforcement -10282	-	-	-	-	-	-	-	-	-	-
Parking Study & Development - 10283	-	-	-	-	-	-	-	-	-	-
Off-Street Parking Improvement Program - 10284	-	-	-	-	-	-	-	-	-	-
Traffic Pattern Analysis & Streetscapes - 10285	-	-	-	-	-	-	-	-	-	-
Streetscape Safety & Right of Way Improvement Program	-	3,899.80	-	-	-	-	-	-	3,569.00	7,786.33
Other TIRZ Programs & Initiatives -10287	-	41,250.00	21,250.00	-	11,573.00	12,493.00	-	104,684.00	79,583.33	21,250.00
Management & Professional Services - 10288	-	-	-	-	-	-	-	-	-	-
Transfer to General Fund - 60010	4,590.00	4,592.00	4,592.00	4,592.00	4,592.00	4,592.00	4,592.00	4,592.00	4,592.00	4,592.00
Total expenditures	4,590.00	70,991.80	55,531.00	47,092.00	27,738.00	29,578.00	4,592.00	126,460.00	28,551.00	54,878.33
Cash balance	4,285,032.51	4,270,082.73	4,523,168.63	5,046,496.20	5,364,430.08	5,347,362.42	5,372,867.09	5,276,820.50	5,246,984.17	5,205,697.48

**REINVESTMENT ZONE # 3 (TIF FUND - 1112)
CASH FLOW STATEMENT (ESTIMATES)
August 1, 2019 - July 31, 2020**

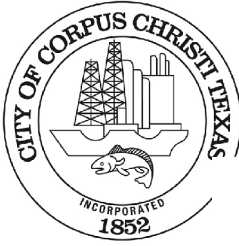
	August	September	October	November	December	January	February	March	April	May	June	July
Beginning cash balance	5,205,697.48	5,170,481.31	5,135,265.15	5,100,048.98	5,064,832.81	5,029,616.65	4,994,400.48	4,959,184.31	4,923,968.15	4,888,751.98	4,853,535.81	4,818,319.65
Revenue:												
Property Taxes Received	115,484.83	115,484.83	115,484.83	115,484.83	115,484.83	115,484.83	115,484.83	115,484.83	115,484.83	115,484.83	115,484.83	115,484.83
Interest on investments	1,933.33	1,933.33	1,933.33	1,933.33	1,933.33	1,933.33	1,933.33	1,933.33	1,933.33	1,933.33	1,933.33	1,933.33
Total revenue	117,418.17	117,418.17	117,418.17	117,418.17	117,418.17	117,418.17	117,418.17	117,418.17	117,418.17	117,418.17	117,418.17	117,418.17
Total cash available	5,323,115.65	5,287,899.48	5,252,683.31	5,217,467.15	5,182,250.98	5,147,034.81	5,111,818.65	5,076,602.48	5,041,386.31	5,006,170.15	4,970,953.98	4,935,737.81
Expenditures:												
Chaparral St. Grant Program -10276	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67
New Tenant Commercial Finish Out -10277	8,333.33	8,333.33	8,333.33	8,333.33	8,333.33	8,333.33	8,333.33	8,333.33	8,333.33	8,333.33	8,333.33	8,333.33
Downtown Living Initiative - 10278	7,708.33	7,708.33	7,708.33	7,708.33	7,708.33	7,708.33	7,708.33	7,708.33	7,708.33	7,708.33	7,708.33	7,708.33
Project Specific Development -10279	-	-	-	-	-	-	-	-	-	-	-	-
Site Management & Development - 10280	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
Downtown Vacant Build Rehabilitation Pilot Program - 10281	-	-	-	-	-	-	-	-	-	-	-	-
Downtown Vacant Build Ordinance Code Enforcement -10282	-	-	-	-	-	-	-	-	-	-	-	-
Parking Study & Development - 10283	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67
Off-Street Parking Improvement Program - 10284	-	-	-	-	-	-	-	-	-	-	-	-
Traffic Pattern Analysis & Streetscapes - 10285	29,166.67	29,166.67	29,166.67	29,166.67	29,166.67	29,166.67	29,166.67	29,166.67	29,166.67	29,166.67	29,166.67	29,166.67
Streetscape Safety & Right of Way Improvement Program	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67
Other TIRZ Programs & Initiatives -10287	37,500.00	37,500.00	37,500.00	37,500.00	37,500.00	37,500.00	37,500.00	37,500.00	37,500.00	37,500.00	37,500.00	37,500.00
Management & Professional Services - 10288	334.00	334.00	334.00	334.00	334.00	334.00	334.00	334.00	334.00	334.00	334.00	334.00
Transfer to General Fund - 60010	4,592.00	4,592.00	4,592.00	4,592.00	4,592.00	4,592.00	4,592.00	4,592.00	4,592.00	4,592.00	4,592.00	4,592.00
Total expenditures	152,634.33	152,634.33	152,634.33	152,634.33	152,634.33	152,634.33	152,634.33	152,634.33	152,634.33	152,634.33	152,634.33	152,634.33
Cash balance	5,170,481.31	5,135,265.15	5,100,048.98	5,064,832.81	5,029,616.65	4,994,400.48	4,959,184.31	4,923,968.15	4,888,751.98	4,853,535.81	4,818,319.65	4,783,103.48

**DOWNTOWN TIF #3 Fund 1112
Contracts and Commitments
As of July 31, 2019**

Commitments - Projects Approved by Board and City Council			Approval Date	Closing Date	Completion Date	Contractual Commitment	By Right	Expended This Year	Expended to Date	Balance Unpaid but Committed	FY2019	FY2020	FY 21-28
Development Project	Incentive Program	Developer											
600 Building	Downtown Living Initiative	Wisznia Development	11/15/2016	6/30/2019	8/31/2020	\$ 1,260,000	\$ 1,260,000	\$ -	\$ -	\$ 1,260,000	\$ -	\$ -	\$ 1,260,000
600 Building	Downtown Living Initiative	Wisznia Development	11/15/2016	6/30/2019	8/31/2020	1,300,000	-	-	-	1,300,000	-	-	1,300,000
Studio 21 Apartments (Phase 1) (10278)	Downtown Living Initiative	Stonewater	4/12/2016		12/31/2018	185,000	185,000	-	-	185,000	92,500	92,500	-
Studio 44 (Broadway Lofts) (Phase 2)	Downtown Living Initiative	Stonewater	4/12/2016		12/31/2020	420,000	420,000	-	-	420,000	-	-	420,000
Studio 44 (Parking Improvements) (Phase 3)	Project Specific	Stonewater	4/12/2016		12/31/2020	50,000	-	-	-	50,000	-	-	50,000
Marriott Residence Inn	Project Specific	Shoreline Hospitality LP	11/15/2016		8/31/2019	940,000	-	-	-	940,000	-	-	940,000
Hilton Garden (exp on 12/31/28)	Project Specific	SEA District Hotel Group LP	4/27/2017		6/1/2020	1,400,000	-	-	-	1,400,000	-	-	1,400,000
Frost Bank	Project Specific	Frost Bank	1/30/2018		8/31/2019	600,000	-	-	-	600,000	-	-	600,000
Nueces Brewing Company (10277)	New Tenant Finish Out	Third Coast Beer, LLC	5/15/2018		4/30/2019	61,700	61,700	-	-	61,700	61,700	-	-
Nueces Brewing Company	Project Specific	Stonewater Properties	5/15/2018		3/31/2019	200,000	-	-	-	200,000	-	-	200,000
Moonshine & Ale (Phase 1) (10276)	Chaparral Street Grant Program	Perry Thomson	7/24/2018		7/31/2019	50,000	50,000	-	-	50,000	50,000	-	-
Whiskey Rodeo Saloon (Phase 2) (10276)	Chaparral Street Grant Program	Perry Thomson	7/24/2018		12/31/2019	50,000	50,000	-	-	50,000	50,000	-	-
Centre Theatre LLC (10276)	Chaparral Street Grant Program	Bryan Gulley	7/24/2018		4/30/2019	18,964	18,964	-	-	18,964	18,964	-	-
Ritz Theatre (MOU) (10276)	Chaparral Street Grant Program	CC PATCH, INC	7/24/2018		7/24/2019	100,000	-	-	-	100,000	100,000	-	-
Waterstreet, Ltd	Streetscape & Safety Imp Prog	Waterstreet, Ltd	9/6/2018		9/30/2018	9,980	9,980	-	9,946	34	34	-	-
Goldfish	Streetscape & Safety Imp Prog	Goldfish	9/5/2018		9/30/2018	1,405	1,405	-	1,267	137	137	-	-
Corpus Christi PD Cameras (10286)	Streetscape & Safety Imp Prog	Corpus Christi PD Cameras	9/25/2018		None	10,000	10,000	3,900	3,900	6,100	6,100	-	-
Chels Marie Boutique	Chaparral Street Grant Program	Therese Cassidy	9/25/2018		12/31/2018	16,232	16,232	8,439	8,439	7,793	7,793	-	-
Lucy's Snack Bar - Interior	Chaparral Street Grant Program	H20 Market Trust	12/4/2018		4/1/2019	20,390	20,390	20,390	20,390	-	-	-	-
Lucy's Snack Bar - Exterior	Streetscape & Safety Imp Prog	H20 Market Trust	12/4/2018		4/1/2019	3,569	3,569	3,569	3,569	-	-	-	-
Fresco's	Chaparral Street Grant Program	Tim Clower	3/19/2019		7/31/2019	32,225	32,225	-	-	32,225	32,225	-	-
Ward Building	Chaparral Street Grant Program	Peoples Street Project, LLC	3/19/2019		8/28/2020	190,000	190,000	-	-	190,000	100,000	90,000	-
Ward Building	Project Specific	Peoples Street Project, LLC	3/19/2019		8/28/2020	200,000	-	-	-	200,000	-	200,000	-
House of Rock	Streetscape & Safety Imp Prog	STARR Street Properties	2/22/2019		5/17/2019	10,000	-	7,786	7,786	2,214	2,214	-	-
Off-Street Parking improvement (10284)			10/1/2018			100,000	-	-	-	100,000	100,000	-	-
Traffic Pattern Analysis & Street Scope (10285)			10/1/2018			350,000	-	-	-	350,000	350,000	-	-
Downtown Vacant Building Rehabilitation Pilot Prog (10281)			10/1/2018			50,000	-	-	-	50,000	50,000	-	-
Downtown Vacant Building Ordinance Code Enforcement (10282)			10/1/2018			50,000	-	-	-	50,000	50,000	-	-
Development Project Totals						7,679,465	2,329,465	44,084	55,297	7,624,167	1,071,667	382,500	6,170,000
Consulting & Services		Consultant					N/A						
Landmark Renewal	PO 23811	Jim Johnson	1/19/2016		1/19/2019	\$ 20,000	\$ -	\$ -	\$ 3,428	\$ 16,573	\$ 16,573	\$ -	\$ -
Parking Management Study & Plan		Walker	4/6/2017		8/31/2017	13,480	-	-	9,436	4,044	4,044	-	-
Parking Study & Development (10283)			10/1/2019			100,000	-	-	-	100,000	100,000	-	-
Interlocal Agreement - Services (10280)	PO 1285 Rel 2	DMD	9/25/2018		10/1/2019	80,000	-	67,917	67,917	12,083	12,083	-	-
Interlocal Agreement - Services (10287)	PO 1285 Rel 2	DMD	9/25/2018		10/1/2019	481,250	-	292,083	292,083	189,167	189,167	-	-
One-way to Two-Way Street Conversions (Project)	No contract yet. Wk to begin in FY19		3/27/2018			300,000	-	-	-	300,000	300,000	-	-
Consulting & Service Totals						994,730	-	360,000	372,864	621,867	621,867	-	-
All Contracts						\$ 8,674,195	\$ 2,329,465	\$ 404,084	\$ 428,161	\$ 8,246,034	\$ 1,693,534	\$ 382,500	\$ 6,170,000

	FY	Contracts Commit	Expended to Date
CLOSED PROJECTS:			
Urbana	2016	72,800	72,800
Bar Under the Sun (BUS)	2018	100,000	100,000
The Gold Fish	2017	11,500	11,500
Cre8tive Culture	2018	6,910	6,910
IBC Bank	2018	8,360	8,360
Blues Kings, Ltd	2018	10,000	10,000
Parking Management Study & Plan	2018	99,480	99,948
Parking Meter Scope Development	2018	4,044	4,044
Interlocal Agreement - Services (PO 1285 Rel 1)	2018	450,000	436,875
Historic Resources Survey	2018	18,000	19,000
Traffic Pattern Analysis & Land Use Study	2018	106,787	112,901
		887,881	882,337

Pro-Forma	FY2019	FY2020	FY 21 - 28
Beginning Fund Balance	\$4,168,128	\$3,424,426	\$ 5,356,308
Expected Revenues	1,409,018	2,314,382	18,195,970
Commitments	(1,693,534)	(382,500)	(6,170,000)
Expenditures	(404,084)		
Admin svc (Transfer out)	(55,102)		
Ending Balance	\$3,424,426	\$5,356,308	\$ 17,382,278



DATE: September 4, 2019

TO: Peter Zanoni, City Manager

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

Jason Alaniz, Real Estate & Main Street Manager, CCDMD
Jason@cctexasdmd.com
(361) 882-2363

**Approval of TIRZ #3 Reimbursement Agreement for 31102, LLC at
201 S Chaparral Street**

CAPTION:

Motion to approve a Downtown Development Reimbursement Agreement with 31102, LLC for improvements to the property located at 201 S Chaparral Street for a total incentive amount not to exceed \$220,000, effective upon signature by the City Manager or designee.

SUMMARY:

This motion authorizes a Reimbursement Agreement with 31102, LLC through the Downtown Living Initiative Program in the amount of \$220,000.

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 Downtown Living Initiative Grant Program was created to increase residential units in the Reinvestment Zone.

On August 27, 2019 the TIRZ #3 Board directed staff to prepare a Downtown Development Reimbursement Agreement with 31102, LLC at 201 S Chaparral Street. The Developer will be renovating the property known as the Limerick Apartments which has been vacant since April 2018 due to a fire on the first floor which rendered the apartment complex unfit for occupancy. The project includes a full-scale renovation to include new HVAC, electrical, plumbing, roof, fire safety systems, and elevator systems. Each of the 29 apartment units will have new paint, flooring, cabinets, appliances, and fixtures. The exterior improvements will include new doors, paint, improved lighting, front and rear awning, and new signage. The parking lot will be resurfaced and striped. Per the Downtown Living Initiative Program, 22 out of 29 units are eligible for the \$10,000 incentive per unit due to 22 units having dedicated on-site parking. The total project cost is \$1,702,100.

ALTERNATIVES:

The Board could choose not approve this agreement.

FINANCIAL IMPACT:

The funding source for this project is from the TIRZ #3 Downtown Living Initiative Program. On July 23, 2019, the TIRZ # 3 Board amended the Reimbursement Agreement for the Stonewater projects. This action deobligated \$395,000, making funds available for this project. The Limerick Apartment Project will consist of a one-time expenditure of an amount not to exceed \$220,000. The remaining balance in the Downtown Living Initiative Org for FY 2019 will be \$175,000.

Funding Detail:

Fund: 1112
Organization/Activity: 10278
Mission Element: 707
Project # (CIP Only): N/A
Account: 540450

RECOMMENDATION:

Staff recommends approving the agreement.

LIST OF SUPPORTING DOCUMENTS:

TIRZ #3 Reimbursement Agreement – Limerick Apartments

DOWNTOWN DEVELOPMENT REIMBURSEMENT AGREEMENT- Limerick Apartments

This Downtown Development Reimbursement Agreement (the "Agreement") is entered into by and between the City of Corpus Christi, Texas (the "City"), as the agent of the Corpus Christi Tax Increment Reinvestment Zone #3 ("TIRZ #3"), and 31102, LLC (the "Developer").

Recitals

WHEREAS on December 16, 2008, the City Council of the City (the "City Council") approved Ordinance 027996, which established the TIRZ #3 in accordance with Texas Tax Code Chapter 311. TIRZ #3 promotes economic development and stimulates business and commercial activity in its downtown Corpus Christi area (the "Zone");

WHEREAS on August 25, 2015, the City Council approved a Project and Financing Plan (the "Plan") for TIRZ #3;

WHEREAS the Board of Directors of TIRZ #3 (the "Board") includes members of the City Council in a non-public-official capacity, as well as a representative from each Nueces County and Del Mar College, who have committed to contribute to TIRZ #3 through Interlocal Agreements created in 2009 and amended in 2012 and 2016;

WHEREAS the Corpus Christi Downtown Management District ("DMD") assists the City with administration of TIRZ #3, recommends projects and recommends a DMD representative to be appointed to the Board through an Interlocal Agreement;

WHEREAS on November 10, 2015, the City Council approved Ordinance 030680, which amended Ordinance 027996 and authorized the Board to approve agreements in this form, to be entered into by the City, as the Board considers necessary or convenient to implement the Plan and achieve its purpose;

WHEREAS the Plan contained certain programs designed to improve conditions and increase commerce within the Zone;

WHEREAS the Developer has proposed a development plan (the "Development") for the certain improvements listed on attached Exhibit A (each, an "Improvement" and, collectively, the "Improvements"). The Improvements are planned to be constructed on the property located at 201 S Chaparral Street, with such property being more fully described on attached Exhibit B (the "Property"). The Property is located within the Zone, and the Improvements fall within one of the programs approved in the Plan;

WHEREAS the Development concept has been refined through cooperation between the Developer, the City and the DMD to meet the desired goals of revitalization within the Zone and serve a public benefit;

WHEREAS any reference to "City" or "City Staff," is entirely in agency capacity for TIRZ #3, and further the City as a home-rule municipal corporation is not a party to this agreement; and

WHEREAS the Developer desires to be reimbursed for certain future costs incurred pursuant to the Development, and TIRZ #3 desires to reimburse the Developer for these costs in accordance with this Agreement;

Agreement

Now therefore, in consideration of the mutual covenants and obligations, the parties agree as follows:

Section 1. Reimbursement Obligations.

The City shall reimburse the Developer from available TIRZ #3 funds in an amount up to the estimated project cost listed next to each Improvement in attached Exhibit C (the "Estimated Project Costs"), except that (a) the total amount of all such reimbursements for the Development may not exceed \$220,000 and (b) if the Developer actually incurs a cost for an Improvement less than that Improvement's Estimated Project Cost, the City shall reimburse the Developer for only the amount of the cost that the Developer actually incurred for that Improvement. Based on qualifications of the Development, the Program reimbursement structure is as follows:

- (a) Downtown Living Initiative (minimum of 10 units must be built in order to qualify):
 - (1) \$10,000 Per Unit, which includes a parking space.

Section 2. Closing Statement Required.

This Section 2 is only applicable to a Developer who is in the process of purchasing the Property, but has not completed the purchase as of the date this agreement is executed by the Developer. Within 30 days of closing, and prior to beginning any work, the Developer shall provide to the appropriate City Staff a certified closing or settlement statement (such as a HUD-1) for the mortgage or loan used to finance the Development.

- (a) The City shall maintain the confidentiality of this information to the fullest extent possible under the law. The City and TIRZ #3 are governmental entities subject to the Texas Public Information Act (the "Act"). In the event that the City or TIRZ #3 determines that this information is responsive to a valid request under the Act, the City shall timely request an opinion from the Office of the Attorney General of Texas (the "Attorney General") and argue that the information is confidential and not subject to release under the Act. The City shall timely notify the Developer of any such request and provide the Developer with the opportunity to make arguments to the Attorney General regarding the confidentiality of the information.
- (b) In the event the loan is less than what had been stated in the application, and as a result the equity requirement shown in the closing statement is lower than the Cap listed in Section 1 of this Agreement, the Cap shall be automatically reduced so that the total amount of TIRZ #3 Reimbursement does not exceed the equity provided by the Developer.

Section 3. Conditions for Reimbursement.

The City shall reimburse Developer in accordance with Section 1 only if the following conditions are fulfilled:

- (a) The Developer constructs all of the Improvements on the Property on or before August 31, 2020 (the "Completion Date") in accordance with Exhibit A and the City's building codes and policies.
- (b) Developer obtains all required building permits from the City and commences construction of the Improvements within six (6) months of the date this Agreement is signed by the City. Any extensions of this deadline must be requested by Developer in writing and approved by the Board.

- (c) The completed Improvements must include all elements (including but not limited to: all design, structural, architectural, lighting, landscaping, etc.) which are shown or referenced in the Development Plan attached hereto as Exhibit A. Any amendments to the Development Plan must be submitted in writing and be approved by all parties to this Agreement.
- (d) The City's Development Services Department issues a C of O for the Improvements.
- (e) Within 60 days of the issuance of C of O, the Developer submits a Request for Reimbursement for actual Project Costs, in the form contained in Exhibit D, including:
 - (i.) C of O;
 - (ii.) specific improvements completed under the Project and the amount of money that Developer paid for completion of such work and that Developer claims as actual Project Costs;
 - (iii.) supporting documents demonstrating that such amounts were actually paid by Developer, including but not limited to invoices, receipts and final lien waivers signed by the general contractor;
- (f) Appropriate City Staff has inspected the Improvements and certifies that the Improvements are complete, acceptable, and comport to the terms of this Agreement.
- (g) Upon acceptance by City Staff, Request for Reimbursement form is reviewed and approved by the Board.
- (h) If the Developer fails to pay the required taxes on the property or files an appeal to the Nueces County Appraisal District or any state or federal court of the assessed value of Property for ad valorem tax purposes, the City and TIRZ #3 shall be under no obligation to make any payments under this agreement until such time as the appeal is resolved and all taxes are paid in full. Any late fees, fines, or interest assessed as a result of the failure to pay taxes or the appeal process shall not be reimbursed to the Developer under this agreement. Reimbursement is limited to the actual amount of property tax paid on the Improvements.

Section 4. Audit

Developer will also make available for inspection by designated City Staff all financial and business records of Developer that relate to the Project, in order to assist City Staff in verifying the Developer's compliance with the terms and conditions of this Agreement. TIRZ #3 shall have the right to have these records audited.

Section 5. Maintenance of Property and Improvements.

Developer must maintain the property for the entirety of the Agreement in accordance with the City's Property Maintenance requirements. Citations from the Code Enforcement for property maintenance issues will initiate termination provision (Section 6).

If the Developer constructs the Improvements, the Developer shall maintain the Improvements, premises, and adjacent public right of way in good condition and so as to not contribute to blight in the Zone. The Developer's obligation to maintain the Improvements and public right of way adjacent to the Property, includes without limitation, maintaining the landscaping, sidewalks, aesthetics, and general cleanliness of the premises.

Section 6. Termination.

Unless sooner terminated in accordance with this Section, this Agreement shall survive the expiration of TIRZ #3. If the Developer has not fully complied with Section 2 Conditions for Reimbursement by the Completion Date, this Agreement shall terminate immediately, unless mutually agreed to in writing in accordance with Section 17.

Three citations from the City's Code Enforcement Division for property maintenance violations and/or one Code Enforcement citation that results in the City abating the property will initiate a review process by the TIRZ #3 Board, at which time the Board may elect to terminate the Agreement.

Section 7. Warranties.

Developer warrants and represents to City the following:

- (a) Developer, if a corporation or partnership, is duly organized, validly existing, and in good standing under the laws of the State of Texas, and further has all corporate power and authority to carry on its business as presently conducted in Corpus Christi, Texas.
- (b) Developer has the authority to enter into and perform, and will perform, the terms of this Agreement.
- (c) Developer has timely filed and will timely file all local, State, and Federal tax reports and returns required by law to be filed, and has timely paid and will timely pay all assessments, fees, and other governmental charges, including applicable ad valorem taxes, during the term of this Agreement.
- (d) If an audit determines that the request for funds was defective under the law or the terms of this agreement, Developer agrees to reimburse the City for the sums of money not authorized by law or this Agreement within 30 days of written notice from the City requesting reimbursement.
- (e) The parties executing this Agreement on behalf of Developer are duly authorized to execute this Agreement on behalf of Developer.
- (f) Developer does not and agrees that it will not knowingly employ an undocumented worker. If, after receiving payments under this Agreement, Developer is convicted of a violation under 8 U.S.C. Section 1324a(f), Developer shall repay the payments at the rate and according to the terms as specified by City Ordinance, as amended, not later than the 120th day after the date Developer has been notified of the violation.

Section 8. Force Majeure.

If the City or Developer are prevented, wholly or in part, from fulfilling its obligations under this Agreement by reason of any act of God, unavoidable accident, acts of enemies, fires, floods, governmental restraint or regulation, other causes of force majeure, or by reason of circumstances beyond its control, then the obligations of the City or Developer are temporarily suspended during continuation of the force majeure. If either party's obligation is affected by any of the causes of force majeure, the party affected shall promptly notify the other party in writing, giving full particulars of the force majeure as soon as possible after the occurrence of the cause or causes relied upon.

Section 9. Assignment.

Developer may not assign all or any part of its rights, privileges, or duties under this Agreement without the prior written approval of the Board. Any attempted assignment without such approval is void, and constitutes a breach of this Agreement. Assignment can only be requested for multi-year reimbursements, after completion of obligations by Developer.

Section 10. Indemnity.

Developer covenants to fully indemnify, save, and hold harmless the TIRZ #3, the City, their respective officers, employees, and agents ("Indemnitees") against all liability, damage, loss, claims, demands, and actions of any kind on account of personal injuries (including, without limiting the foregoing, workers' compensation and death claims), or property loss or damage of any kind, which arise out of or are in any manner connected with, or are claimed to arise out of or be in any manner connected with Developer activities conducted under or incidental to this Agreement, including any injury, loss or damage caused by the sole or contributory negligence of any or all of the Indemnitees. Developer must, at its own expense, investigate all those claims and demands, attend to their settlement or other disposition, defend all actions based on those claims and demands with counsel satisfactory to Indemnitees, and pay all charges of attorneys and all other cost and expenses of any kind arising from the liability, damage, loss, claims, demands, or actions.

Section 11. Events of Default.

The following events constitute a default of this Agreement:

- (a) Failure of Developer to timely, fully, and completely comply with any one or more of the requirements, obligations, duties, terms, conditions, or warranties of this Agreement.
- (b) TIRZ #3, the Board or City Staff determines that any representation or warranty on behalf of Developer contained in this Agreement or in any financial statement, certificate, report, or opinion submitted to the TIRZ #3 in connection with this Agreement was incorrect or misleading in any material respect when made.
- (c) Developer makes an assignment for the benefit of creditors.
- (d) Developer files a petition in bankruptcy, or is adjudicated insolvent or bankrupt.

Section 12. Notice of Default.

Should the City determine that Developer is in default according to the terms of this Agreement, the City shall notify Developer in writing of the event of default and provide 60 days from the date of the notice ("Cure Period") for Developer to cure the event of default.

Section 13. Results of Uncured Default.

After exhausting good faith attempts to address any default during the cure Period, and taking into account any extenuating circumstances that might have occurred through no fault of Developer, as determined by the City, the following actions must be taken for any default that remains uncured after the Cure Period.

- (a) Developer shall immediately repay all funds paid from TIRZ #3 funds under this Agreement.

- (b) Developer shall pay reasonable attorney fees and costs of court.
- (c) The City and TIRZ #3 shall have no further obligations to Developer under this Agreement.
- (d) Neither the City nor the TIRZ #3 may be held liable for any consequential damages.
- (e) The City may pursue all remedies available under law.

Section 14. No Waiver.

- (a) No waiver of any covenant or condition, or the breach of any covenant or condition of this Agreement, constitutes a waiver of any subsequent breach of the covenant or condition of the Agreement.
- (b) No waiver of any covenant or condition, or the breach of any covenant or condition of this Agreement, justifies or authorizes the nonobservance on any other occasion of the covenant or condition or any other covenant or condition of this Agreement.
- (c) Any waiver or indulgence of Developer's default may not be considered an estoppel against the City or TIRZ #3.
- (d) It is expressly understood that if at any time Developer is in default in any of its conditions or covenants of this Agreement, the failure on the part of the City to promptly avail itself of the rights and remedies that the City may have, will not be considered a waiver on the part of the City, but City may at any time avail itself of the rights or remedies or elect to terminate this Agreement on account of the default.

Section 15. Available Funds.

Developer specifically agrees that City and the TIRZ #3 shall only be liable to Developer for the actual amount of the money due Developer under this Agreement from TIRZ #3 funds, and shall not be liable to Developer for any actual or consequential damages, direct or indirect, interest, attorney fees, or cost of court for any act of default by City or the TIRZ #3 under the terms of this Agreement. Payment by City is strictly limited to the total amount of increment funds for TIRZ #3. City shall use its best efforts to anticipate economic conditions and to budget accordingly. However, it is further understood and agreed that, should the actual tax increment funds be less than the total amount paid to all contracting parties at the time, then in that event, all contracting parties shall receive only their pro rata share of the available increment funds for that year, as compared to each contracting parties' grant amount for that year, and City and the TIRZ #3 shall not be liable to for any deficiency at that time or at any time in the future. In this event, City will provide all supporting documentation, as requested. Reimbursements paid to Developer shall require a written request from Developer accompanied by all necessary supporting documentation, as outlined in Section 2.

Section 16. Notices.

Any required written notices shall be sent by certified mail, postage prepaid, addressed as follows:

Developer:

31102, LLC
Attn: Ryan Joseph
Owner
3511 Rivercrest Dr.
Austin, TX 78746

City of Corpus Christi
Attn.: City Manager's Office
Tax Increment Reinvestment Zone #3
P.O. Box 9277
Corpus Christi, Texas 78469-9277

Notice is effective upon deposit in the United States mail in the manner provided above.

Section 17. Amendments or Modifications.

No amendments or modifications to this Agreement may be made, nor any provision waived, unless in writing signed by a person duly authorized to sign agreements on behalf of each party.

Section 18. Captions.

The captions in this Agreement are for convenience only and are not a part of this Agreement. The captions do not in any way limit or amplify the terms and provisions of this Agreement.

Section 19. Severability.

If for any reason, any section, paragraph, subdivision, clause, provision, phrase or word of this Agreement or the application of this Agreement to any person or circumstance is, to any extent, held illegal, invalid, or unenforceable under present or future law or by a final judgment of a court of competent jurisdiction, then the remainder of this Agreement, or the application of the term or provision to persons or circumstances other than those as to which it is held illegal, invalid, or unenforceable, will not be affected by the law or judgment, for it is the definite intent of the parties to this Agreement that every section, paragraph, subdivision, clause, provision, phrase, or word of this Agreement be given full force and effect for its purpose.

To the extent that any clause or provision is held illegal, invalid, or unenforceable under present or future law effective during the term of this Agreement, then the remainder of this Agreement is not affected by the law, and in lieu of any illegal, invalid, or unenforceable clause or provision, a clause or provision, as similar in terms to the illegal, invalid, or unenforceable clause or provision as may be possible and be legal, valid, and enforceable, will be added to this Agreement automatically.

Section 20. Venue.

Venue for any legal action related to this Agreement is in Nueces County, Texas.

Section 21. Sole Agreement.

This Agreement constitutes the sole agreement between City and Developer. Any prior agreements, promises, negotiations, or representations, verbal or otherwise, not expressly stated in this Agreement, are of no force and effect.

APPROVED AS TO FORM: ____ day of _____, 20__.

Assistant City Attorney

For City Attorney

By: _____

City Manager/Designee

Date: _____

City of Corpus Christi on behalf of Tax Increment Reinvestment Zone #3

Attest:

By: _____

Rebecca Huerta

City Secretary

Developer

By: _____

President/Chief Executive Officer

Date: _____

Exhibit A – Project Description

Exhibit B – Property Description

Exhibit C – Estimated Project Costs

Exhibit D – TIRZ #3 Reimbursement Request Form

Exhibit A – Project Description

The Developer will be performing a full-scale renovation on this vacant apartment building to bring it back into operation from a fire that destroyed half of the first floor and caused significant smoke damage. Improvements include installing new HVAC, electrical, plumbing, roof, fire safety systems, and elevator systems. Each apartment unit will have new paint, flooring, cabinets, appliances, and fixtures. The exterior building improvements will include new doors, paint, improved lighting, front and rear awning, and new signage. The parking lot will be resurfaced and striped.

Rendering:



Interior Conceptual Images:



Exhibit B – Property Description

Property ID: 200022494

Geographic ID: 8149-0004-0035

Legal Description: SOUTH BEACH E109.93' OF LOTS 1 & 2 E49.93' OF N40' OF LOT 3 TRACK E BLOCK 4

Property Address: 201 S Chaparral St., Corpus Christi, TX 78401

Exhibit C – Project Costs

Improvement	Reimbursement/Unit	Category
Renovation of twenty-nine (29) units total. Twenty-two (22) units will have corresponding on-site dedicated parking spaces.	\$10,000	Downtown Living Initiative
Total Reimbursement Basis	\$220,000	

*Total Possible Reimbursement Basis identifies the Project Costs that make the Development eligible under the Incentive Guidelines. The Actual Reimbursement is identified in Section 1 of the Agreement.

Exhibit D – Request for Reimbursement Form

City of Corpus Christi – City Manager’s Office
 Corpus Christi Downtown Management District

Tax Increment Reinvestment Zone #3
 Request for Reimbursement

Project Name: _____
 Grant Program: _____
 Type of Reimbursement: One Time Re-Occurring (First Payment)
 Requestor: _____ Date Requested: _____

Improvement	Estimated Cost (Per Agreement Exhibit C)	Actual Cost (Per Attached Documentation)	Invoice Reference
1)			
2)			
3)			
4)			
5)			
TOTAL			

Attached is the Following:

- 1) Executed TIRZ #3 Reimbursement Agreement
- 2) Certificate of Occupancy Date: _____
- 3) Documentation of Expenses

Signatures for Submittal:

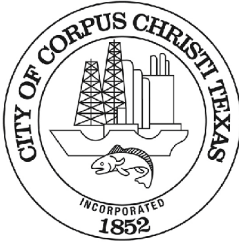
Authorized Developer: _____ Date: _____
 Authorized General Contractor: _____ Date: _____

An incomplete Request for Reimbursement will not be processed. Submit a hard copy and combined PDF version to AlyssaB@cctexas.com. Upon receipt of Request, final inspection will be scheduled.

Signatures for Approval Process

Request Rec'd By City: _____ Date: _____
 Documentation Complete: _____ Inspection of Project: _____
 Notes: _____

Reimbursement Approved by TIRZ #3 Board: _____ Date: _____



AGENDA MEMORANDUM

Corpus Christi Tax Increment Reinvestment Zone #3 Meeting September 17, 2019

DATE: September 4, 2019

TO: Peter Zanoni, City Manager

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

Jason Alaniz, Real Estate & Main Street Manager, CCDMD
Jason@cctexasdmd.com
(361) 882-2363

**Approval of TIRZ #3 Reimbursement Agreement for 807 N Upper Broadway, LLC
at 807 N Upper Broadway**

CAPTION:

Motion to approve a Downtown Development Reimbursement Agreement with 807 N Upper Broadway, LLC for improvements to the property located at 807 N Upper Broadway for a total incentive amount not to exceed \$520,000, effective upon signature by the City Manager or designee.

SUMMARY:

This motion authorizes a Reimbursement Agreement for 807 N Upper Broadway, LLC through the Project Specific Development Agreement in the amount of \$520,000.

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 Project Specific Development Agreement was created to activate vacant buildings and land in the Reinvestment Zone.

On August 27, 2019 the TIRZ #3 Board directed staff to prepare a Downtown Development Reimbursement Agreement with 807 N Upper Broadway, LLC at 807 N Upper Broadway. The Developer will be performing a full-scale renovation on this historically significant building which has sat vacant since 1983. Improvements include installing new HVAC, electrical, plumbing, fire safety, and elevator systems. Sitework for the building includes upgrades to the public utility infrastructure for wastewater and electrical power. A new roof along with an observation deck will be built. The windows will be replaced but the integrity of the historical façade will remain. The parking lot will be resurfaced and will include lighting and landscaping along with some spaces provided with covered parking. The total project cost is \$10,400,000.

The Developer will occupy the third floor as their corporate offices. The first, second, and basement floors will have mechanical, electrical, and plumbing systems capped off for build-out of future tenants.

ALTERNATIVES:

The Board could not approve this agreement.

FINANCIAL IMPACT:

The funding source for this project is from the TIRZ #3 Project Specific Development Agreement. This program consists of a reimbursement of taxes paid on an annual basis up to 10 years or expiration of the TIRZ, whichever occurs first.

Funding Detail:

Fund: 1112
Organization/Activity: 10279
Mission Element: 707
Project # (CIP Only): N/A
Account: 540450

RECOMMENDATION:

Staff recommends approving the agreement.

LIST OF SUPPORTING DOCUMENTS:

TIRZ #3 Reimbursement Agreement – 807 North Upper Broadway

DOWNTOWN DEVELOPMENT REIMBURSEMENT AGREEMENT- 807 N Upper Broadway

This Downtown Development Reimbursement Agreement (the "Agreement") is entered into by and between the City of Corpus Christi, Texas (the "City"), as the agent of the Corpus Christi Tax Increment Reinvestment Zone #3 ("TIRZ #3"), and 807 N Upper Broadway, LLC (the "Developer").

Recitals

WHEREAS on December 16, 2008, the City Council of the City (the "City Council") approved Ordinance 027996, which established the TIRZ #3 in accordance with Texas Tax Code Chapter 311. TIRZ #3 promotes economic development and stimulates business and commercial activity in its downtown Corpus Christi area (the "Zone");

WHEREAS on August 25, 2015, the City Council approved a Project and Financing Plan (the "Plan") for TIRZ #3;

WHEREAS the Board of Directors of TIRZ #3 (the "Board") includes members of the City Council in a non-public-official capacity, as well as a representative from each Nueces County and Del Mar College, who have committed to contribute to TIRZ #3 through Interlocal Agreements created in 2009 and amended in 2012 and 2016;

WHEREAS the Corpus Christi Downtown Management District ("DMD") assists the City with administration of TIRZ #3, recommends projects and recommends a DMD representative to be appointed to the Board through an Interlocal Agreement;

WHEREAS on November 10, 2015, the City Council approved Ordinance 030680, which amended Ordinance 027996 and authorized the Board to approve agreements in this form, to be entered into by the City, as the Board considers necessary or convenient to implement the Plan and achieve its purpose;

WHEREAS the Plan contained certain programs designed to improve conditions and increase commerce within the Zone;

WHEREAS the Developer has proposed a development plan (the "Development") for the certain improvements listed on attached Exhibit A (each, an "Improvement" and, collectively, the "Improvements"). The Improvements are planned to be constructed on the property located at 807 N Upper Broadway, with such property being more fully described on attached Exhibit B (the "Property"). The Property is located within the Zone, and the Improvements fall within one of the programs approved in the Plan;

WHEREAS the Development concept has been refined through cooperation between the Developer, the City and the DMD to meet the desired goals of revitalization within the Zone and serve a public benefit;

WHEREAS any reference to "City" or "City Staff," is entirely in agency capacity for TIRZ #3, and further the City as a home-rule municipal corporation is not a party to this agreement; and

WHEREAS the Developer desires to be reimbursed for certain future costs incurred pursuant to the Development, and TIRZ #3 desires to reimburse the Developer for these costs in accordance with this Agreement;

Agreement

Now therefore, in consideration of the mutual covenants and obligations, the parties agree as follows:

Section 1. Reimbursement Obligations.

The City shall reimburse the Developer from available TIRZ #3 funds in an amount up to the estimated project cost listed next to each Improvement in attached Exhibit C (the "Estimated Project Costs"), except that (a) the total amount of all such reimbursements for the Development may not exceed \$520,000 and (b) if the Developer actually incurs a cost for an Improvement less than that Improvement's Estimated Project Cost, the City shall reimburse the Developer for only the amount of the cost that the Developer actually incurred for that Improvement. Based on qualifications of the Development, the Program reimbursement structure is as follows

(a) Project Specific Development Agreement:

- (1) Beginning the year after the Developer receives a Certificate of Occupancy ("C of O") for the Improvements from the City's Development Services Department, the City shall reimburse annually up to 75% of the property taxes paid on the Improvements to the participating taxing entities in TIRZ #3, for up to ten years or until the expiration of the TIRZ #3, whichever comes first. The TIRZ #3 is currently set to expire in 2028.
- (2) Each such payment shall be made no later than 30 days following the Developer's submittal of a valid Request for Reimbursement.
- (3) After City has paid to Developer an amount equal to all of the Project Costs or the not to exceed amount provided in Section 1, City shall have no further obligation to pay any amount to Developer.
- (4) No interest shall accrue on any amount of unreimbursed Project Costs, and City shall not be obligated to pay Developer any interest whatsoever under this Agreement.

Section 2. Closing Statement Required.

This Section 2 is only applicable to a Developer who is in the process of purchasing the Property, but has not completed the purchase as of the date this agreement is executed by the Developer. Within 30 days of closing, and prior to beginning any work, the Developer shall provide to the appropriate City Staff a certified closing or settlement statement (such as a HUD-1) for the mortgage or loan used to finance the Development.

- (a) The City shall maintain the confidentiality of this information to the fullest extent possible under the law. The City and TIRZ #3 are governmental entities subject to the Texas Public Information Act (the "Act"). In the event that the City or TIRZ #3 determines that this information is responsive to a valid request under the Act, the City shall timely request an opinion from the Office of the Attorney General of Texas (the "Attorney General") and argue that the information is confidential and not subject to release under the Act. The City shall timely notify the Developer of any such request and provide the Developer with the opportunity to make arguments to the Attorney General regarding the confidentiality of the information.
- (b) In the event the loan is less than what had been stated in the application, and as a result the equity requirement shown in the closing statement is lower than the Cap listed in Section 1 of this Agreement, the Cap shall be automatically reduced so that the total amount of TIRZ #3 Reimbursement does not exceed the equity provided by the Developer.

Section 3. Conditions for Reimbursement.

The City shall reimburse Developer in accordance with Section 1 only if the following conditions are fulfilled:

- (a) The Developer constructs all of the Improvements on the Property on or before September 30, 2020 (the "Completion Date") in accordance with Exhibit A and the City's building codes and policies.
- (b) Developer obtains all required building permits from the City and commences construction of the Improvements within six (6) months of the date this Agreement is signed by the City. Any extensions of this deadline must be requested by Developer in writing and approved by the Board.
- (c) The completed Improvements must include all elements (including but not limited to: all design, structural, architectural, lighting, landscaping, etc.) which are shown or referenced in the Development Plan attached hereto as Exhibit A. Any amendments to the Development Plan must be submitted in writing and be approved by all parties to this Agreement.
- (d) The City's Development Services Department issues a C of O for the Improvements.
- (e) Within 60 days of the issuance of C of O, the Developer submits a Request for Reimbursement for actual Project Costs, in the form contained in Exhibit D, including:
 - (i.) C of O;
 - (ii.) specific improvements completed under the Project and the amount of money that Developer paid for completion of such work and that Developer claims as actual Project Costs;
 - (iii.) supporting documents demonstrating that such amounts were actually paid by Developer, including but not limited to invoices, receipts and final lien waivers signed by the general contractor;
- (f) Appropriate City Staff has inspected the Improvements and certifies that the Improvements are complete, acceptable, and comport to the terms of this Agreement.
- (g) Upon acceptance by City Staff, Request for Reimbursement form is reviewed and approved by the Board.
- (h) If the Developer fails to pay the required taxes on the property or files an appeal to the Nueces County Appraisal District or any state or federal court of the assessed value of Property for ad valorem tax purposes, the City and TIRZ #3 shall be under no obligation to make any payments under this agreement until such time as the appeal is resolved and all taxes are paid in full. Any late fees, fines, or interest assessed as a result of the failure to pay taxes or the appeal process shall not be reimbursed to the Developer under this agreement. Reimbursement is limited to the actual amount of property tax paid on the Improvements.

Section 4. Audit

Developer will also make available for inspection by designated City Staff all financial and business records of Developer that relate to the Project, in order to assist City Staff in verifying the Developer's compliance with the terms and conditions of this Agreement. TIRZ #3 shall have the right to have these records audited.

Section 5. Maintenance of Property and Improvements.

Developer must maintain the property for the entirety of the Agreement in accordance with the City's Property Maintenance requirements. Citations from the Code Enforcement for property maintenance issues will initiate termination provision (Section 6).

If the Developer constructs the Improvements, the Developer shall maintain the Improvements, premises, and adjacent public right of way in good condition and so as to not contribute to blight in the Zone. The Developer's obligation to maintain the Improvements and public right of way adjacent to the Property, includes without limitation, maintaining the landscaping, sidewalks, aesthetics, and general cleanliness of the premises.

Section 6. Termination.

Unless sooner terminated in accordance with this Section, this Agreement shall survive the expiration of TIRZ #3. If the Developer has not fully complied with Section 2 Conditions for Reimbursement by the Completion Date, this Agreement shall terminate immediately, unless mutually agreed to in writing in accordance with Section 17.

Three citations from the City's Code Enforcement Division for property maintenance violations and/or one Code Enforcement citation that results in the City abating the property will initiate a review process by the TIRZ #3 Board, at which time the Board may elect to terminate the Agreement.

Section 7. Warranties.

Developer warrants and represents to City the following:

- (a) Developer, if a corporation or partnership, is duly organized, validly existing, and in good standing under the laws of the State of Texas, and further has all corporate power and authority to carry on its business as presently conducted in Corpus Christi, Texas.
- (b) Developer has the authority to enter into and perform, and will perform, the terms of this Agreement.
- (c) Developer has timely filed and will timely file all local, State, and Federal tax reports and returns required by law to be filed, and has timely paid and will timely pay all assessments, fees, and other governmental charges, including applicable ad valorem taxes, during the term of this Agreement.
- (d) If an audit determines that the request for funds was defective under the law or the terms of this agreement, Developer agrees to reimburse the City for the sums of money not authorized by law or this Agreement within 30 days of written notice from the City requesting reimbursement.
- (e) The parties executing this Agreement on behalf of Developer are duly authorized to execute this Agreement on behalf of Developer.
- (f) Developer does not and agrees that it will not knowingly employ an undocumented worker. If, after receiving payments under this Agreement, Developer is convicted of a violation under 8 U.S.C. Section 1324a(f), Developer shall repay the payments at the rate and according to the terms as specified by City Ordinance, as amended, not later than the 120th day after the date Developer has been notified of the violation.

Section 8. Force Majeure.

If the City or Developer are prevented, wholly or in part, from fulfilling its obligations under this Agreement by reason of any act of God, unavoidable accident, acts of enemies, fires, floods, governmental restraint or regulation, other causes of force majeure, or by reason of circumstances beyond its control, then the obligations of the City or Developer are temporarily suspended during continuation of the force majeure. If either party's obligation is affected by any of the causes of force majeure, the party affected shall promptly notify the other party in writing, giving full particulars of the force majeure as soon as possible after the occurrence of the cause or causes relied upon.

Section 9. Assignment.

Developer may not assign all or any part of its rights, privileges, or duties under this Agreement without the prior written approval of the Board. Any attempted assignment without such approval is void, and constitutes a breach of this Agreement. Assignment can only be requested for multi-year reimbursements, after completion of obligations by Developer.

Section 10. Indemnity.

Developer covenants to fully indemnify, save, and hold harmless the TIRZ #3, the City, their respective officers, employees, and agents ("Indemnitees") against all liability, damage, loss, claims, demands, and actions of any kind on account of personal injuries (including, without limiting the foregoing, workers' compensation and death claims), or property loss or damage of any kind, which arise out of or are in any manner connected with, or are claimed to arise out of or be in any manner connected with Developer activities conducted under or incidental to this Agreement, including any injury, loss or damage caused by the sole or contributory negligence of any or all of the Indemnitees. Developer must, at its own expense, investigate all those claims and demands, attend to their settlement or other disposition, defend all actions based on those claims and demands with counsel satisfactory to Indemnitees, and pay all charges of attorneys and all other cost and expenses of any kind arising from the liability, damage, loss, claims, demands, or actions.

Section 11. Events of Default.

The following events constitute a default of this Agreement:

- (a) Failure of Developer to timely, fully, and completely comply with any one or more of the requirements, obligations, duties, terms, conditions, or warranties of this Agreement.
- (b) TIRZ #3, the Board or City Staff determines that any representation or warranty on behalf of Developer contained in this Agreement or in any financial statement, certificate, report, or opinion submitted to the TIRZ #3 in connection with this Agreement was incorrect or misleading in any material respect when made.
- (c) Developer makes an assignment for the benefit of creditors.
- (d) Developer files a petition in bankruptcy, or is adjudicated insolvent or bankrupt.

Section 12. Notice of Default.

Should the City determine that Developer is in default according to the terms of this Agreement, the City shall notify Developer in writing of the event of default and provide 60 days from the date of the notice ("Cure Period") for Developer to cure the event of default.

Section 13. Results of Uncured Default.

After exhausting good faith attempts to address any default during the cure Period, and taking into account any extenuating circumstances that might have occurred through no fault of Developer, as determined by the City, the following actions must be taken for any default that remains uncured after the Cure Period.

- (a) Developer shall immediately repay all funds paid from TIRZ #3 funds under this Agreement.
- (b) Developer shall pay reasonable attorney fees and costs of court.
- (c) The City and TIRZ #3 shall have no further obligations to Developer under this Agreement.
- (d) Neither the City nor the TIRZ #3 may be held liable for any consequential damages.
- (e) The City may pursue all remedies available under law.

Section 14. No Waiver.

- (a) No waiver of any covenant or condition, or the breach of any covenant or condition of this Agreement, constitutes a waiver of any subsequent breach of the covenant or condition of the Agreement.
- (b) No waiver of any covenant or condition, or the breach of any covenant or condition of this Agreement, justifies or authorizes the nonobservance on any other occasion of the covenant or condition or any other covenant or condition of this Agreement.
- (c) Any waiver or indulgence of Developer's default may not be considered an estoppel against the City or TIRZ #3.
- (d) It is expressly understood that if at any time Developer is in default in any of its conditions or covenants of this Agreement, the failure on the part of the City to promptly avail itself of the rights and remedies that the City may have, will not be considered a waiver on the part of the City, but City may at any time avail itself of the rights or remedies or elect to terminate this Agreement on account of the default.

Section 15. Available Funds.

Developer specifically agrees that City and the TIRZ #3 shall only be liable to Developer for the actual amount of the money due Developer under this Agreement from TIRZ #3 funds, and shall not be liable to Developer for any actual or consequential damages, direct or indirect, interest, attorney fees, or cost of court for any act of default by City or the TIRZ #3 under the terms of this Agreement. Payment by City is strictly limited to the total amount of increment funds for TIRZ #3. City shall use its best efforts to anticipate economic conditions and to budget accordingly. However, it is further understood and agreed that, should the actual tax increment funds be less than the total amount paid to all contracting parties at the time, then in that event, all contracting parties shall receive only their pro rata share of the available increment funds for that year, as compared to each contracting parties' grant amount for that year, and City and the TIRZ #3 shall not be liable to for any deficiency at that time or at any time in the future. In this event, City will provide all supporting documentation, as requested. Reimbursements paid to

Developer shall require a written request from Developer accompanied by all necessary supporting documentation, as outlined in Section 2.

Section 16. Notices.

Any required written notices shall be sent by certified mail, postage prepaid, addressed as follows:

Developer:

807 N Upper Broadway, LLC
Attn: Scott Duncan
General Counsel
802 N Carancahua, Suite 1000
Corpus Christi, TX 78401

City of Corpus Christi
Attn.: City Manager's Office
Tax Increment Reinvestment Zone #3
P.O. Box 9277
Corpus Christi, Texas 78469-9277

Notice is effective upon deposit in the United States mail in the manner provided above.

Section 17. Amendments or Modifications.

No amendments or modifications to this Agreement may be made, nor any provision waived, unless in writing signed by a person duly authorized to sign agreements on behalf of each party.

Section 18. Captions.

The captions in this Agreement are for convenience only and are not a part of this Agreement. The captions do not in any way limit or amplify the terms and provisions of this Agreement.

Section 19. Severability.

If for any reason, any section, paragraph, subdivision, clause, provision, phrase or word of this Agreement or the application of this Agreement to any person or circumstance is, to any extent, held illegal, invalid, or unenforceable under present or future law or by a final judgment of a court of competent jurisdiction, then the remainder of this Agreement, or the application of the term or provision to persons or circumstances other than those as to which it is held illegal, invalid, or unenforceable, will not be affected by the law or judgment, for it is the definite intent of the parties to this Agreement that every section, paragraph, subdivision, clause, provision, phrase, or word of this Agreement be given full force and effect for its purpose.

To the extent that any clause or provision is held illegal, invalid, or unenforceable under present or future law effective during the term of this Agreement, then the remainder of this Agreement is not affected by the law, and in lieu of any illegal, invalid, or unenforceable clause or provision, a clause or provision, as similar in terms to the illegal, invalid, or unenforceable clause or provision as may be possible and be legal, valid, and enforceable, will be added to this Agreement automatically.

Section 20. Venue.

Venue for any legal action related to this Agreement is in Nueces County, Texas.

Section 21. Sole Agreement.

This Agreement constitutes the sole agreement between City and Developer. Any prior agreements, promises, negotiations, or representations, verbal or otherwise, not expressly stated in this Agreement, are of no force and effect.

[Signature Page Follows]

APPROVED AS TO FORM: ____ day of _____, 20__.

Assistant City Attorney

For City Attorney

By: _____

City Manager/Designee

Date: _____

City of Corpus Christi on behalf of Tax Increment Reinvestment Zone #3

Attest:

By: _____

Rebecca Huerta

City Secretary

Developer

By: _____

President/Chief Executive Officer

Date: _____

Exhibit A – Project Description

Exhibit B – Property Description

Exhibit C – Estimated Project Costs

Exhibit D – TIRZ #3 Reimbursement Request Form

Exhibit A – Project Description

The Developer will be performing a full-scale renovation on this vacant office building to bring it back into operation. Improvements include installing new HVAC, electrical, plumbing, fire safety, and elevator systems. Sitework for the building will include upgrades to public utility infrastructure for wastewater and electrical power. A new roof along with an observation deck will be built. The third floor will be built out for the developer's corporate office. The first, second, and basement floors will have mechanical, electrical, and plumbing systems capped off for future build-out for a tenant or multiple tenants. Existing windows will be replaced but the integrity of the historical façade will remain. The parking lot will be re-surfaced and will include lighting and landscaping with some spaces to be provided with covered parking.

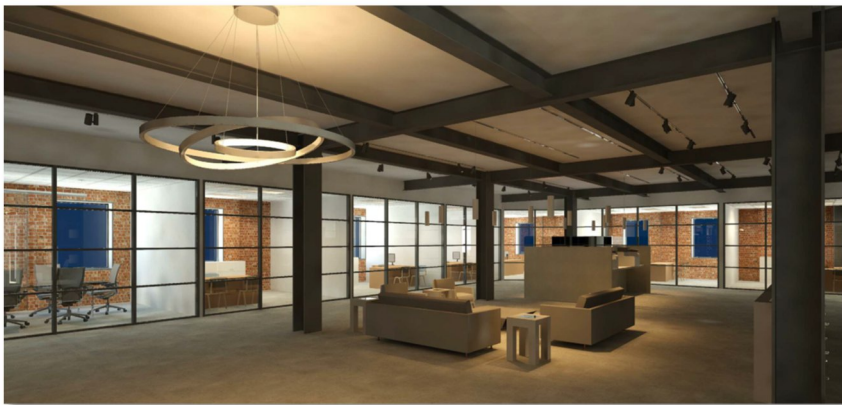


Exhibit B – Property Description

Property ID: 196785

Geographic ID: 0797-0006-0010

Legal Description: BLUFF LOTS 1 THRU 4, ALL LOT 9 & E60' OF LOTS 10 THRU 12 BLOCK 6

Property Address: 807 N Upper Broadway, Corpus Christi, TX 78401

Exhibit C – Project Costs

Improvement	Estimated Cost	Category
1) Demolition	\$35,000	Code Compliance
2) Fire Safety	\$135,000	Code Compliance
3) Sitework (Wastewater & Power)	\$350,000	Public Improvements
Total Reimbursement Basis	\$520,000	

*Total Possible Reimbursement Basis identifies the Project Costs that make the Development eligible under the Incentive Guidelines. The Actual Reimbursement is identified in Section 1 of the Agreement.

Exhibit D – Request for Reimbursement Form

City of Corpus Christi – City Manager’s Office
Corpus Christi Downtown Management District

Tax Increment Reinvestment Zone #3 Request for Reimbursement

Project Name: _____

Grant Program: _____

Type of Reimbursement: One Time Re-Occurring (First Payment)

Requestor: _____ Date Requested: _____

Improvement	Estimated Cost (Per Agreement Exhibit C)	Actual Cost (Per Attached Documentation)	Invoice Reference
1)			
2)			
3)			
4)			
5)			
TOTAL			

Attached is the Following:

- 1) Executed TIRZ #3 Reimbursement Agreement
- 2) Certificate of Occupancy Date: _____
- 3) Documentation of Expenses

Signatures for Submittal:

Authorized Developer: _____ Date: _____

Authorized General Contractor: _____ Date: _____

An incomplete Request for Reimbursement will not be processed. Submit a hard copy and combined PDF version to AlyssaB@cctexas.com. Upon receipt of Request, final inspection will be scheduled.

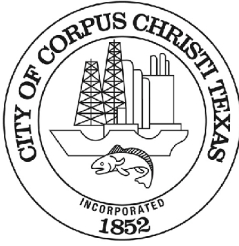
Signatures for Approval Process

Request Rec'd By City: _____ Date: _____

Documentation Complete: _____ Inspection of Project: _____

Notes: _____

Reimbursement Approved by TIRZ #3 Board: _____ Date: _____



AGENDA MEMORANDUM

Corpus Christi Tax Increment Reinvestment Zone #3 Meeting September 17, 2019

DATE: September 4, 2019

TO: Peter Zanoni, City Manager

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

Jason Alaniz, Real Estate & Main Street Manager, CCDMD
Jason@cctexasdmd.com
(361) 882-2363

Approval of TIRZ #3 Reimbursement Agreement for Corpus Christi PATCH, Inc. at 715 N Chaparral Street

CAPTION:

Motion to approve a Downtown Development Reimbursement Agreement with Corpus Christi PATCH, Inc. for improvements to the property located at 715 N Chaparral Street for a total incentive amount not to exceed \$100,000, effective upon signature by the City Manager or designee.

SUMMARY:

This motion authorizes a Reimbursement Agreement for Corpus Christi PATCH, Inc. through the Chaparral Street Property Improvement Program in the amount of \$100,000 whereas \$50,000 will be provided upfront and the remaining \$50,000 will be reimbursed upon proof of work completion.

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 Chaparral Street Property Improvement Program was created to incentivize redevelopment of older vacant properties along Chaparral Street.

On July 24, 2018, the TIRZ #3 Board approved a Memorandum of Understanding (MOU) with Corpus Christi PATCH, Inc. in which the Board committed up to \$100,000 in TIRZ matching funds to be raised by August 2, 2019.

On August 27, 2019 the TIRZ #3 Board directed staff to prepare a Downtown Development Reimbursement Agreement with Corpus Christi PATCH, Inc. at 715 N Chaparral Street. Corpus Christi PATCH, Inc. exceeded the fundraising goal through cash and pledged donations in addition to in-kind contributions from a roofing, plumbing, and environmental remediation contractor which all added up to \$114,617. The Developer will be installing a new roof first and any additional funds must be used towards repairs to HVAC, electrical, plumbing, or environmental. The total project cost for the roof is \$101,000 including a \$15,000 in-kind contribution from the contractor.

ALTERNATIVES:

The Board could choose not approve this agreement.

FINANCIAL IMPACT:

The funding source for this project is from the TIRZ #3 Chaparral Street Property Improvement Program. This budget for this program is \$200,000 in FY 2018-19. Funds were earmarked for the MOU with Ritz, and so are currently available. The project will consist of two payments of \$50,000 each with the first being paid upfront and the second payment to be paid upon completion of the roof.

Funding Detail:

Fund: 1112
Organization/Activity: 10276
Mission Element: 707
Project # (CIP Only): N/A
Account: 540450

RECOMMENDATION:

Staff recommends approving the agreement.

LIST OF SUPPORTING DOCUMENTS:

TIRZ #3 Reimbursement Agreement – RITZ Theatre

DOWNTOWN DEVELOPMENT REIMBURSEMENT AGREEMENT- RITZ Theatre

This Downtown Development Reimbursement Agreement (the "Agreement") is entered into by and between the City of Corpus Christi, Texas (the "City"), as the agent of the Corpus Christi Tax Increment Reinvestment Zone #3 ("TIRZ #3"), and Corpus Christi PATCH, Inc. (the "Developer").

Recitals

WHEREAS on December 16, 2008, the City Council of the City (the "City Council") approved Ordinance 027996, which established the TIRZ #3 in accordance with Texas Tax Code Chapter 311. TIRZ #3 promotes economic development and stimulates business and commercial activity in its downtown Corpus Christi area (the "Zone");

WHEREAS on August 25, 2015, the City Council approved a Project and Financing Plan (the "Plan") for TIRZ #3;

WHEREAS the Board of Directors of TIRZ #3 (the "Board") includes members of the City Council in a non-public-official capacity, as well as a representative from each Nueces County and Del Mar College, who have committed to contribute to TIRZ #3 through Interlocal Agreements created in 2009 and amended in 2012 and 2016;

WHEREAS the Corpus Christi Downtown Management District ("DMD") assists the City with administration of TIRZ #3, recommends projects and recommends a DMD representative to be appointed to the Board through an Interlocal Agreement;

WHEREAS on November 10, 2015, the City Council approved Ordinance 030680, which amended Ordinance 027996 and authorized the Board to approve agreements in this form, to be entered into by the City, as the Board considers necessary or convenient to implement the Plan and achieve its purpose;

WHEREAS the Plan contained certain programs designed to improve conditions and increase commerce within the Zone;

WHEREAS the Developer has proposed a development plan (the "Development") for the certain improvements listed on attached Exhibit A (each, an "Improvement" and, collectively, the "Improvements"). The Improvements are planned to be constructed on the property located at 715 N Chaparral Street, with such property being more fully described on attached Exhibit B (the "Property"). The Property is located within the Zone, and the Improvements fall within one of the programs approved in the Plan;

WHEREAS the Development concept has been refined through cooperation between the Developer, the City and the DMD to meet the desired goals of revitalization within the Zone and serve a public benefit;

WHEREAS any reference to "City" or "City Staff," is entirely in agency capacity for TIRZ #3, and further the City as a home-rule municipal corporation is not a party to this agreement; and

WHEREAS the Developer desires to be reimbursed for certain future costs incurred pursuant to the Development, and TIRZ #3 desires to reimburse the Developer for these costs in accordance with this Agreement;

Agreement

Now therefore, in consideration of the mutual covenants and obligations, the parties agree as follows:

Section 1. Reimbursement Obligations.

The City shall reimburse the Developer from available TIRZ #3 funds in an amount up to the estimated project cost listed next to each Improvement in attached Exhibit C (the "Estimated Project Costs"), except that (a) the total amount of all such reimbursements for the Development may not exceed \$100,000 and (b) if the Developer actually incurs a cost for an Improvement less than that Improvement's Estimated Project Cost, the City shall reimburse the Developer for only the amount of the cost that the Developer actually incurred for that Improvement. Based on qualifications of the Development, the Program reimbursement structure is as follows:

(a) Chaparral Street Property Improvement Grant Program:

- (1) Up to 50/50 Match of Approved Expenses
- (2) Improvements must be permanent
- (3) The funds will be provided in two payments of \$50,000. The first payment will be made within 30 days following receipt by the City of an invoice from the Developer, a quote from the contractor performing the work, and an agreement with the contractor for the roof repair. The second payment will be made upon receipt of a Request for Reimbursement in accordance with Section 3 below. Any funds provided in the first payment that are not used in accordance with the Development Plan attached as Exhibit A must be reimbursed to the City immediately.

Section 2. Closing Statement Required.

This Section 2 is only applicable to a Developer who is in the process of purchasing the Property, but has not completed the purchase as of the date this agreement is executed by the Developer. Within 30 days of closing, and prior to beginning any work, the Developer shall provide to the appropriate City Staff a certified closing or settlement statement (such as a HUD-1) for the mortgage or loan used to finance the Development.

- (a) The City shall maintain the confidentiality of this information to the fullest extent possible under the law. The City and TIRZ #3 are governmental entities subject to the Texas Public Information Act (the "Act"). In the event that the City or TIRZ #3 determines that this information is responsive to a valid request under the Act, the City shall timely request an opinion from the Office of the Attorney General of Texas (the "Attorney General") and argue that the information is confidential and not subject to release under the Act. The City shall timely notify the Developer of any such request and provide the Developer with the opportunity to make arguments to the Attorney General regarding the confidentiality of the information.
- (b) In the event the loan is less than what had been stated in the application, and as a result the equity requirement shown in the closing statement is lower than the Cap listed in Section 1 of this Agreement, the Cap shall be automatically reduced so that the total amount of TIRZ #3 Reimbursement does not exceed the equity provided by the Developer.

Section 3. Conditions for Reimbursement.

The City shall reimburse Developer in accordance with Section 1 only if the following conditions are fulfilled:

- (a) The Developer constructs all of the Improvements on the Property on or before March 31, 2020 (the "Completion Date") in accordance with Exhibit A and the City's building codes and policies.
- (b) Developer obtains all required building permits from the City and commences construction of the Improvements within six (6) months of the date this Agreement is signed by the City. Any extensions of this deadline must be requested by Developer in writing and approved by the Board.
- (c) The completed Improvements must include all elements (including but not limited to: all design, structural, architectural, lighting, landscaping, etc.) which are shown or referenced in the Development Plan attached hereto as Exhibit A. Any amendments to the Development Plan must be submitted in writing and be approved by all parties to this Agreement.
- (d) The City's Development Services Department issues a C of O for the Improvements, if required.
- (e) Within 60 days completion of the work described in the Development Plan attached hereto as Exhibit A, the Developer submits a Request for Reimbursement for actual Project Costs, in the form contained in Exhibit D, including:
 - (i.) specific improvements completed under the Project and the amount of money that Developer paid for completion of such work and that Developer claims as actual Project Costs;
 - (ii.) supporting documents demonstrating that such amounts were actually paid by Developer, including but not limited to invoices, receipts and final lien waivers signed by the general contractor;
- (f) Appropriate City Staff has inspected the Improvements and certifies that the Improvements are complete, acceptable, and comport to the terms of this Agreement.
- (g) Upon acceptance by City Staff, Request for Reimbursement form is reviewed and approved by the Board.
- (h) If the Developer fails to pay the required taxes on the property or files an appeal to the Nueces County Appraisal District or any state or federal court of the assessed value of Property for ad valorem tax purposes, the City and TIRZ #3 shall be under no obligation to make any payments under this agreement until such time as the appeal is resolved and all taxes are paid in full. Any late fees, fines, or interest assessed as a result of the failure to pay taxes or the appeal process shall not be reimbursed to the Developer under this agreement. Reimbursement is limited to the actual amount of property tax paid on the Improvements.

Section 4. Audit

Developer will also make available for inspection by designated City Staff all financial and business records of Developer that relate to the Project, in order to assist City Staff in verifying the Developer's compliance with the terms and conditions of this Agreement. TIRZ #3 shall have the right to have these records audited.

Section 5. Maintenance of Property and Improvements.

Developer must maintain the property for the entirety of the Agreement in accordance with the City's Property Maintenance requirements. Citations from the Code Enforcement for property maintenance issues will initiate termination provision (Section 6).

If the Developer constructs the Improvements, the Developer shall maintain the Improvements, premises, and adjacent public right of way in good condition and so as to not contribute to blight in the Zone. The Developer's obligation to maintain the Improvements and public right of way adjacent to the Property, includes without limitation, maintaining the landscaping, sidewalks, aesthetics, and general cleanliness of the premises.

Section 6. Termination.

Unless sooner terminated in accordance with this Section, this Agreement shall survive the expiration of TIRZ #3. If the Developer has not fully complied with Section 2 Conditions for Reimbursement by the Completion Date, this Agreement shall terminate immediately, unless mutually agreed to in writing in accordance with Section 17.

Three citations from the City's Code Enforcement Division for property maintenance violations and/or one Code Enforcement citation that results in the City abating the property will initiate a review process by the TIRZ #3 Board, at which time the Board may elect to terminate the Agreement.

Section 7. Warranties.

Developer warrants and represents to City the following:

- (a) Developer, if a corporation or partnership, is duly organized, validly existing, and in good standing under the laws of the State of Texas, and further has all corporate power and authority to carry on its business as presently conducted in Corpus Christi, Texas.
- (b) Developer has the authority to enter into and perform, and will perform, the terms of this Agreement.
- (c) Developer has timely filed and will timely file all local, State, and Federal tax reports and returns required by law to be filed, and has timely paid and will timely pay all assessments, fees, and other governmental charges, including applicable ad valorem taxes, during the term of this Agreement.
- (d) If an audit determines that the request for funds was defective under the law or the terms of this agreement, Developer agrees to reimburse the City for the sums of money not authorized by law or this Agreement within 30 days of written notice from the City requesting reimbursement.
- (e) The parties executing this Agreement on behalf of Developer are duly authorized to execute this Agreement on behalf of Developer.
- (f) Developer does not and agrees that it will not knowingly employ an undocumented worker. If, after receiving payments under this Agreement, Developer is convicted of a violation under 8 U.S.C. Section 1324a(f), Developer shall repay the payments at the rate and according to the terms as specified by City Ordinance, as amended, not later than the 120th day after the date Developer has been notified of the violation.

Section 8. Force Majeure.

If the City or Developer are prevented, wholly or in part, from fulfilling its obligations under this Agreement by reason of any act of God, unavoidable accident, acts of enemies, fires, floods, governmental restraint or regulation, other causes of force majeure, or by reason of circumstances beyond its control, then the obligations of the City or Developer are temporarily suspended during continuation of the force majeure. If either party's obligation is affected by any of the causes of force majeure, the party affected

shall promptly notify the other party in writing, giving full particulars of the force majeure as soon as possible after the occurrence of the cause or causes relied upon.

Section 9. Assignment.

Developer may not assign all or any part of its rights, privileges, or duties under this Agreement without the prior written approval of the Board. Any attempted assignment without such approval is void, and constitutes a breach of this Agreement. Assignment can only be requested for multi-year reimbursements, after completion of obligations by Developer.

Section 10. Indemnity.

Developer covenants to fully indemnify, save, and hold harmless the TIRZ #3, the City, their respective officers, employees, and agents ("Indemnitees") against all liability, damage, loss, claims, demands, and actions of any kind on account of personal injuries (including, without limiting the foregoing, workers' compensation and death claims), or property loss or damage of any kind, which arise out of or are in any manner connected with, or are claimed to arise out of or be in any manner connected with Developer activities conducted under or incidental to this Agreement, including any injury, loss or damage caused by the sole or contributory negligence of any or all of the Indemnitees. Developer must, at its own expense, investigate all those claims and demands, attend to their settlement or other disposition, defend all actions based on those claims and demands with counsel satisfactory to Indemnitees, and pay all charges of attorneys and all other cost and expenses of any kind arising from the liability, damage, loss, claims, demands, or actions.

Section 11. Events of Default.

The following events constitute a default of this Agreement:

- (a) Failure of Developer to timely, fully, and completely comply with any one or more of the requirements, obligations, duties, terms, conditions, or warranties of this Agreement.
- (b) TIRZ #3, the Board or City Staff determines that any representation or warranty on behalf of Developer contained in this Agreement or in any financial statement, certificate, report, or opinion submitted to the TIRZ #3 in connection with this Agreement was incorrect or misleading in any material respect when made.
- (c) Developer makes an assignment for the benefit of creditors.
- (d) Developer files a petition in bankruptcy, or is adjudicated insolvent or bankrupt.
- (e) Developer uses any funds for any purpose that is not in accordance with Exhibit A and fails to immediately repay those funds.

Section 12. Notice of Default.

Should the City determine that Developer is in default according to the terms of this Agreement, the City shall notify Developer in writing of the event of default and provide 60 days from the date of the notice ("Cure Period") for Developer to cure the event of default.

Section 13. Results of Uncured Default.

After exhausting good faith attempts to address any default during the cure Period, and taking into account any extenuating circumstances that might have occurred through no fault of Developer, as

determined by the City, the following actions must be taken for any default that remains uncured after the Cure Period.

- (a) Developer shall immediately repay all funds paid from TIRZ #3 funds under this Agreement.
- (b) Developer shall pay reasonable attorney fees and costs of court.
- (c) The City and TIRZ #3 shall have no further obligations to Developer under this Agreement.
- (d) Neither the City nor the TIRZ #3 may be held liable for any consequential damages.
- (e) The City may pursue all remedies available under law.

Section 14. No Waiver.

- (a) No waiver of any covenant or condition, or the breach of any covenant or condition of this Agreement, constitutes a waiver of any subsequent breach of the covenant or condition of the Agreement.
- (b) No waiver of any covenant or condition, or the breach of any covenant or condition of this Agreement, justifies or authorizes the nonobservance on any other occasion of the covenant or condition or any other covenant or condition of this Agreement.
- (c) Any waiver or indulgence of Developer's default may not be considered an estoppel against the City or TIRZ #3.
- (d) It is expressly understood that if at any time Developer is in default in any of its conditions or covenants of this Agreement, the failure on the part of the City to promptly avail itself of the rights and remedies that the City may have, will not be considered a waiver on the part of the City, but City may at any time avail itself of the rights or remedies or elect to terminate this Agreement on account of the default.

Section 15. Available Funds.

Developer specifically agrees that City and the TIRZ #3 shall only be liable to Developer for the actual amount of the money due Developer under this Agreement from TIRZ #3 funds, and shall not be liable to Developer for any actual or consequential damages, direct or indirect, interest, attorney fees, or cost of court for any act of default by City or the TIRZ #3 under the terms of this Agreement. Payment by City is strictly limited to the total amount of increment funds for TIRZ #3. City shall use its best efforts to anticipate economic conditions and to budget accordingly. However, it is further understood and agreed that, should the actual tax increment funds be less than the total amount paid to all contracting parties at the time, then in that event, all contracting parties shall receive only their pro rata share of the available increment funds for that year, as compared to each contracting parties' grant amount for that year, and City and the TIRZ #3 shall not be liable to for any deficiency at that time or at any time in the future. In this event, City will provide all supporting documentation, as requested. Reimbursements paid to Developer shall require a written request from Developer accompanied by all necessary supporting documentation, as outlined in Section 2.

Section 16. Notices.

Any required written notices shall be sent by certified mail, postage prepaid, addressed as follows:

Developer:

Corpus Christi PATCH, Inc.
Attn: Monica M. Sawyer
President

402 Peoples Street, Suite 1A
Corpus Christi, TX 78401

City of Corpus Christi
Attn.: City Manager's Office
Tax Increment Reinvestment Zone #3
P.O. Box 9277
Corpus Christi, Texas 78469-9277

Notice is effective upon deposit in the United States mail in the manner provided above.

Section 17. Amendments or Modifications.

No amendments or modifications to this Agreement may be made, nor any provision waived, unless in writing signed by a person duly authorized to sign agreements on behalf of each party.

Section 18. Captions.

The captions in this Agreement are for convenience only and are not a part of this Agreement. The captions do not in any way limit or amplify the terms and provisions of this Agreement.

Section 19. Severability.

If for any reason, any section, paragraph, subdivision, clause, provision, phrase or word of this Agreement or the application of this Agreement to any person or circumstance is, to any extent, held illegal, invalid, or unenforceable under present or future law or by a final judgment of a court of competent jurisdiction, then the remainder of this Agreement, or the application of the term or provision to persons or circumstances other than those as to which it is held illegal, invalid, or unenforceable, will not be affected by the law or judgment, for it is the definite intent of the parties to this Agreement that every section, paragraph, subdivision, clause, provision, phrase, or word of this Agreement be given full force and effect for its purpose.

To the extent that any clause or provision is held illegal, invalid, or unenforceable under present or future law effective during the term of this Agreement, then the remainder of this Agreement is not affected by the law, and in lieu of any illegal, invalid, or unenforceable clause or provision, a clause or provision, as similar in terms to the illegal, invalid, or unenforceable clause or provision as may be possible and be legal, valid, and enforceable, will be added to this Agreement automatically.

Section 20. Venue.

Venue for any legal action related to this Agreement is in Nueces County, Texas.

Section 21. Sole Agreement.

This Agreement constitutes the sole agreement between City and Developer. Any prior agreements, promises, negotiations, or representations, verbal or otherwise, not expressly stated in this Agreement, are of no force and effect.

APPROVED AS TO FORM: ____ day of _____, 20__.

Assistant City Attorney

For City Attorney

By: _____

City Manager/Designee

Date: _____

City of Corpus Christi on behalf of Tax Increment Reinvestment Zone #3

Attest:

By: _____

Rebecca Huerta

City Secretary

Developer

By: _____

President/Chief Executive Officer

Date: _____

Exhibit A – Project Description

Exhibit B – Property Description

Exhibit C – Estimated Project Costs

Exhibit D – TIRZ #3 Reimbursement Request Form

Exhibit A – Project Description

This project is an exception to the normal qualifying elements for a project. The developer is a non-profit charged with the restoration of a historically significant and iconic downtown theatre. The Developer will install a new roof first in order to help stabilize the building. Any additional funds available from cash donations, pledged donations, or in-kind contributions will be used for repairs to the HVAC, plumbing, electrical, or environmental. The TIRZ #3 will provide \$50,000 upfront to match the cash and pledged donations. Upon completion of the roof, the final \$50,000 will be released.

Exhibit B – Property Description

Property ID: 191663

Geographic ID: 0540-0009-0040

Legal Description: BEACH LOT 4, S10' OF LOT 5, 10' X 20' OF LOT 8, 50' X 60.58' OF LOT 9 & NE 5' X 30' OF LOT 10 BLOCK 9

Property Address: 715 N Chaparral St., Corpus Christi, TX 78401

Exhibit C – Project Costs

Improvement	Estimated Cost	Category
1) New Roof	\$ 101,000	Chaparral Street Property Improvement
2) In-kind Roof Donation	\$ 15,000	Funds Raised \$114,617 – To be used for the roof, HVAC, electrical, plumbing, and environmental.
3) In-kind Plumbing Donation	\$25,000	
4) In-kind Environmental Donation	\$12,250	
5) Cash Donations	\$31,347	
6) Pledged Donations	\$31,020	
Total Reimbursement Basis	\$215,617	

*Total Possible Reimbursement Basis identifies the Project Costs that make the Development eligible under the Incentive Guidelines. The Actual Reimbursement is identified in Section 1 of the Agreement.

Exhibit D – Request for Reimbursement Form

City of Corpus Christi – City Manager’s Office
 Corpus Christi Downtown Management District

Tax Increment Reinvestment Zone #3 Request for Reimbursement

Project Name: _____

Grant Program: _____

Type of Reimbursement: One Time Re-Occurring (First Payment)

Requestor: _____ Date Requested: _____

Improvement	Estimated Cost (Per Agreement Exhibit C)	Actual Cost (Per Attached Documentation)	Invoice Reference
1)			
2)			
3)			
4)			
5)			
TOTAL			

Attached is the Following:

- 1) Executed TIRZ #3 Reimbursement Agreement
- 2) Certificate of Occupancy Date: _____
- 3) Documentation of Expenses

Signatures for Submittal:

Authorized Developer: _____ Date: _____

Authorized General Contractor: _____ Date: _____

An incomplete Request for Reimbursement will not be processed. Submit a hard copy and combined PDF version to AlyssaB@cctexas.com. Upon receipt of Request, final inspection will be scheduled.

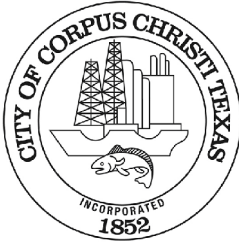
Signatures for Approval Process

Request Rec'd By City: _____ Date: _____

Documentation Complete: _____ Inspection of Project: _____

Notes: _____

Reimbursement Approved by TIRZ #3 Board: _____ Date: _____



DATE: September 4, 2019

TO: Peter Zanoni, City Manager

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

Jason Alaniz, Real Estate & Main Street Manager, CCDMD
Jason@cctexasdmd.com
(361) 882-2363

<p>Approval of TIRZ #3 Reimbursement Agreement for Centre Theatre, LLC at 301 N Chaparral Street</p>

CAPTION:

Motion to approve a reimbursement request with Centre Theatre, LLC under the Downtown Development Reimbursement Agreement for 301 & 305 N Chaparral Street and authorizing the expenditure of \$18,964.

SUMMARY:

This motion authorizes payment per the Reimbursement Agreement for the HVAC improvements to 301 & 305 N Chaparral.

BACKGROUND AND FINDINGS:

On July 24, 2018, the TIRZ #3 Board approved a Downtown Development Reimbursement Agreement with Centre Theatre, LLC for the adjoining properties located at 301 & 305 N Chaparral Street.

The project fit the criteria for the Chaparral Street Property Improvement Grant, which is intended to incentivize redevelopment of older vacant properties along Chaparral Street. The building required replacement of the HVAC systems in order to provide rentable space to Moonshine & Ale and Whiskey Rodeo Saloon. The total project cost for the HVAC system was \$37,928.

ALTERNATIVES:

The Board could request additional documentation before approving the reimbursement agreement.

FINANCIAL IMPACT:

The funding source for this project is from the TIRZ #3 Chaparral Street Property Improvement Program. This budget for this program is \$200,000 from FY 2018-19. Funds have been encumbered. The project will consist of a one-time payment of \$18,964.

Funding Detail:

Fund: 1112
Organization/Activity: 10276
Mission Element: 707
Project # (CIP Only): N/A
Account: 540450

RECOMMENDATION:

Staff recommends approving the agreement.

LIST OF SUPPORTING DOCUMENTS:

Reimbursement Request – Centre Theatre
Certificate of Occupancy

Tax Increment Reinvestment Zone #3 Request for Reimbursement

Project Name: 301 n. Chapparral Street

Grant Program: _____

Type of Reimbursement: One Time Re-Occurring (First Payment)

Requestor: Centre Theatre Date Requested: 07/31/19

Improvement	Estimated Cost (Per Agreement Exhibit C)	Actual Cost (Per Attached Documentation)	Invoice Reference
1. (8) Ston units	37,928.00	\$ 37,928.00	325131
2.			
3.			
4.			
5.			
TOTAL		\$ 37,928.00	

Attached is the Following:

- 1) Executed TIRZ #3 Reimbursement Agreement
- 2) Certificate of Occupancy Date: 4/05/2019
- 3) Documentation of Expenses 6/07/2019

Signatures for Submittal:

Authorized Developer: Bryan Hulley - UP/ASO Date: 08/15/19

Authorized General Contractor: NA Date: _____

An incomplete Request for Reimbursement will not be processed. Submit a hard copy and combined PDF version to jason@cctexasdmd.com. Upon receipt of Request, final inspection will be scheduled.

Internal Office Use Only

Signatures for Approval Process

Request Rec'd By DMD: James Alaniz Date: 8/15/19

Documentation Complete: 8/15/19 Inspection of Project: 8/16/19

Reimbursement Amount Requested: \$18,964.⁰⁰

Notes:

Reimbursement Approved by TIRZ #3 Board: _____ Date: _____

Certificate of Occupancy

This certificate has been issued and is compliance with the requirements of the International Building Code Edition 2015

ISSUE DATE JUNE 7, 2019
PROPERTY ADDRESS 301 N CHAPARRAL ST
LEGAL DESCRIPTION BEACH BLK 13 LOT 1
PROPERTY ZONING CBD - DOWNTOWN COMMERCIAL

OWNER PERRY THOMSON
236 W SAN ANTONIO ST
NEW BRAUNFELS, TX 78130

PERMIT NUMBER C72590
DESCRIPTION OF WORK INTERIOR RENOVATIONS
CONSTRUCTION TYPE V-B
OCCUPANCY TYPE A-3
OCCUPANCY LOAD 299
SPRINKLER SYSTEM REQUIRED NO

SPECIAL STIPULATIONS AND CONDITIONS

ASSOCIATED PERMITS

C72590P - PLUMBING PERMIT
C72590M - MECHANICAL PERMIT
C72590E - ELECTRICAL PERMIT
C72590AD1 - ADDENDUM APPLICATION
C72590AD2 - ADDENDUM APPLICATION

AUTHORIZED BY
GENE DELAURO
BUILDING OFFICIAL

Development Services

2406 Leopard Street, Suite 100
Corpus Christi, Texas 78408
361-826-3240

www.cctexas.com/government/development-services

**DOWNTOWN DEVELOPMENT REIMBURSEMENT AGREEMENT- MOONSHINE AND ALE –
CENTRE THEATRE, LLC**

This Downtown Development Reimbursement Agreement (the "Agreement") is entered into by and between the City of Corpus Christi, Texas (the "City"), as the agent of the Corpus Christi Tax increment Reinvestment Zone #3 ("TIRZ #3"), and Centre Theatre, LLC (the "Developer").

Recitals

WHEREAS on December 16, 2008, the City Council of the City (the "City Council") approved Ordinance 027996, which established the TIRZ #3 in accordance with Texas Tax Code Chapter 311. TIRZ #3 promotes economic development and stimulates business and commercial activity in its downtown Corpus Christi area (the "Zone");

WHEREAS on August 25, 2015, the City Council approved a Project and Financing Plan (the "Plan") for TIRZ #3;

WHEREAS the Board of Directors of TIRZ #3 (the "Board") includes members of the City Council in a non-public-official capacity, as well as a representative from each Nueces County and Del Mar College, who have committed to contribute to TIRZ #3 through Interlocal Agreements created in 2009 and amended in 2012 and 2016;

WHEREAS the Corpus Christi Downtown Management District ("DMD") assists the City with administration of TIRZ #3, recommends projects and recommends a DMD representative to be appointed to the Board through an Interlocal Agreement;

WHEREAS on November 10, 2015, the City Council approved Ordinance 030680, which amended Ordinance 027996 and authorized the Board to approve agreements in this form, to be entered into by the City, as the Board considers necessary or convenient to implement the Plan and achieve its purpose;

WHEREAS the Plan contained certain programs designed to improve conditions and increase commerce within the Zone;

WHEREAS the Developer has proposed a development plan (the "Development") for the certain improvements listed on attached Exhibit A (each, an "Improvement" and, collectively, the "Improvements"). The Improvements are planned to be constructed on the property located at 301 and 305 North Chaparral Street, with such property being more fully described on attached Exhibit B (the "Property"). The Property is located within the Zone, and the Improvements fall within one of the programs approved in the Plan;

WHEREAS the Development concept has been refined through cooperation between the Developer, the City and the DMD to meet the desired goals of revitalization within the Zone and serve a public benefit;

WHEREAS any reference to "City" or "City Staff," is entirely in agency capacity for TIRZ #3, and further the City as a home-rule municipal corporation is not a party to this agreement; and

WHEREAS the Developer desires to be reimbursed for certain future costs incurred pursuant to the Development, and TIRZ #3 desires to reimburse the Developer for these costs in accordance with this Agreement;

Agreement

Now therefore, in consideration of the mutual covenants and obligations, the parties agree as follows:

Section 1. Reimbursement Obligations.

The City shall reimburse the Developer from available TIRZ #3 funds in an amount up to the estimated project cost listed next to each Improvement in attached Exhibit C (the "Estimated Project Costs"), except that (a) the total amount of all such reimbursements for the Development may not exceed \$18,964 and (b) if the Developer actually incurs a cost for an improvement less than that improvement's Estimated Project Cost, the City shall reimburse the Developer for only the amount of the cost that the Developer actually incurred for that Improvement. Based on qualifications of the Development, the Program reimbursement structure is as follows

- (a) Chaparral Street Property Improvement Grant Program:
 - (1) 50/50 Match of Approved Expenses up to \$18,964
 - (2) improvements must be permanent

Section 2. Closing Statement Required. Not Applicable.

Section 3. Conditions for Reimbursement.

The City shall reimburse Developer in accordance with Section 1 only if the following conditions are fulfilled:

- (a) The Developer constructs all of the Improvements on the Property on or before April 30, 2019 (the "Completion Date") in accordance with Exhibit A and the City's building codes and policies.
- (b) Developer obtains all required building permits from the City and commences construction of the Improvements within six (6) months of the date this Agreement is signed by the City. Any extensions of this deadline must be requested by Developer in writing and approved by the Board.
- (c) The completed Improvements must include all elements (including but not limited to: all design, structural, architectural, lighting, landscaping, etc.) which are shown or referenced in the Development Plan attached hereto as Exhibit A. Any amendments to the Development Plan must be submitted in writing and be approved by all parties to this Agreement.
- (d) The City's Development Services Department issues a C of O for the Improvements.
- (e) Within 60 days of the issuance of C of O, the Developer submits a Request for Reimbursement for actual Project Costs, in the form contained in Exhibit D, including:
 - (i.) C of O;
 - (ii.) specific improvements completed under the Project and the amount of money that Developer paid for completion of such work and that Developer claims as actual Project Costs;
 - (iii.) supporting documents demonstrating that such amounts were actually paid by Developer, including but not limited to invoices, receipts and final lien waivers signed by the general contractor;
- (f) Appropriate City Staff has inspected the Improvements and certifies that the Improvements are complete, acceptable, and comport to the terms of this Agreement.
- (g) Upon acceptance by City Staff, Request for Reimbursement form is reviewed and approved by the Board.

- (h) If the Developer fails to pay the required taxes on the property or files an appeal to the Nueces County Appraisal District or any state or federal court of the assessed value of Property for ad valorem tax purposes, the City and TIRZ #3 shall be under no obligation to make any payments under this agreement until such time as the appeal is resolved and all taxes are paid in full. Any late fees, fines, or interest assessed as a result of the failure to pay taxes or the appeal process shall not be reimbursed to the Developer under this agreement. Reimbursement is limited to the actual amount of property tax paid on the improvements.

Section 4. Audit

Developer will also make available for inspection by designated City Staff all financial and business records of Developer that relate to the Project, in order to assist City Staff in verifying the Developer's compliance with the terms and conditions of this Agreement. TIRZ #3 shall have the right to have these records audited.

Section 5. Maintenance of Property and Improvements.

Developer must maintain the property for the entirety of the Agreement in accordance with the City's Property Maintenance requirements. Citations from the Code Enforcement for property maintenance issues will initiate termination provision (Section 6).

If the Developer constructs the Improvements, the Developer shall maintain the improvements, premises, and adjacent public right of way in good condition and so as to not contribute to blight in the Zone. The Developer's obligation to maintain the improvements and public right of way adjacent to the Property, includes without limitation, maintaining the landscaping, sidewalks, aesthetics, and general cleanliness of the premises.

Section 6. Termination.

Unless sooner terminated in accordance with this Section, this Agreement shall survive the expiration of TIRZ #3. If the Developer has not fully complied with Section 2 Conditions for Reimbursement by the Completion Date, this Agreement shall terminate immediately, unless mutually agreed to in writing in accordance with Section 17.

Three citations from the City's Code Enforcement Division for property maintenance violations and/or one Code Enforcement citation that results in the City abating the property will initiate a review process by the TIRZ #3 Board, at which time the Board may elect to terminate the Agreement.

Section 7. Warranties.

Developer warrants and represents to City the following:

- (a) Developer, if a corporation or partnership, is duly organized, validly existing, and in good standing under the laws of the State of Texas, and further has all corporate power and authority to carry on its business as presently conducted in Corpus Christi, Texas.
- (b) Developer has the authority to enter into and perform, and will perform, the terms of this Agreement.
- (c) Developer has timely filed and will timely file all local, State, and Federal tax reports and returns required by law to be filed, and has timely paid and will timely pay all assessments, fees, and other governmental charges, including applicable ad valorem taxes, during the term of this Agreement.

- (d) If an audit determines that the request for funds was defective under the law or the terms of this agreement, Developer agrees to reimburse the City for the sums of money not authorized by law or this Agreement within 30 days of written notice from the City requesting reimbursement.
- (e) The parties executing this Agreement on behalf of Developer are duly authorized to execute this Agreement on behalf of Developer.
- (f) Developer does not and agrees that it will not knowingly employ an undocumented worker. If, after receiving payments under this Agreement, Developer is convicted of a violation under 8 U.S.C. Section 1324a(f), Developer shall repay the payments at the rate and according to the terms as specified by City Ordinance, as amended, not later than the 120th day after the date Developer has been notified of the violation.

Section 8. Force Majeure.

If the City or Developer are prevented, wholly or in part, from fulfilling its obligations under this Agreement by reason of any act of God, unavoidable accident, acts of enemies, fires, floods, governmental restraint or regulation, other causes of force majeure, or by reason of circumstances beyond its control, then the obligations of the City or Developer are temporarily suspended during continuation of the force majeure. If either party's obligation is affected by any of the causes of force majeure, the party affected shall promptly notify the other party in writing, giving full particulars of the force majeure as soon as possible after the occurrence of the cause or causes relied upon.

Section 9. Assignment.

Developer may not assign all or any part of its rights, privileges, or duties under this Agreement without the prior written approval of the Board. Any attempted assignment without such approval is void, and constitutes a breach of this Agreement. Assignment can only be requested for multi-year reimbursements, after completion of obligations by Developer.

Section 10. Indemnity.

Developer covenants to fully indemnify, save, and hold harmless the TIRZ #3, the City, their respective officers, employees, and agents ("Indemnitees") against all liability, damage, loss, claims, demands, and actions of any kind on account of personal injuries (including, without limiting the foregoing, workers' compensation and death claims), or property loss or damage of any kind, which arise out of or are in any manner connected with, or are claimed to arise out of or be in any manner connected with Developer activities conducted under or incidental to this Agreement, including any injury, loss or damage caused by the sole or contributory negligence of any or all of the Indemnitees. Developer must, at its own expense, investigate all those claims and demands, attend to their settlement or other disposition, defend all actions based on those claims and demands with counsel satisfactory to Indemnitees, and pay all charges of attorneys and all other cost and expenses of any kind arising from the liability, damage, loss, claims, demands, or actions.

Section 11. Events of Default.

The following events constitute a default of this Agreement:

- (a) Failure of Developer to timely, fully, and completely comply with any one or more of the requirements, obligations, duties, terms, conditions, or warranties of this Agreement.

- (b) TIRZ #3, the Board or City Staff determines that any representation or warranty on behalf of Developer contained in this Agreement or in any financial statement, certificate, report, or opinion submitted to the TIRZ #3 in connection with this Agreement was incorrect or misleading in any material respect when made.
- (c) Developer makes an assignment for the benefit of creditors.
- (d) Developer files a petition in bankruptcy, or is adjudicated insolvent or bankrupt.

Section 12. Notice of Default.

Should the City determine that Developer is in default according to the terms of this Agreement, the City shall notify Developer in writing of the event of default and provide 60 days from the date of the notice ("Cure Period") for Developer to cure the event of default.

Section 13. Results of Uncured Default.

After exhausting good faith attempts to address any default during the cure Period, and taking into account any extenuating circumstances that might have occurred through no fault of Developer, as determined by the City, the following actions must be taken for any default that remains uncured after the Cure Period.

- (a) Developer shall immediately repay all funds paid from TIRZ #3 funds under this Agreement.
- (b) Developer shall pay reasonable attorney fees and costs of court.
- (c) The City and TIRZ #3 shall have no further obligations to Developer under this Agreement.
- (d) Neither the City nor the TIRZ #3 may be held liable for any consequential damages.
- (e) The City may pursue all remedies available under law.

Section 14. No Waiver.

- (a) No waiver of any covenant or condition, or the breach of any covenant or condition of this Agreement, constitutes a waiver of any subsequent breach of the covenant or condition of the Agreement.
- (b) No waiver of any covenant or condition, or the breach of any covenant or condition of this Agreement, justifies or authorizes the nonobservance on any other occasion of the covenant or condition or any other covenant or condition of this Agreement.
- (c) Any waiver or indulgence of Developer's default may not be considered an estoppel against the City or TIRZ #3.
- (d) It is expressly understood that if at any time Developer is in default in any of its conditions or covenants of this Agreement, the failure on the part of the City to promptly avail itself of the rights and remedies that the City may have, will not be considered a waiver on the part of the City, but City may at any time avail itself of the rights or remedies or elect to terminate this Agreement on account of the default.

Section 15. Available Funds.

Developer specifically agrees that City and the TIRZ #3 shall only be liable to Developer for the actual amount of the money due Developer under this Agreement from TIRZ #3 funds, and shall not be liable to Developer for any actual or consequential damages, direct or indirect, interest, attorney fees, or cost of court for any act of default by City or the TIRZ #3 under the terms of this Agreement. Payment by City is strictly limited to the total amount of increment funds for TIRZ #3. City shall use its best efforts to

anticipate economic conditions and to budget accordingly. However, it is further understood and agreed that, should the actual tax increment funds be less than the total amount paid to all contracting parties at the time, then in that event, all contracting parties shall receive only their pro rata share of the available increment funds for that year, as compared to each contracting parties' grant amount for that year, and City and the TIRZ #3 shall not be liable for any deficiency at that time or at any time in the future. In this event, City will provide all supporting documentation, as requested. Reimbursements paid to Developer shall require a written request from Developer accompanied by all necessary supporting documentation, as outlined in Section 2.

Section 16. Notices.

Any required written notices shall be sent by certified mail, postage prepaid, addressed as follows:

Developer:

Centre Theatre, LLC
Attn: Bryan Gulley
5850 Everhart
Corpus Christi, TX 78413

City of Corpus Christi
Attn.: City Manager's Office
Tax Increment Reinvestment Zone #3
P.O. Box 9277
Corpus Christi, Texas 78469-9277

Notice is effective upon deposit in the United States mail in the manner provided above.

Section 17. Amendments or Modifications.

No amendments or modifications to this Agreement may be made, nor any provision waived, unless in writing signed by a person duly authorized to sign agreements on behalf of each party.

Section 18. Captions.

The captions in this Agreement are for convenience only and are not a part of this Agreement. The captions do not in any way limit or amplify the terms and provisions of this Agreement.

Section 19. Severability.

If for any reason, any section, paragraph, subdivision, clause, provision, phrase or word of this Agreement or the application of this Agreement to any person or circumstance is, to any extent, held illegal, invalid, or unenforceable under present or future law or by a final judgment of a court of competent jurisdiction, then the remainder of this Agreement, or the application of the term or provision to persons or circumstances other than those as to which it is held illegal, invalid, or unenforceable, will not be affected by the law or judgment, for it is the definite intent of the parties to this Agreement that every section, paragraph, subdivision, clause, provision, phrase, or word of this Agreement be given full force and effect for its purpose.

To the extent that any clause or provision is held illegal, invalid, or unenforceable under present or future law effective during the term of this Agreement, then the remainder of this Agreement is not affected by the law, and in lieu of any illegal, invalid, or unenforceable clause or provision, a clause or provision, as similar in terms to the illegal, invalid, or unenforceable clause or provision as may be possible and be legal, valid, and enforceable, will be added to this Agreement automatically.

Section 20. Venue.

Venue for any legal action related to this Agreement is in Nueces County, Texas.

Section 21. Sole Agreement.

This Agreement constitutes the sole agreement between City and Developer. Any prior agreements, promises, negotiations, or representations, verbal or otherwise, not expressly stated in this Agreement, are of no force and effect.

8/2/8

Rebecca Hunter

APPROVED AS TO FORM: 31 day of July, 2018.

Aimee Alem-Beck

Assistant City Attorney

For City Attorney

By: [Signature]

City Manager/Designee

Date: 8/2/18

City of Corpus Christi on behalf of Tax Increment Reinvestment Zone #3

Attest:

By: Rebecca Huerta

Rebecca Huerta

City Secretary

Developer

By: [Signature]

President/Chief Executive Officer

Date: 7-6-18

TIRZ# 3 AUTHORIZED
BY COUNCIL 7/24/18
[Signature]
SECRETARY

Exhibit A – Project Description

Exhibit B – Property Description

Exhibit C – Estimated Project Costs

Exhibit D – TIRZ #3 Reimbursement Request Form

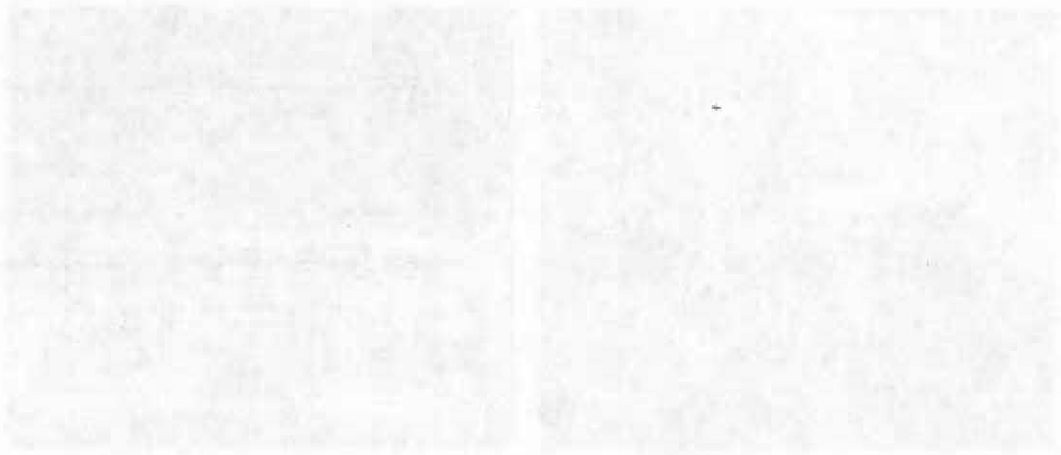


Exhibit A – Project Description

This project is a building rehabilitation to accommodate two new tenants- Moonshine & Ale and Whiskey Rodeo Saloon. Specific work includes replacing and updating the existing HVAC system.

The new tenants will conduct an Interior finish out of 14,000 square feet, including a 7,000 square foot dueling piano bar, restaurant and kitchen and a 7,000 SF high-end country dance hall and saloon. Additionally, interior finish out will be made to the building by the tenant as outlined in the *Downtown Development Agreement – Moonshine and Ale/Whiskey Rodeo Saloon*. Interior finish out work for Moonshine and Ale, the dueling piano bar and restaurant, includes lighting, floor, wood finishes and paint. The kitchen interior will include new lighting, paint, and flooring will require all new equipment including a grease trap and walk in coolers. The interior finish out for Whiskey Rodeo Saloon will include lighting, paint, and flooring, including a dance floor. Additionally, exterior finishes will include lighting, signage, and preservation of the historical elements of the building, with potential installation of surveillance cameras.

Interior Renderings:

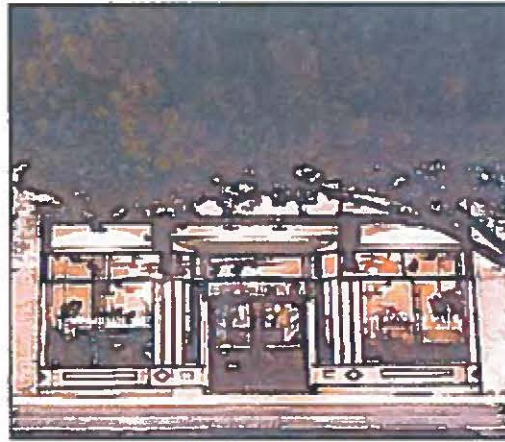
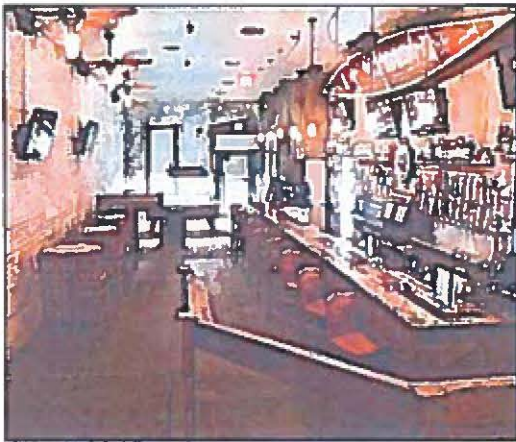


Exhibit B – Property Description

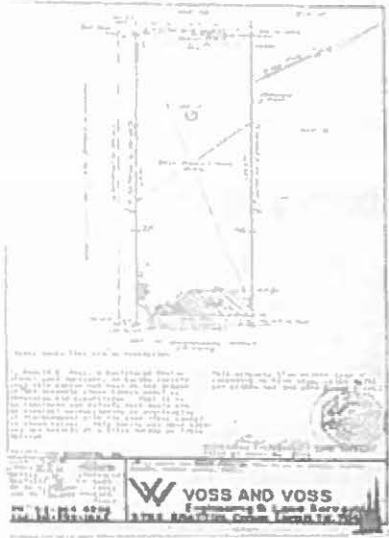
Legal Description of Property Here.

301 North Chaparral

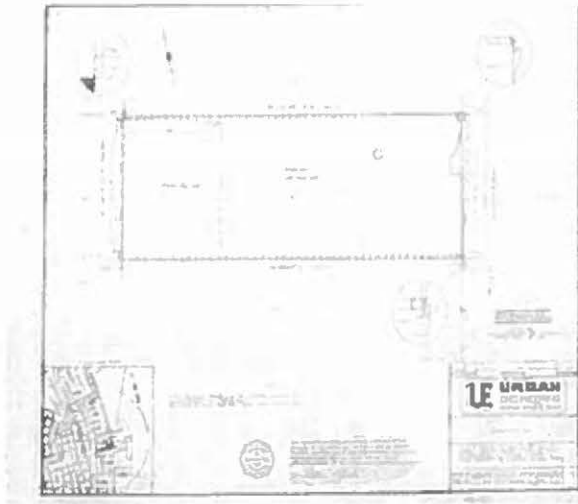
Property ID: 191712
Legal Description: BEACH BLK 13 LOT 1
Geographic ID: 0540-0013-0010
Type: Real
Property Use Code: BAR/TVRN
Property Use Description: BAR
Address: 301 N. Chaparral
Corpus Christi, 78401
Neighborhood: BEACH
Neighborhood CD: S0540

305 North Chaparral

Property ID: 191713
Legal Description: BEACH BLK 13 LOT 2
Geographic ID: 0540-0013-0020
Type: Real
Property Use Code: BAR/TVRN
Property Use Description: BAR
Address: 305 N. Chaparral
Corpus Christi, 78401
Neighborhood: BEACH
Neighborhood CD: S0540



301 Chaparral



305 Chaparral

Exhibit C – Project Costs

Improvement	Estimated Cost	Category
1) Phase One-Moonshine and Ale construction costs	\$131,200	Chaparral Street Property Improvement Grant
2) Phase Two-Whiskey Rodeo Saloon construction costs	\$113,200	Chaparral Street Property Improvement Grant
3) Other Project costs	\$484,766	
4) Building Rehab Costs	\$37,928	Chaparral Street Property Improvement Grant
5) Roof Rehabilitation Costs	\$118,529.17	Not Eligible
Total Reimbursement Basis	\$767,094	

***Total Possible Reimbursement/Reimbursement Basis identifies the Project Costs that make the Development eligible under the incentive Guidelines. The Actual Reimbursement is identified in Section 1 of the Agreement.**

Exhibit D – Request for Reimbursement Form

City of Corpus Christi – City Manager’s Office
Corpus Christi Downtown Management District

**Tax Increment Reinvestment Zone #3
Request for Reimbursement**

Project Name _____
 Grant Program _____
 Type of Reimbursement: One Time Re-Occurring (First Payment)
 Requestor _____ Date Requested _____

Improvement	Estimated Cost (Per Agreement Exhibit C)	Actual Cost (Per Attached Documentation)	Invoice Reference
1)			
2)			
3)			
4)			
5)			
TOTAL			

Attached Is the Following

- 1) Executed TIRZ #3 Reimbursement Agreement
- 2) Certificate of Occupancy Date _____
- 3) Documentation of Expenses

Signatures for Submittal:

Authorized Developer _____ Date: _____
 Authorized General Contractor _____ Date _____

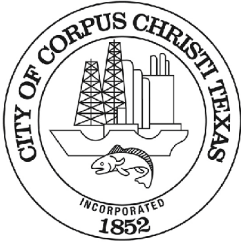
An incomplete Request for Reimbursement will not be processed. Submit a hard copy and combined PDF version to AlyssaB@cctexas.com. Upon receipt of Request, final inspection will be scheduled.

Signatures for Approval Process

Request Rec'd By City _____ Date _____
 Documentation Complete: _____ Inspection of Project _____
 Notes: _____

Reimbursement Approved by TIRZ #3 Board _____ Date _____

Tax Increment Reinvestment Zone #3 Request for Reimbursement
Updated October 2015



AGENDA MEMORANDUM

Corpus Christi Tax Increment Reinvestment Zone #3 Meeting September 17, 2019

DATE: September 6, 2019

TO: Peter Zanoni, City Manager

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

Jason Alaniz, Real Estate & Main Street Manager, CCDMD
Jason@cctexasdmd.com
(361) 882-2363

Approval of TIRZ #3 Streetscape Reimbursement Agreement for KPL Holdings LLC at 424 N Chaparral Street

CAPTION:

Motion to approve a Streetscape Reimbursement Agreement with KPL Holdings LLC for improvements to the property located at 424 N Chaparral Street for an incentive amount not to exceed \$45,700, effective upon signature by the City Manager or designee.

SUMMARY:

This motion authorizes a Reimbursement Agreement for the façade renovation of 424 N Chaparral Street, through the Downtown Streetscape & Safety Improvement Program in the amount of \$45,700.

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 Downtown Streetscape & Safety Improvement Program was created in 2018 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. In order to expedite the process, staff is authorized to approve projects with a scope of \$20,000 or less and reimbursement not to exceed 50% of the project cost.

KPL Holdings is the owner of the building with shared interest in Dokyo Dauntaun, a new restaurant concept that will include a sushi menu plus Korean BBQ grills built into the tables which is a new concept for Corpus Christi. The developer's improvements to the exterior include a security monitoring system, lighting, signage, wall prep and paint, door replacement, and a mural. The owner is also performing a full renovation of the interior restaurant space consisting of over \$350,000 in improvements and furnishings. The expected opening date is December 2019.

The Owner/Manager is Kil Lee and he is the former owner of Aka Sushi downtown for the last five years with over 10 years of restaurant experience. Kil has created a loyal clientele over the years

and is often featured in Texas Monthly under their dining guide for Corpus Christi. Additionally, under Kil's ownership and management, Aka Sushi won the locals list for best sushi in 2016 and 2018. He outgrew his former location and leased the former Urbana Market building in February of 2019 and purchased the building in July 2019 to expand his operation. The total project cost for the exterior is \$91,400.

ALTERNATIVES:

The Board could choose to not approve this agreement.

FINANCIAL IMPACT:

The funding source for this project is from the TIRZ #3 Downtown Streetscape & Safety Improvement Program. The FY 2019 budget for this program is \$200,000 and this project will consist of a one-time expenditure of an amount not to exceed \$45,700. This program has expended \$11,355 and encumbered \$116,607. The remaining balance will be \$26,338.

Funding Detail:

Fund: 1112
Organization/Activity: 10286
Mission Element: 707
Project # (CIP Only): N/A
Account: 540450

RECOMMENDATION:

Staff recommends approving the agreement.

LIST OF SUPPORTING DOCUMENTS:

TIRZ #3 Reimbursement Agreement – Dokyo (Streetscape)

DOWNTOWN DEVELOPMENT REIMBURSEMENT AGREEMENT-
STREETSCAPE AND SAFETY IMPROVEMENT PROGRAM - DOKYO DAUNTAUN

This Downtown Development Reimbursement Agreement (the "Agreement") is entered into by and between the City of Corpus Christi, Texas (the "City"), as the agent of the Corpus Christi Tax Increment Reinvestment Zone #3 ("TIRZ #3"), and KPL Holdings, LLC (the "Developer").

Recitals

WHEREAS on December 16, 2008, the City Council of the City (the "City Council") approved Ordinance 027996, which established the TIRZ #3 in accordance with Texas Tax Code Chapter 311. TIRZ #3 promotes economic development and stimulates business and commercial activity in its downtown Corpus Christi area (the "Zone");

WHEREAS on August 25, 2015, the City Council approved a Project and Financing Plan (the "Plan") for TIRZ #3 and the Plan has been adopted and amended annually;

WHEREAS the Board of Directors of TIRZ #3 (the "Board") includes members of the City Council in a non-public-official capacity, as well as a representative from each Nueces County and Del Mar College, who have committed to contribute to TIRZ #3 through Interlocal Agreements created in 2009 and amended in 2012 and 2016;

WHEREAS the Corpus Christi Downtown Management District ("DMD") assists the City with administration of TIRZ #3, recommends projects and recommends a DMD representative to be appointed to the Board through an Interlocal Agreement;

WHEREAS on November 10, 2015, the City Council approved Ordinance 030680, which amended Ordinance 027996 and authorized the Board to approve agreements in this form, to be entered into by the City, as the Board considers necessary or convenient to implement the Plan and achieve its purpose;

WHEREAS the Plan contained certain programs designed to improve conditions and increase commerce within the Zone;

WHEREAS the Developer has proposed a development plan (the "Development") for the certain work listed on attached Exhibit A (the "Work") The Work consists of planned exterior work on the property located at 424 N Chaparral, with such property being more fully described on attached Exhibit B (the "Property"). The Property is located within the Zone, and the Work falls within the Streetscape and Safety Improvement Program;

WHEREAS the Development concept has been refined through cooperation between the Developer, the City and the DMD to meet the desired goals of revitalization within the Zone and serve a public benefit;

WHEREAS any reference to "City" or "City Staff," is entirely in agency capacity for TIRZ #3, and further the City as a home-rule municipal corporation is not a party to this agreement; and

WHEREAS the Developer desires to be reimbursed for certain future costs incurred pursuant to the Development, and TIRZ #3 desires to reimburse the Developer for these costs in accordance with this Agreement;

Agreement

Now therefore, in consideration of the mutual covenants and obligations, the parties agree as follows:

Section 1. Reimbursement Obligations.

The City shall reimburse the Developer from available TIRZ #3 funds in an amount up to the estimated project cost listed next to each element of the Work in attached Exhibit C (the "Estimated Project Costs"), except that (a) the total amount of all such reimbursements for the Development may not exceed \$45,700.00 and (b) if the Developer actually incurs a cost for an element less than that element's Estimated Project Cost, the City shall reimburse the Developer for only the amount of the cost that the Developer actually incurred for that element of the Work. Based on qualifications of the Development, the Program reimbursement structure is as follows:

- (a) Streetscape and Safety Improvement Program:
 - (1) 50/50 Match of Approved Expenses
 - (2) Work must be exterior work related to safety and streetscape appearance.

Section 2. Conditions for Reimbursement.

The City shall reimburse Developer in accordance with Section 1 only if the following conditions are fulfilled:

- (a) The Developer completes the Work on the Property on or before January 31, 2020 (the "Completion Date") in accordance with Exhibit A and the City's building codes and policies. Any extensions of this deadline must be requested by Developer in writing and approved by the Board.
- (b) Developer obtains all required building permits from the City.
- (c) The completed Work must include all elements (including but not limited to: all design, structural, architectural, lighting, landscaping, etc.) which are shown or referenced in the Development Plan attached hereto as Exhibit A. Any amendments to the Development Plan must be submitted in writing and be approved by all parties to this Agreement.
- (d) Within 60 days following completion of the Work, the Developer submits a Request for Reimbursement for actual Project Costs, in the form contained in Exhibit D, including:
 - (i.) specific Work completed under the Project and the amount of money that Developer paid for completion of such work and that Developer claims as actual Project Costs;
 - (ii.) supporting documents demonstrating that such amounts were actually paid by Developer, including but not limited to invoices, receipts and final lien waivers signed by the general contractor;
- (e) Appropriate City Staff has inspected the Work and certifies that the Work is complete, acceptable, and comports to the terms of this Agreement.

Section 3. Audit

Developer will make available for inspection by designated City Staff all financial and business records of Developer that relate to the Project, in order to assist City Staff in verifying the Developer's compliance with the terms and conditions of this Agreement. TIRZ #3 shall have the right to have these records audited.

Section 4. Maintenance of Property and Work.

Developer must maintain the property for the entirety of the Agreement in accordance with the City's Property Maintenance requirements. Citations from the Code Enforcement for property maintenance issues will initiate termination provision (Section 6).

If the Developer completes the Work, the Developer shall maintain the Work, premises, and adjacent public right of way in good condition and so as to not contribute to blight in the Zone. The Developer's obligation to maintain the Work and public right of way adjacent to the Property, includes without limitation, maintaining the landscaping, sidewalks, aesthetics, and general cleanliness of the premises.

Developer will maintain any cameras installed as part of this Agreement for at least five years or the life thereof. Developer will allow DMD staff or the Corpus Christi Police Department ("CCPD") to view video recorded by the cameras in the event that the cameras may include video showing the events leading up to property damage that the DMD is repairing or other crimes that CCPD is investigating.

Section 5. Termination.

Unless sooner terminated in accordance with this Section, this Agreement shall survive the expiration of TIRZ #3. If the Developer has not fully complied with Section 2 Conditions for Reimbursement by the Completion Date, this Agreement shall terminate immediately, unless mutually agreed to in writing in accordance with Section 16.

Three citations from the City's Code Enforcement Division for property maintenance violations and/or one Code Enforcement citation that results in the City abating the property will initiate a review process by the TIRZ #3 Board, at which time the Board may elect to terminate the Agreement.

Section 6. Warranties.

Developer warrants and represents to City the following:

- (a) Developer, if a corporation or partnership, is duly organized, validly existing, and in good standing under the laws of the State of Texas, and further has all corporate power and authority to carry on its business as presently conducted in Corpus Christi, Texas.
- (b) Developer has the authority to enter into and perform, and will perform, the terms of this Agreement.
- (c) Developer has timely filed and will timely file all local, State, and Federal tax reports and returns required by law to be filed, and has timely paid and will timely pay all assessments, fees, and other governmental charges, including applicable ad valorem taxes, during the term of this Agreement.
- (d) If an audit determines that the request for funds was defective under the law or the terms of this agreement, Developer agrees to reimburse the City for the sums of money not authorized by law or this Agreement within 30 days of written notice from the City requesting reimbursement.
- (e) The parties executing this Agreement on behalf of Developer are duly authorized to execute this Agreement on behalf of Developer.
- (f) Developer does not and agrees that it will not knowingly employ an undocumented worker. If, after receiving payments under this Agreement, Developer is convicted of a violation under 8 U.S.C. Section 1324a(f), Developer shall repay the payments at the rate and according to the terms as specified by City Ordinance, as amended, not later than the 120th day after the date Developer has been notified of the violation.

Section 7. Force Majeure.

If the City or Developer is prevented, wholly or in part, from fulfilling its obligations under this Agreement by reason of any act of God, unavoidable accident, acts of enemies, fires, floods, governmental restraint or regulation, other causes of force majeure, or by reason of circumstances beyond its control, then the obligations of the City or Developer are temporarily suspended during continuation of the force majeure. If either party's obligation is affected by any of the causes of force majeure, the party affected shall promptly notify the other party in writing, giving full particulars of the force majeure as soon as possible after the occurrence of the cause or causes relied upon.

Section 8. Assignment.

Developer may not assign all or any part of its rights, privileges, or duties under this Agreement without the prior written approval of the Board. Any attempted assignment without such approval is void, and constitutes a breach of this Agreement. Assignment can only be requested for multi-year reimbursements, after completion of obligations by Developer.

Section 9. Indemnity.

Developer covenants to fully indemnify, save, and hold harmless the TIRZ #3, the City, their respective officers, employees, and agents ("Indemnitees") against all liability, damage, loss, claims, demands, and actions of any kind on account of personal injuries (including, without limiting the foregoing, workers' compensation and death claims), or property loss or damage of any kind, which arise out of or are in any manner connected with, or are claimed to arise out of or be in any manner connected with Developer activities conducted under or incidental to this Agreement, including any injury, loss or damage caused by the sole or contributory negligence of any or all of the Indemnitees. Developer must, at its own expense, investigate all those claims and demands, attend to their settlement or other disposition, defend all actions based on those claims and demands with counsel satisfactory to Indemnitees, and pay all charges of attorneys and all other cost and expenses of any kind arising from the liability, damage, loss, claims, demands, or actions.

Section 10. Events of Default.

The following events constitute a default of this Agreement:

- (a) Failure of Developer to timely, fully, and completely comply with any one or more of the requirements, obligations, duties, terms, conditions, or warranties of this Agreement.
- (b) TIRZ #3, the Board or City Staff determines that any representation or warranty on behalf of Developer contained in this Agreement or in any financial statement, certificate, report, or opinion submitted to the TIRZ #3 in connection with this Agreement was incorrect or misleading in any material respect when made.
- (c) Developer makes an assignment for the benefit of creditors.
- (d) Developer files a petition in bankruptcy, or is adjudicated insolvent or bankrupt.

Section 11. Notice of Default.

Should the City determine that Developer is in default according to the terms of this Agreement, the City shall notify Developer in writing of the event of default and provide 60 days from the date of the notice ("Cure Period") for Developer to cure the event of default.

Section 12. Results of Uncured Default.

After exhausting good faith attempts to address any default during the cure Period, and taking into account any extenuating circumstances that might have occurred through no fault of Developer, as determined by the City, the following actions must be taken for any default that remains uncured after the Cure Period.

- (a) Developer shall immediately repay all funds paid from TIRZ #3 funds under this Agreement.
- (b) Developer shall pay reasonable attorney fees and costs of court.
- (c) The City and TIRZ #3 shall have no further obligations to Developer under this Agreement.
- (d) Neither the City nor the TIRZ #3 may be held liable for any consequential damages.
- (e) The City may pursue all remedies available under law.

Section 13. No Waiver.

- (a) No waiver of any covenant or condition, or the breach of any covenant or condition of this Agreement, constitutes a waiver of any subsequent breach of the covenant or condition of the Agreement.
- (b) No waiver of any covenant or condition, or the breach of any covenant or condition of this Agreement, justifies or authorizes the nonobservance on any other occasion of the covenant or condition or any other covenant or condition of this Agreement.
- (c) Any waiver or indulgence of Developer's default may not be considered an estoppel against the City or TIRZ #3.
- (d) It is expressly understood that if at any time Developer is in default in any of its conditions or covenants of this Agreement, the failure on the part of the City to promptly avail itself of the rights and remedies that the City may have, will not be considered a waiver on the part of the City, but City may at any time avail itself of the rights or remedies or elect to terminate this Agreement on account of the default.

Section 14. Available Funds.

Developer specifically agrees that City and the TIRZ #3 shall only be liable to Developer for the actual amount of the money due Developer under this Agreement from TIRZ #3 funds, and shall not be liable to Developer for any actual or consequential damages, direct or indirect, interest, attorney fees, or cost of court for any act of default by City or the TIRZ #3 under the terms of this Agreement. Payment by City is strictly limited to the total amount of increment funds for TIRZ #3. City shall use its best efforts to anticipate economic conditions and to budget accordingly. However, it is further understood and agreed that, should the actual tax increment funds be less than the total amount paid to all contracting parties at the time, then in that event, all contracting parties shall receive only their pro rata share of the available increment funds for that year, as compared to each contracting parties' grant amount for that year, and City and the TIRZ #3 shall not be liable to for any deficiency at that time or at any time in the future. In this event, City will provide all supporting documentation, as requested. Reimbursements paid to

Developer shall require a written request from Developer accompanied by all necessary supporting documentation, as outlined in Section 2.

Section 15. Notices.

Any required written notices shall be sent by certified mail, postage prepaid, addressed as follows:

Developer:

KPL Holdings, LLC
Attn: Kil Lee
424 N Chaparral St.
Corpus Christi, TX 78401

City of Corpus Christi
Attn.: City Manager's Office
Tax Increment Reinvestment Zone #3
P.O. Box 9277
Corpus Christi, Texas 78469-9277

Notice is effective upon deposit in the United States mail in the manner provided above.

Section 16. Amendments or Modifications.

No amendments or modifications to this Agreement may be made, nor any provision waived, unless in writing signed by a person duly authorized to sign agreements on behalf of each party.

Section 17. Captions.

The captions in this Agreement are for convenience only and are not a part of this Agreement. The captions do not in any way limit or amplify the terms and provisions of this Agreement.

Section 18. Severability.

If for any reason, any section, paragraph, subdivision, clause, provision, phrase or word of this Agreement or the application of this Agreement to any person or circumstance is, to any extent, held illegal, invalid, or unenforceable under present or future law or by a final judgment of a court of competent jurisdiction, then the remainder of this Agreement, or the application of the term or provision to persons or circumstances other than those as to which it is held illegal, invalid, or unenforceable, will not be affected by the law or judgment, for it is the definite intent of the parties to this Agreement that every section, paragraph, subdivision, clause, provision, phrase, or word of this Agreement be given full force and effect for its purpose.

To the extent that any clause or provision is held illegal, invalid, or unenforceable under present or future law effective during the term of this Agreement, then the remainder of this Agreement is not affected by the law, and in lieu of any illegal, invalid, or unenforceable clause or provision, a clause or provision, as similar in terms to the illegal, invalid, or unenforceable clause or provision as may be possible and be legal, valid, and enforceable, will be added to this Agreement automatically.

Section 19. Venue.

Venue for any legal action related to this Agreement is in Nueces County, Texas.

Section 20. Sole Agreement.

This Agreement constitutes the sole agreement between City and Developer. Any prior agreements, promises, negotiations, or representations, verbal or otherwise, not expressly stated in this Agreement, are of no force and effect.

APPROVED AS TO FORM: ____ day of _____, 20__.

Assistant City Attorney

For City Attorney

By: _____

City Manager/Designee

Date: _____

City of Corpus Christi on behalf of Tax Increment Reinvestment Zone #3

Attest:

By: _____

Rebecca Huerta

City Secretary

Developer

By: _____

President/Chief Executive Officer

Date: _____

Exhibit A – Project Description

Exhibit B – Property Description

Exhibit C – Estimated Project Costs

Exhibit D – TIRZ #3 Reimbursement Request Form

Exhibit A – Project Description

The Developer will install a security monitoring system, building lighting and lighting facing the adjacent parking lot, signage with back lighting, wall prep to include power washing, fix wall deficiencies, and primer, paint, door replacement for front and side door, exterior entryway flooring and wood design slats under the windows, soffit repair, and a mural with lighting.

Exterior Concept:



Mural Concept:

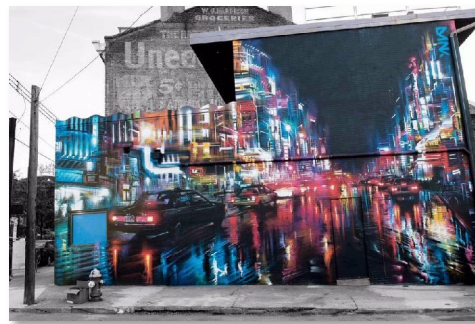


Exhibit B – Property Description

Property ID: 191623

Geographic ID: 0540-0003-0070

Legal Description: BEACH BLOCK 3 LOT 7

Property Address: 424 N Chaparral Street, Corpus Christi, TX 78401

Exhibit C – Project Costs

Improvement	Estimated Cost	Category
1) Security System	\$5,500	Streetscape & Safety Improvement Program
2) Lighting	\$3,700	
3) Signage	\$15,400	
4) Door Replacement (Front & Side Door)	\$5,200	
5) Prep Walls & Paint	\$20,000	
6) Mural	\$20,000	
7) Exterior Entryway (Flooring & Window Slats)	\$4,000	
8) Soffit Repairs	\$1,200	
9) Design & Permit Fees	\$9,200	
10) Contingency (10%)	\$7,200	
Total Reimbursement Basis	\$91,400	

*Total Possible Reimbursement Basis identifies the Project Costs that make the Development eligible under the Incentive Guidelines. The Actual Reimbursement is identified in Section 1 of the Agreement.

Exhibit D – Request for Reimbursement Form

City of Corpus Christi – City Manager’s Office
Corpus Christi Downtown Management District

Tax Increment Reinvestment Zone #3 Request for Reimbursement

Project Name: _____

Grant Program: _____

Type of Reimbursement: One Time Re-Occurring (First Payment)

Requestor: _____ Date Requested: _____

Improvement	Estimated Cost (Per Agreement Exhibit C)	Actual Cost (Per Attached Documentation)	Invoice Reference
1)			
2)			
3)			
4)			
5)			
TOTAL			

Attached is the Following:

- 1) Executed TIRZ #3 Reimbursement Agreement
- 2) Certificate of Occupancy Date: _____
- 3) Documentation of Expenses

Signatures for Submittal:

Authorized Developer: _____ Date: _____

Authorized General Contractor: _____ Date: _____

An incomplete Request for Reimbursement will not be processed. Submit a hard copy and combined PDF version to AlyssaB@cctexas.com. Upon receipt of Request, final inspection will be scheduled.

Signatures for Approval Process

Request Rec'd By City: _____ Date: _____

Documentation Complete: _____ Inspection of Project: _____

Notes: _____

Reimbursement Approved by TIRZ #3 Board: _____ Date: _____

TIRZ#3 - Presentation
Streetscape & Safety Improvement Program
Dokyo Dauntaun
424 N Chaparral



September 17, 2019



Traffic & Planning Analysis

EXHIBIT A

support quality development within downtown. Each of these programs and policy recommendations would require additional study and evaluation.

Table 4 identifies recommended policy and program projects that should be implemented in the next two to three years.

Table 4: Policy Implementation Recommendations

Program / Policy	Recommendation
Implement MPO Bicycle Mobility Plan	As street improvements are made and one to two-way conversions are implemented, sidewalks should integrate recommended bicycle treatments and routes as identified under the MPO plan.
Bus Routes – RTA Transit 2020 Plan	Per the RTA Transit 2020 Plan, bus routes through downtown should be reassessed as infrastructure improvements occur to identify potential efficiencies and additional routes that might become available under the two-way conversions or street grid reconnections.
Extend TIRZ #3 to Agnes and Laredo	Maximize the value capture of Downtown by extending the TIRZ #3 boundary to the full extent of Agnes and Laredo from downtown to SH 286/Crosstown based on the recommendations in this report.
Sidewalk/Street Tree Management and Maintenance	<p>Within the Downtown Management District and greater TIRZ #3 Area, clarify responsibility for sidewalk maintenance and improvements that will:</p> <ul style="list-style-type: none"> • ensure consistency in quality, style and safety along all street networks; • reduce the burden on local businesses or owners; • enable more effective management of street tree care and preservation; and • explore cost-sharing program options.
Downtown Parking Study Action Plan	The strategies identified in the recently adopted Downtown Parking Strategy by the City should be implemented.
Water's Edge Task Force	The City should work with the Downtown Management District and/or TIRZ #3 Board to create a water's edge task force that helps support maintenance, activation and programming of the shoreline and T-roads.
Construction Phasing and Management	The City should organize phasing of concurrent construction projects to minimize traffic impacts, as the Harbor Bridge construction is underway. This should also take into consideration truck traffic and operational standards that might be impacted during construction.
Amend Ordinance to Delete One-Way Streets	The City should amend its ordinance to remove the one-way street design from its policies and implementation strategies.
Amend Urban Transportation Plan	Delete recommendations on the Urban Transportation Plan.
Form Parking Alliance	Working with downtown partners and organizations, the City should form a parking alliance to encourage alternate parking strategies and implement the recommendations from the downtown parking plan recently adopted.
Truck and Loading Zone Standards	The Downtown Management District should work with local businesses to develop truck and loading zone standards.

These recommendations are not all-inclusive and might result in additional policy needs, but they should help address the immediate needs identified during this process and during stakeholder interviews and sessions. The roadway improvements will help alleviate several complaints and frustrations for Downtown, however, without the proper planning for economic development and policy-level details, the adjacent owners will still experience frustration when it comes to day-to-day life in Downtown.

28 TIRZ #3 TRAFFIC AND PLANNING ANALYSIS DRAFT | APRIL 2016

Sidewalk/Street Tree Management and Maintenance

Within the Downtown Management District and greater TIRZ #3 Area, clarify responsibility for sidewalk maintenance and improvements that will:

- ensure consistency in quality, style and safety along all street networks;
- reduce the burden on local businesses or owners;
- enable more effective management of street tree care and preservation; and
- explore cost-sharing program options



Streetscape & Safety Program

Program Details

- Up to 50% rebate of eligible project costs up to a max of \$10,000 per property.
- Qualified Sidewalk Repair for Investments of \$5,000 or more

Eligible Improvements

- Awnings
- Concrete Work / Sidewalk Repair
- Design & Permit Fees associated with façade improvements
- Door Replacement
- Exterior Cleaning
- Exterior Lighting*
- Exterior Paint
- Landscaping
- Murals
- Removal / Replacement of incompatible exterior finishes or materials
- Sidewalk Café Improvements
- Signs
- Surveillance Cameras & Systems*
- Window Replacement or Repair to Enhance Appearance

*Required



424 N Chaparral



- Built in 1936
- 9,160 SF Building
 - 5,000 SF (Dokyo)
- Sushi + Korean BBQ Concept
- Former owner of Aka Sushi Downtown for the last 5 years
- Proven successful restaurateur



Current Condition: 424 N Chaparral





Property Repairs – 424 N Chaparral

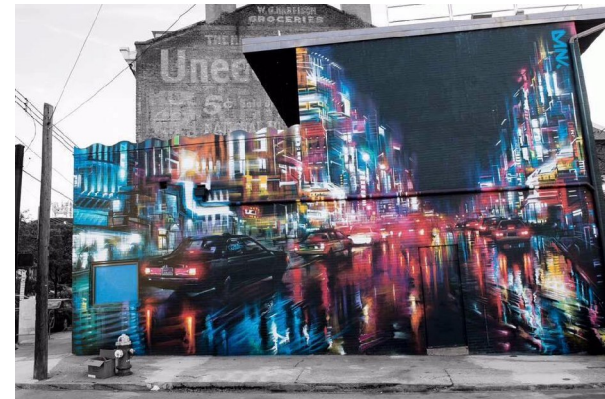


Project Costs	
Description	Estimate
Security System	\$5,500
Lighting	\$3,700
Signage	\$15,400
Door Replacement	\$5,200
Prep Walls & Paint	\$20,000
Mural	\$20,000
Exterior Entryway (Flooring and Window Slats)	\$4,000
Soffit Repairs	\$1,200
Design & Permit Fees	\$9,200
Contingency (10%)	\$7,200
Total Costs	\$91,400

Exterior Concept



Mural Concept

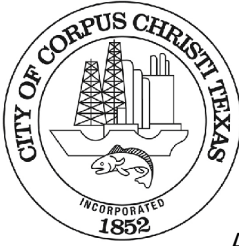




Recommendation - 424 N Chaparral

Program	Total	Period
Streetscape & Safety Improvement Program	\$45,700	One Time

- Meets Goal of Streetscape & Safety Improvement Grant program
- Motion to Approve Agreement Today
- Property Owner will Proceed With Work



AGENDA MEMORANDUM

Action Item for the Tax Increment Reinvestment Zone Meeting September 17, 2019

DATE: September 6, 2019
TO: Peter Zanoni, City Manager
FROM: Alyssa Barrera Mason, Executive Director CCDMD
alyssa@cctexasdmd.com
(361) 882-2363

**TIRZ #3 and DMD Interlocal Cooperation Agreement –
FY 2020 Integrated DMD & TIRZ #3 Service Plan**

CAPTION:

Motion to renew the Interlocal Cooperation Agreement between Corpus Christi Tax Increment Reinvestment Zone #3 (TIRZ #3) and the Corpus Christi Downtown Management District (DMD) to encourage the redevelopment of TIRZ #3, approve a Service Plan for Fiscal Year 2019-2020 and ratify the Budget amount of \$510,000.

SUMMARY:

The purpose of this item is to approve the FY 2020 Service Plan to renew the agreement with the Downtown Management District for the expanded services in the Zone beyond the core DMD Boundary also known the “Marina Arts District.” This boundary extends from Kinney St. to I-37 and from, N. Upper Broadway east to the Marina.

BACKGROUND AND FINDINGS:

In 2016, the TIRZ #3 approved an Interlocal Agreement with the Downtown Management District for an expanded scope of services that increased the DMD’s role and responsibility in the revitalization effort beyond the Marina Arts District boundary. The Agreement included a provision for annual renewal, subject to appropriation of funding and approval of a Service Plan and Budget.

On August 27, 2019, the TIRZ #3 Board approved an FY 2020 Budget with a \$510,000 total budget for this Agreement. The DMD Board of Directors approved the FY 2020 Service Plan by resolution on August 15, 2019, so the Service Plan now comes to the TIRZ #3 Board for approval as the final step in authorization for DMD to function in FY 2020.

ALTERNATIVES:

The Board could choose not approve this motion.

FINANCIAL IMPACT:

The funding source for this item is the Other Programs Category, where the DMD’s agreement is

housed. This item is a \$20,000 reduction from FY 2019 because the DMD has ended the Bike Share Program.

Funding Detail:

Fund:	1112- Downtown TIF
Organization/Activity:	10287- Other Programs
Mission Element:	707-Economic Development
Project # (CIP Only):	N/A
Account:	530000- Professional Services

RECOMMENDATION:

Staff recommends approving the FY 2020 Service Plan.

LIST OF SUPPORTING DOCUMENTS:

Power Point – DMD and TIRZ #3 Integrated Service Plan
FY 2019-2020 Integrated DMD & TIRZ #3 Service Plan
Interlocal Cooperation Agreement Executed in 2016
Amendment No. 1 to the Interlocal Cooperation Agreement Executed on April 24, 2018



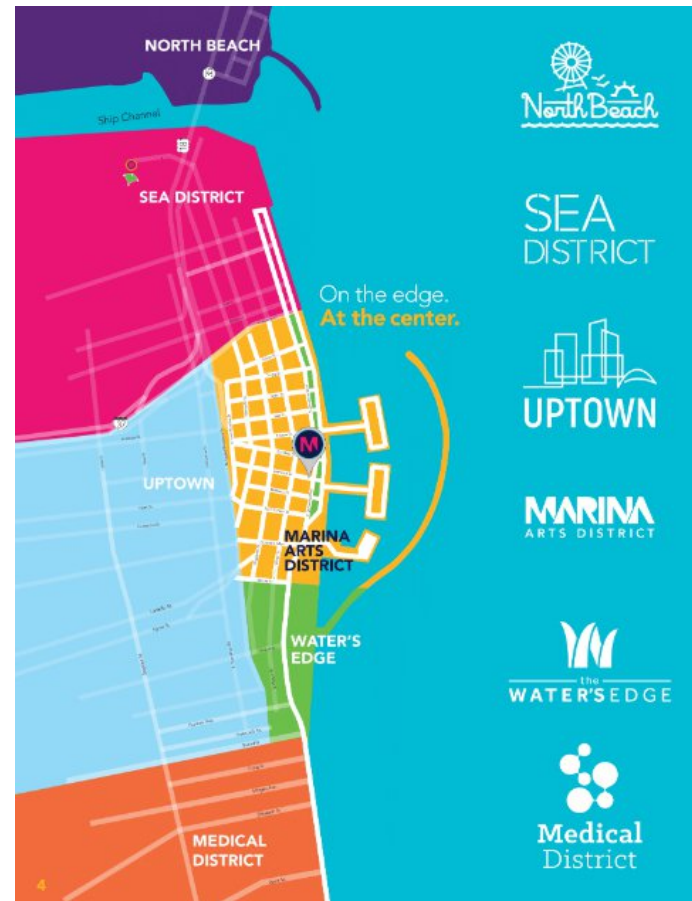
DMD & TIRZ #3

FY 2020 Integrated Service Plan

September 17, 2019

About the DMD

The Corpus Christi Downtown Management District (DMD), established in 1993, is a professional Downtown management district representing property owners and stakeholders within the area bounded by Kinney Street to I-37, and Lower Broadway to the Corpus Christi Marina L and T-Heads. In 2013, the property owners voted to renew the district through 2023. In 2015, DMD led stakeholders through a branding process naming this destination as the Marina Arts District while retaining DMD to refer to the organization and the programs and services we provide.

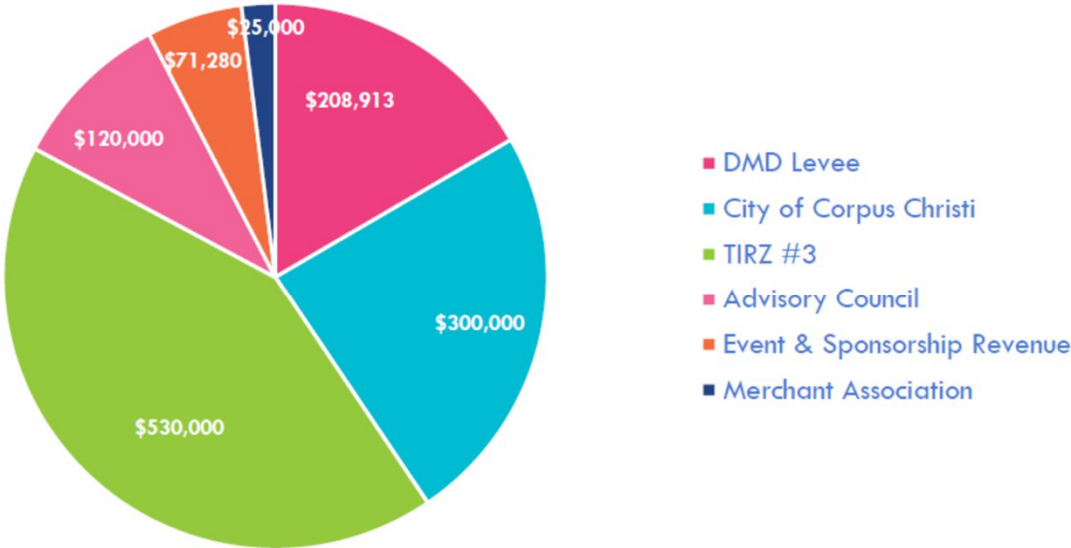


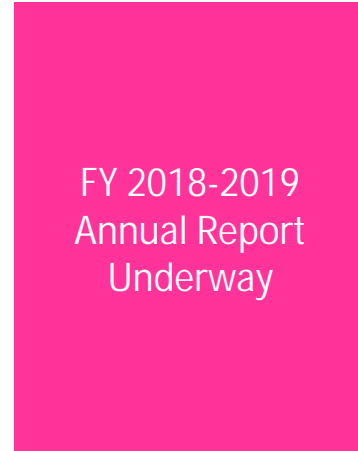
About the DMD

- Our mission is to create a successful, vibrant bayfront/seaside District, rebranded as the Marina Arts District and positively impact the greater Downtown area by proactively and strategically working with our partners to:
 - Create Cleaner, Safer, More Beautiful and Accessible Downtown
 - Develop and Improve the District.
 - Market and Promote the District.
 - Build Effective Organization.



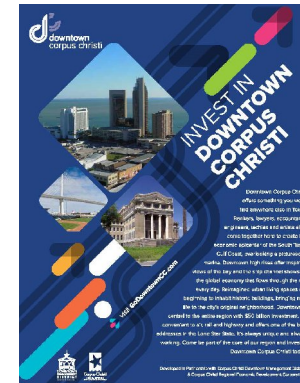
About the DMD – FY 2019






Highlights of FY 2019 Accomplishments

- Installed Downtown Holiday Decorations
- Assisted with Implementation of Environmental Branding
- Establish Plan for Artesian Park Improvements
- Sought 2nd Economic Development Finance Professional Certification
- Administered & Assisted Multiple Development Projects
- Grew Social Media following by over 5,000 on Instagram
- Held Inaugural State of Downtown
- Began Implementation of Cultural District Plan with Frontera and Holiday Event Series
- Completed FY 2019 Downtown Perception Survey
- Instituted Performance Review System



FY 2020 Integrated DMD & TIRZ Service Plan

- Continues Three Year Strategic Plan
- Combines DMD and TIRZ Work
- Includes 4 Core Priorities
- 20 General Operations
- 19 Project Goals



**2019-2020 Integrated Downtown Management District and
Downtown Reinvestment Zone Service Plan**

Who We Are
The Corpus Christi Downtown Management District (DMD), established in 1993, is a professional Downtown management district representing property owners and stakeholders within the area bounded by Kinney Street to I-37, and Lower Broadway to the Corpus Christi Marina L and T-Heads. In 2013, the property owners voted to renew the district through 2023. In 2015, DMD led stakeholders through a branding process naming this destination as the Marina Arts District while retaining DMD to refer to the organization and the programs and services we provide.

About this Plan
The DMD has spearheaded tremendous activity in the past few years that will now transition to sustainable and dependable operations. In partnership with City of Corpus Christi, Tax Increment Reinvestments Zone (TIRZ), collaborating organizations and stakeholders, DMD will continue to provide the revitalization services described in this plan to the Marina Arts District and Greater Downtown Area that create a vibrant, attractive environment to invest, locate a business, visit, live, work and play. (The Greater Downtown Area is defined in the TIRZ Scope of Service and generally includes: Marina Arts District, SEA District, Uptown, Water's Edge and the Medial District).

Funding for the services are provided by a public private partnership that includes the Downtown Management District levy, TIRZ, stakeholder investments and memberships, sponsorships, grants and event revenue.

The 2019-2020 Service Plan includes \$100,000+ of continued initiatives across our 4 core service priorities which include:

- District Operations
- Development and Improvement
- Communications and Events
- Organizational Management

General Operations and Project Goals
In FY 2020, the Service Plan will continue the format of identifying General Operations of the DMD from new project goals. This new format assisted with identifying the day to day functions from new initiatives or one-time projects and greatly improved employee morale.

District Operations



- A. Improve Cleanliness and Perceptions of Cleaning Strategies
- B. Improve Safety and Perceptions of Safety Strategies
- C. Infrastructure Strategies
- D. Beautification Strategies
- E. Accessibility Strategies

Project Goals for 2020:

- 1) Expand Downtown Holiday Decorations to Artesian Park.
- 2) Develop Seawall Stewards Program.
(Not Funded by TIRZ #3)
- 3) Secure Update of Parking Meters & Parking Garages.
- 4) Coordinate Volunteer Day for Artesian Park Landscaping.
- 5) Develop and implement new "Welcome to Downtown" sculpture.
- 6) Facilitate "Proposal Bench" on Seawall.



Development & Improvement

- F. Attract New Business Strategies
- G. Increase Downtown Occupancy
- H. Manage Main Street Program
- I. Improve Right of Way Management
- J. Facilitate Parking Improvements

Project Goals for 2020:

- 7) Assist Property Owners with Private Parking Lot Improvements
- 8) Facilitate Holiday Pop Up Initiative
- 9) Work with City, private sector and educational institutions to recruit a post-secondary education student presence in Downtown (i.e. TAMUCC, Del Mar)
- 10) Develop program in coordination with CCREDC, City to retain and attract corporations and office users to Downtown to increase office occupancy.

Communications & Events



- K. Communications
- L. Brand and Marketing
- M. Merchants Association
- N. ArtWalk & BridgeWalk
- O. Special Events

Project Goals for 2020

- 11) Work with steering committee and stakeholders to implement the Downtown Cultural District Cultural Development Plan (Coloring Book & Downtown Shopping Guide)
- 12) Expand Banner Program to SEA District, Uptown and Water's Edge.
- 13) Add "Downtown Parking" to website.
- 14) Implement 6 new Electrical Box Murals & Update Walking Guide
- 15) Transition to Downtown Corpus Christi Logo & Brand Identifier
- 16) Bring Back "Dances with Dolphins" Public Art Event.

Organizational Management



- P. Municipal Management District Administration
- Q. Service Contracts and Public Private Partnerships
- R. Organization and Staff Capacity
- S. Technology and Facilities
- T. Information Management

Project Goals for 2020:
17) Complete FY 2019 Annual Report & Audit.
(Not funded by TIRZ #3)
17) Identify and Implement Customer Relationship Management Software
18) Complete New Three Year Plan & FY 21 Service Plan.

Questions?



2019-2020 Integrated Downtown Management District and Downtown Reinvestment Zone Service Plan

Who We Are

The Corpus Christi Downtown Management District (DMD), established in 1993, is a professional Downtown management district representing property owners and stakeholders within the area bounded by Kinney Street to I-37, and Lower Broadway to the Corpus Christi Marina L and T-Heads. In 2013, the property owners voted to renew the district through 2023. In 2015, DMD led stakeholders through a branding process naming this destination as the Marina Arts District while retaining DMD to refer to the organization and the programs and services we provide.

About this Plan

The DMD has spearheaded tremendous activity in the past few years that will now transition to sustainable and dependable operations. In partnership with City of Corpus Christi, Tax Increment Reinvestments Zone (TIRZ), collaborating organizations and stakeholders, DMD will continue to provide the revitalization services described in this plan to the Marina Arts District and Greater Downtown Area that create a vibrant, attractive environment to invest, locate a business, visit, live, work and play. (The Greater Downtown Area is defined in the TIRZ Scope of Service and generally includes: Marina Arts District, SEA District, Uptown, Water's Edge and the Medial District).

Funding for the services are provided by a public private partnership that includes the Downtown Management District levy, TIRZ, stakeholder investments and memberships, sponsorships, grants and event revenue.

The 2019-2020 Service Plan includes \$100,000+ of continued initiatives across our 4 core service priorities which include:

- District Operations
- Development and Improvement
- Communications and Events
- Organizational Management

General Operations and Project Goals

In FY 2020, the Service Plan will continue the format of identifying General Operations of the DMD from new project goals. This new format assisted with identifying the day to day functions from new initiatives or one-time projects and greatly improved employee morale.



District Operations: Create a cleaner, safer, more beautiful and accessible District and Greater Downtown Area.

A. Improve Cleanliness and Perceptions of Cleaning Strategies:

- Provide an 8-member Ambassador Clean Team to maintain the Greater Downtown Area at a consistently high level of cleanliness (personnel, duties and hours).
- Work with City to improve maintenance and beautification of the Seawall and Miradors.
- Invest in necessary tools, supplies, equipment to maximize effectiveness/impact.

B. Improve Safety and Perceptions of Safety Strategies:

- Provide off duty police bike and walking patrols to address street order and act as customer friendly presence throughout the Greater Downtown Area.
- Proactively address all street order crimes and transient population issues in concert with City and advocate for necessary ordinance tools and aggressive enforcement.

C. Infrastructure Strategies

- Work with City to complete the three Bond 2014 & two Bond 2018 road improvement and streetscape projects with minimal business interruption and maximum impact. **(Not Funded by TIRZ #3)**
- Work with City to Implement Traffic Management Plan.

D. Beautification Strategies:

- Work with City to continue Downtown environmental branding implementation.
- Work with City and Stakeholders to install and maintain landscaping to enhance the Greater Downtown Area.
- Work with City to develop comprehensive wayfinding program for Greater Downtown.

E. Accessibility Strategies

- Advocate for greater downtown connectivity with partner agencies.

Project Goals for 2020:

- G1.** Expand Downtown Holiday Decorations to Artesian Park.
- G2.** Develop Seawall Stewards Program. **(Not Funded by TIRZ #3)**
- G3.** Secure Update of Parking Meters & Parking Garages.
- G4.** Coordinate Volunteer Day for Artesian Park Landscaping.
- G5.** Develop and implement new "Welcome to Downtown" sculpture.
- G6.** Facilitate "Proposal Bench" on Seawall.



Development and Improvement: Attract new businesses, development and residences; increase sales activity and street level occupancy and improve existing buildings and urban design.

F. Attract New Business Strategies

- Assist with managing TIRZ incentives to attract new investment, redevelop vacant or underutilized property and to improve urban design and infrastructure.
- Assist new businesses with City permitting processes.

G. Increase Downtown Occupancy

- Manage real estate recruitment program, incorporating planning initiatives, available properties and market dynamics.
- Keep real estate marketing materials updated to facilitate business and development.
- Support a downtown focused vacant building ordinance and assist with implementation.
- Maintain database of available real estate properties/space on downtowntx.org.
- Host annual Imagine the Possibilities Tour.

H. Manage Main Street Program

- Continue participation in Texas Main Street;
- Help businesses utilize Main Street services and work to preserve historic buildings.
- Complete reporting and organizational requirements to maintain Main Street designation

I. Improve Right of Way Management

- Manage TIRZ #3 Streetscape and Safety Improvement Program.
- Support Right of Way Applications through City permitting process.

J. Facilitate Parking Improvements

- Manage Off Street Parking Improvement Program
- Support Loading Zone improvements and organization.
- Continue to implement Downtown Parking Action Plan to improve parking efficiency and supply.

Project Goals for 2020:

G7. Assist Property Owners with Private Parking Lot Improvements

G8. Facilitate Holiday Pop Up Initiative

G9. Work with City, private sector and educational institutions to recruit a post-secondary education student presence in Downtown (i.e. TAMUCC, Del Mar), focusing on Entrepreneurial Centers in FY 2019.

G10. Develop program in coordination with CCREDC, City to retain and attract corporations and office users to Downtown to increase office occupancy.



Communications and Events: Increase sales, visitors and investment in the District and improve DMD visibility through strategic marketing and developing/managing events.

K. Communications

- Manage website and social media tools. <https://godowntowncc.com/>
- Manage email list and regularly communicate valuable information to stakeholders
- Support local news outlets in development of downtown features and success stories.

L. Brand and Marketing

- Facilitate comprehensive marketing strategy/plan to promote Downtown, the Marina Arts District, businesses and events, to local consumers and target audiences.
- Work with stakeholders to develop new marketing partnerships and keep businesses informed of new marketing techniques.

M. Merchants Association

- Manage Merchant Association membership and benefits.
- Host monthly Merchant Association Meetings that create value for downtown businesses.
- Grow association to mobilize stakeholders and develop programs to increase sales.

N. ArtWalk & BridgeWalk

- Host monthly ArtWalk and BridgeWalk events.
- Facilitate partnership development and collaboration through ArtWalk committee.

O. Special Events

- Create, manage and support DMD and District events to increase Downtown visitors, event attendance and event and business revenue.
- Host a monthly special event – Imagine the Possibilities Tour, Dine Downtown, Quarterly Mixer or a local partner event.
- Support and assist District events and partner with organizations/stakeholders to create new ones (focus on cultural, art, food, health/fitness and water based events).

Project Goals for 2020

- G11.** Work with steering committee and stakeholders to implement the Downtown Cultural District Cultural Development Plan (Coloring Book & Downtown Shopping Guide)
- G12.** Expand Banner Program to SEA District, Uptown and Water's Edge.
- G13.** Add "Downtown Parking" to website.
- G14.** Implement 6 new Electrical Box Murals & Update Walking Guide
- G15.** Transition to Downtown Corpus Christi Logo & Brand Identifier
- G16.** Bring Back "Dances with Dolphins" Public Art Event.



Organizational Management: To proactively pursue the DMD mission by building an organization with adequate resources, technology and professional staff and engaged leadership, board members, stakeholders and volunteers. (TIRZ #3 to be billed for administrative costs only to the extent that such administrative costs are necessary for services provided directly to the TIRZ #3. Administrative costs will be billed based on actual costs to the DMD for administrative services provided to the TIRZ #3. Any expenditures of TIRZ #3 funds found to not comply with state law will be immediately reimbursed on the request of the TIRZ #3 Board.)

P. Municipal Management District Administration (Not Funded by TIRZ #3)

- Manage Board and committee functions, meetings, minutes and reporting.
- Manage day to day financial operations.
- Create a volunteer, board, stakeholder recognition program.

Q. Service Contracts and Public Private Partnerships

- Manage interlocal agreements, provide clear value to TIRZ #3 for service contract.
- Pursue public private partnerships with regional corporate anchors and philanthropic organizations through Advisory Council.
- Leverage downtown events for new corporate sponsorships.

R. Organizational and Staff Capacity

- Provide professional staff to meet organizational mission and improve effectiveness.
- Partner with local and state agencies to develop strong relationships and accomplish community-oriented initiatives.
- Join professional downtown or economic development organizations that support DMD mission, subscribe to professional journals and provide for staff development through conference attendance or continuing education.
- Submit program, initiatives, businesses and projects for state and national awards.

S. Technology and Facilities

- Upgrade technology resources to maximize organizational effectiveness.
- Provide efficient and professional office facilities to support staff operations.

T. Information Management

- Serve as one-stop resource for information pertaining to current and prospective businesses, property owners, developer and other stakeholders.
- Build and regularly update database of Downtown businesses, collaborating organizations, events, and property owners to improve communications with stakeholders.

Project Goals for 2020:

- G17.** Complete FY 2019 Annual Report & Audit. (Not funded by TIRZ #3)
- G18.** Identify and Implement Customer Relationship Management Software
- G19.** Complete New Three Year Plan & FY 21 Service Plan.



Metrics and Benchmarking

- **Metrics:** DMD will track economic indicators that reflect the health of Downtown including:
 - Business and consumer perceptions survey
 - Crime statistics
 - Business sales
 - Visitorship
 - New projects, businesses and investments
 - Real estate market benchmarks
 - Office workers and residents benchmarks
 - Infrastructure projects
- **Benchmark:** DMD will track our services benchmarks and achievements designed to impact the Downtown metrics and make a successful Downtown:
 - Cleanliness
 - Safety Program
 - Beautification
 - Accessibility
 - Real Estate Services
 - Business Support
 - Residential
 - Marketing
 - Event
 - Organizational Management
 - Public Private Partnership



FY2020 Budget

Revenue

Public Sector	DMD	Unknown	City General Fund	TIRZ #3	Total
City General Fund Interlocal Agreement			\$309,000		\$309,000
Seawall Steward Funding (Subject to Approval by Funding Source)		\$300,000			\$300,000
Tax Increment Reinvestment Zone Agreement				\$510,000*	\$510,000
ILA for Artesian Park Improvements				\$150,000	\$510,000
Private Sector					
DMD District Levy	\$215,000				\$215,000
Fundraising, Memberships, Sponsorships, Grants	\$275,000				\$275,000
Event Revenue	\$15,000				\$15,000
Total	\$505,000	\$300,000	\$309,000	\$660,000	\$1,774,000

Expenses

Services	DMD	Unknown	City General Fund	TIRZ #3	Total
District Operations	\$299,734	\$300,000	\$100,000	\$176,823	\$876,557
Development and Improvement	\$38,500			\$205,000	\$243,500
Marketing and Events	\$68,188			\$27,611	\$95,799
Organizational Management / Public Private Partnership Development	\$98,578		\$209,000	\$250,566	\$558,144
Total Expenses	\$505,000	\$300,000	\$309,000	\$660,000	\$1,774,000

*The TIRZ #3 Board is budgeted to contribute \$510,000 towards this DMD Service Plan in FY20.

INTERLOCAL COOPERATION AGREEMENT
BETWEEN THE CORPUS CHRISTI TAX INCREMENT REINVESTMENT
ZONE #3 AND THE CORPUS CHRISTI DOWNTOWN MANAGEMENT DISTRICT
TO ENCOURAGE THE REDEVELOPMENT OF THE CORPUS CHRISTI
TAX INCREMENT REINVESTMENT ZONE #3

This Interlocal Cooperation Agreement ("Agreement") is made between the Corpus Christi Downtown Management District ("DMD"), created under Chapter 375 of the Texas Local Government Code, and the City of Corpus Christi, Texas ("City") a municipal corporation, as the agent of the Corpus Christi Tax Increment Reinvestment Zone #3 ("TIRZ #3").

WHEREAS, on December 16, 2008, the City approved Ordinance 027996 which established the TIRZ #3 in accordance with the Texas Tax Code Chapter 311 in order to promote economic development and stimulate business and commercial activity within the designated reinvestment zone (the "Zone") in downtown Corpus Christi area;

WHEREAS, the board of directors of TIRZ #3 (the "Board") includes members of the City Council in a non-public official capacity, as well as a representative from each of Nueces County and Del Mar College who have committed to contribute to TIRZ #3 through interlocal agreements created in 2009 and amended in 2012 and 2016;

WHEREAS, on August 25, 2015, the City approved a Project and Financing Plan (the "Plan ") for TIRZ #3, which was amended on September 27, 2016, on second reading;

WHEREAS, any reference to "City" or "City Staff" herein is entirely in an agency capacity for TIRZ #3 and the City as a home-rule municipal corporation is not a party to this Agreement but is acting solely in an agency capacity on behalf of TIRZ #3;

WHEREAS, the DMD and TIRZ #3 desire to enter into an Agreement under the Interlocal Cooperation Act to provide for certain redevelopment services within the Zone (the "Project");

Now, therefore, in consideration of the mutual covenants in this Agreement, TIRZ #3 and the DMD, as authorized by appropriate actions of their governing bodies, agree as follows:

Article I. SERVICES

Section 1.01 General Services Requested by Zone.

DMD shall provide the following services to TIRZ #3 utilizing DMD resources and the funding provided by this Agreement in the Zone and adjacent areas to assist in the redevelopment of Downtown Corpus Christi:

- (a) Management and Operations Services: Create a cleaner, safer, more beautiful

and accessible downtown area comprising the Zone.

- (b) Development & Improvement Services: Attract new businesses, development and residences; increase sales activity and street level occupancy and improve existing buildings and urban design.
- (c) Marketing Services: Brand and promote the Zone, increase sales, visitors and investment and improve Zone's image and visibility.
- (d) Public Private Partnership Development Service: recruit financial resources to support this Agreement from private sector property owners, businesses and other public sector partners within the Zone outside the DMD area.

The Scope of Service and Budget for providing the above services is attached as Exhibit A.

Section 1.02 Initial Service Plan (FY 2017).

DMD shall provide a TIRZ #3 Service Plan in support of this Agreement, which outlines the services and overall objectives of the DMD to the Board. The Plan must describe the plan of action for the upcoming year, budget and significant initiatives. Development of Service Plan will occur as follows:

- (a) Stakeholder Engagement: Engage stakeholders in planning process October – December 2016 to recruit participation and financial support of the plan.
- (b) Presentation of Plan: Present plan for the fiscal year to the Board by January 31, 2017.

Section 1.03 TIRZ #3 Obligations

In consideration for the DMD's performance under this Agreement, TIRZ #3 agrees to make payment to DMD in the amount of \$330,000 in FY 2017.

- (a) The DMD shall receive an initial payment of \$40,000 for the months of October through December of 2016.
- (b) The DMD shall receive the remaining \$290,000 in equal monthly installments from January through September of 2017.
- (c) In order to receive payment, the DMD must submit a monthly invoice. Payment shall be made within 30 days after the acceptance of the monthly invoice.

Article II. Term of Agreement and Renewal Option.

Section 2.01 Term of Agreement.

The effective date of this Agreement ("Effective Date") is October 1, 2016, after the last approval by one of the Parties, for a term of one year.

Section 2.02 Renewal Option

The DMD may submit a Service Plan and Budget request by August 1, of each year. Upon the Board's approval of a Service Plan and Budget for a subsequent year, this agreement will automatically renew for an additional one-year term. The continuation and renewal of this agreement is contingent upon the continued existence of the DMD and TIRZ #3.

Section 2.03 Payment Process

Payment of the amount in a Budget approved by the Board will be made in equal monthly installments unless otherwise specified in the approved budget. The DMD will submit monthly invoices. Payment will be made within 30 days after the acceptance of the invoice.

Section 2.04 Subject to Annual Appropriations

The parties agree and understand that funding under this Agreement is subject to annual appropriations by the Board, and that each fiscal year's funding must be included in the TIRZ #3's budget for that year. Funding is not effective until the TIRZ #3's budget is approved by the Board and City Council.

Article III. FINANCIAL REQUIREMENTS

Section 3.01 Use of Funds

The DMD shall use funds provided under this Agreement for purposes outlined herein and no other. Use of funds must comply with Local Government Code Chapter 311.

Section 3.03 Interest Earned

Interest earned on funds contributed to the DMD by the City must be clearly identified, credited, and reflected on the books as resulting from the investment of the funds. The interest earned is available for the DMD's use.

Section 3.04 Fiduciary Duty

The parties agree that receipt of these funds creates a fiduciary duty of the DMD.

Section 3.05 Audit Requirement

The DMD shall provide an independent audit for expenditures of funds allocated under this agreement for each year based on its fiscal year. The DMD shall provide a copy of the independent audit to the City Manager within one hundred twenty (120) days after the end of the DMD's fiscal year, as an addendum to the Annual Report. The Board has the right to conduct its own audit of funds provided under this agreement, with appropriate prior notice to the DMD.

Section 3.06 Generally Accepted Accounting Principles

The accounting records and independent audit must conform to the accounting standards as promulgated by a Certified Public Accountant under Generally Accepted Accounting Principles ("GAAP") and to the requirements of applicable state law, so as to include a statement of support, revenues and expenses, and balance sheets for all funds.

Section 3.07 Financial Records

The books of account of the funds held by the DMD must be maintained in a form approved by the City's Director of Finance, and must be available for inspection and copying by the Director, or the Director's authorized agents and representatives, during

regular business hours of the DMD. Records must be maintained for at least 3 years after the expiration or termination of this Agreement.

Article IV. PERFORMANCE REPORTS & MEASUREMENT

Section 4.01. Performance Reports

The DMD shall report annually to the Board on its activities and work accomplished. The Annual Report is due within 30 days after the end of each fiscal year and should include:

- (a) A description of each project undertaken by the DMD in each month.
- (b) The status of projects.
- (c) The amounts expended on each project.
- (d) The accomplishments of its performance measures for the fiscal year, as specified in Section 1.01 of this Agreement.
- (e) Independent Audit, as specified in Section 2.06 of this Agreement.

The DMD shall be deemed to have met its performance requirements for the fiscal year upon accomplishment of the objectives outlined in Section 1.01 of this Agreement. The DMD shall make any special presentations or prepare specific reports, if requested by the members of the Board, within thirty (30) days of a request.

V. MISCELLANEOUS

Section 5.01. Implementation.

The City Manager and Executive Director for the DMD are authorized and directed to take all steps necessary or convenient to implement this Agreement.

Section 5.02. Warranty.

This Agreement has been officially authorized by the governing body of the TIRZ #3, the DMD, and the City, and each signatory to this Agreement guarantees and warrants that the signatory has full authority to execute this Agreement and to legally bind their respective party to this Agreement.

Section 5.03 Expending Funds.

Any payment made by the DMD or the TIRZ #3 for any of the costs or expenses that either incurs under this Agreement must be made out of current revenues available to the paying party as required by the Interlocal Cooperation Act.

Notwithstanding any other provision of this Agreement, if funds for the continued fulfillment of this Agreement by the TIRZ #3 are at any time insufficient or not forthcoming through failure of any entity to appropriate funds or otherwise, then TIRZ #3 shall have the right to terminate this Agreement without penalty by giving prior written notice documenting the lack of funding, in which instance unless otherwise agreed to by the parties, this Agreement shall terminate and become null and void on the last day of the fiscal period for which appropriations were received. TIRZ #3 agrees that it will make its best efforts to obtain sufficient funds including, but not limited to, requesting in its budget for each fiscal period during the term hereof sufficient funds to meet its obligations

hereunder in full.

Section 5.04 Severability.

If any portion of this Agreement, or its application to any person or circumstance, is ever held to be invalid or unconstitutional by any court of competent jurisdiction, the remainder of this Agreement is not affected and continues to be enforceable under its terms.

Section 5.05 Nondiscrimination.

DMD and any subcontractors shall not discriminate against any employee or independent contractor to be utilized in the performance of this Agreement, with respect to hire, tenure, terms, conditions, or privileges of employment, because of race, religion, color, sex, age, handicap, disability, national origin, ancestry, disabled veteran status or Vietnam-era veteran status. Breach of this section shall constitute a material breach of this Agreement.

Section 5.06 Waiver.

TIRZ #3's delay or inaction in pursuing remedies set forth in this Agreement, or available by law, shall not operate as a waiver of any of TIRZ #3's rights or remedies contained herein or available by law.

Section 5.07 Immunity Not Waived.

Nothing in this Agreement is intended, nor may it be deemed, to waive any governmental, official, or other immunity or defense of any of the Parties or their officers, employees, representatives, and agents as a result of the execution of this Agreement and the performance of the covenants contained in this Agreement.

Section 5.08 Conflicts of Interest.

DMD certifies and warrants to TIRZ #3 that neither it nor any of its agents, representatives or employees who will participate in the performance of any services required by this Agreement has or will have any conflict of interest, direct or indirect, with TIRZ #3, in violation of Texas law or the City's Ethics Ordinance. In compliance with Section 2-349 of the City's Code of Ordinances, the DMD shall complete the City's Disclosure of Interests form, which is attached to this Agreement as Exhibit B, the contents of which, as a completed form, are incorporated in this document by reference as if fully set out in this Agreement.

Section 5.09 Confidentiality.

DMD understands that the information provided to it by TIRZ #3 during the performance of its services is confidential and may not be disclosed to a person not designated by TIRZ #3. Any work product given to or generated by DMD under this Agreement shall not be made available to any individual or organization by DMD without the prior written approval of TIRZ #3 except for appropriate agencies of the United States.

Section 5.10 Competitive Procurement.

In regards to expenditures made in furtherance of this Agreement, DMD shall utilize a competitive bidding process as required by state law when making expenditures in excess of \$50,000 for any single contract or for expenditures in excess of \$50,000 in the

aggregate for any contract. DMD shall not avoid the application of competitive bidding by purposely dividing a single purchase into smaller components so that each component purchase is less than \$50,000 or make component, sequential or incremental purchases to avoid the competitive bidding requirements.

Section 5.11 Notices.

Any notice, correspondence or payment made pursuant to this Agreement shall be sent by first-class US mail, addressed to:

To the TIRZ #3:

TIRZ #3
c/o City Manager
City of Corpus Christi
P. O. Box 9277
Corpus Christi, Texas 78469-9277

To the DMD:

Terry Sweeney
Executive Director
Corpus Christi Downtown Management District
223 N. Chaparral, Suite A
Corpus Christi, Texas 78401

Section 5.12 Amendments or Counterparts.

This Agreement may not be amended except by written Agreement approved by the governing bodies of the Parties. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original all of which shall constitute but one and the same instrument.

Section 5.13 Modifications.

No officer or employee of any of the Parties may waive or otherwise modify the terms in this Agreement, without the express action of the governing body of the Party.

Section 5.14 Captions.

Captions to provisions of this Agreement are for convenience and shall not be considered in the interpretation of the provisions.

Section 5.15 Governing Law and Venue.

This Agreement is governed by the laws of the State of Texas. Venue for an action arising under this Agreement is in Nueces County, Texas.

EXECUTED to be effective as of this 27th day of September, 2016.

CORPUS CHRISTI DOWNTOWN MANAGEMENT DISTRICT

By: Terry Sweeney
Name: Terry Sweeney
Title: Executive Director

CITY OF CORPUS CHRISTI, TEXAS

ATTEST:

CITY OF CORPUS CHRISTI

Rebecca Huerta
Rebecca Huerta,
City Secretary

Margie C. Rose
Margie C. Rose
City Manager

Approved as to Legal Form
October 4, 2016

Aimee Alcom-Ford
Assistant City Attorney

TIR2 #3 AUTHORIZED
COUNCIL 9/27/16
SECRET R# TR

**Exhibit A
Scope of Service**

DMD shall provide the following services to the Tax Increment Reinvestment Zone (TIRZ) #3 utilizing DMD resources and the funding provided by this contract in the TIRZ and adjacent areas to assist in the redevelopment of Downtown Corpus Christi. The table below summarizes the services, projected cost allocations and timeline execution.

- **Administration, Planning and Organizational Development \$33,000**

Service	Cost	Projected Execution Timeline
Lead stakeholders through a planning process to develop specific service plan by January 2017. Print plan and present to stakeholders and TIRZ board.	\$23,000	October 2016-December 2016
Recruit geographic stakeholder investment in the plan supporting this scope of service	\$10,000	October 2016-December 2016. On-going as needed.

- **Cleaning and Beautification Services: \$175,000.**

Service	Cost	Projected Execution Timeline
Provide a 4-person Downtown ambassador team, in addition to DMD's current 4-person team, to provide cleaning services and act as customer friendly presence	\$112,000	January 2017 -July 2017
Conduct a Downtown-wide Spring Program Manager	\$15,000	January 2017 -April 2017
2 cleaning support vehicles	\$27,000	January 2017 -July 2017
Fuel	\$12,000	January 2017 -July 2017
Storage	\$2,500	January 2017 -July 2017
Equipment, supplies	\$2,000	January 2017 -July 2017
	\$4,500	January 2017 -July 2017

- **Branding and Marketing: \$105,000**

Service	Cost	Execution
Lead stakeholders through Downtown brand; conduct consumer survey;	\$95,000	January 2017 -July 2017
Downtown promotion and marketing	\$10,000	August 2017-September 2017

- **Development and Recruitment \$17,000.**

Service	Cost	Execution
Property improvement grant program	\$10,000	January 2017 - September 2017
Business and developer recruitment services, materials and website, outreach	\$7,000	October 2016-September 2017

AMENDMENT NO. 1 TO INTERLOCAL COOPERATION AGREEMENT BETWEEN THE CORPUS CHRISTI TAX INCREMENT REINVESTMENT ZONE #3 AND THE CORPUS CHRISTI DOWNTOWN MANAGEMENT DISTRICT

Whereas, on September 27, 2016, the Corpus Christi Tax Increment Reinvestment Zone No. 3 (the "TIRZ #3") authorized an Interlocal Agreement between the City of Corpus Christi, as an agent of the TIRZ #3 and Corpus Christi Downtown Management District (the "DMD") for services encouraging the redevelopment of the TIRZ #3 area; and

Whereas, the TIRZ #3 Board and the DMD would like to expand the services provided by the DMD under this Interlocal Agreement to allow the DMD to take the lead on management of the TIRZ #3 incentive program;

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1) Paragraph (b) of Section 1.01 of the Interlocal Agreement is hereby amended as follows.

"(b) Development & Improvement Services: Attract new businesses, development and residences; increase sales activity and street level occupancy and improve existing buildings and urban design. Manage the TIRZ #3 incentive program to encourage redevelopment of vacant or underutilized property and to improve urban design. Review proposed projects and recommend incentive packages to the TIRZ #3 Board. Review completed projects for compliance prior to the release of the incentives."

2) Exhibit A of the Interlocal Agreement is hereby replaced with the attached Amendment No. 1 Exhibit A.

3) Section 5.12 concerning Notices is amended to change the notice address for the DMD to the following:

Alyssa M. Barrera
Executive Director
Corpus Christi Downtown Management District
223 N. Chaparral, Suite A
Corpus Christi, Texas 78401

All other terms and conditions of the previously executed Agreement between the parties which are not inconsistent herewith shall continue in full force and effect.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

EXECUTED IN DUPLICATE ORIGINALS this 14th day of May, 2018, by the authorized representative of the parties.

City of Corpus Christi
on Behalf of the TIRZ #3

Corpus Christi Downtown Management
District

Margie C. Rose

Margie C. Rose
City Manager

Date: 4.27.18

Alyssa M Barrera

Alyssa M. Barrera, Executive Director

Date: 04/24/18

Attest:

Rebecca Huerta

Rebecca Huerta
City Secretary

Approved as to Legal Form on 24 of April, 2018.

Aimee Alcorn-Reed

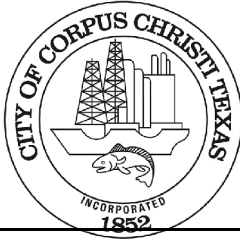
Aimee Alcorn-Reed, Assistant City Attorney
Attorney for TIRZ #3

TIRZ #3
COUNCIL 4/24/18
SECRETARY [Signature]

Amendment No. 1 Exhibit A

CCDMD will perform the following specific and measurable services for the Reinvestment Zone:

- CCDMD will annually develop a Service Plan to outline specific services to be provided in the proceeding Fiscal Year that will be proposed to the TIRZ #3 Board for adoption.
- CCDMD will help formulate the annual budget for TIRZ #3.
- CCDMD will provide clean & safe services to the Reinvestment Zone.
- CCDMD will convene a clean & safe committee to address issues face by stakeholders in the Reinvestment Zone.
- CCDMD will attract new businesses, development and residences; increase sales activity and street level occupancy and track related metrics.
- CCDMD will assist with proposed projects within the Reinvestment Zone throughout the development process, including market analysis, property leasing and City permitting.
- CCDMD will be a conduit for all business and development interested in assistance from TIRZ #3.
- CCDMD will manage the TIRZ #3 incentive program to encourage redevelopment of vacant, underutilized property and improve urban design.
- CCDMD will review proposed projects and recommend incentive packages to the TIRZ #3 Board based upon approved incentive programs.
- CCDMD will assist the City's Legal Department in developing the necessary reimbursement agreements.
- CCDMD will review completed projects and expenditure prior to reimbursement.
- CCDMD will manage the DowntownTx.Org web database and inventory of vacant buildings in Downtown Corpus Christi.
- CCDMD will manage the registration process for downtown vacant building program and coordinate with the City to schedule inspections.
- CCDMD will manage the TIRZ #3 website, as an integrated front door to the greater downtown Corpus Christi area.
- CCDMD will continue the programmatic development of the Downtown Corpus Christi Cultural District with specific initiatives and events that promote the local cultural experience.
- CCDMD will convene a Merchants Association to mobilize stakeholders and develop programs to drive business.
- CCDMD will implement the TIRZ scope of service by building an organization with adequate resources, technology and professional staff and engaged leadership, board members, stakeholders and volunteers.
- CCDMD will report annually to the TIRZ Board on the services listed here.



AGENDA MEMORANDUM
Corpus Christi Tax Increment Reinvestment Zone #3 Meeting September 9, 2019

DATE: September 9, 2019

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

THROUGH: Peter Zanoni, City Manager

FROM: Arlene Medrano, Office of the Business Liaison
arlenem@cctexas.com
(361) 826-3356

Update of TIRZ #3 Approved Programs and Initiatives – September 2019

This monthly report provides an update on the TIRZ #3 Programs and Initiatives per the Project Plan. Incentive Programs - FY 2016 – FY 2019 focused on inceniting immediate investment, increasing residential supply and building quality of life. These programs created signal in market, the following projects are approved.

Project	Description	Development Value	Incentive Value	Deadline	Status
Marriott Residence Inn	110 Room Hotel	\$15 MM	\$940,000 (Project Specific)	11/30/2019	Agreement Approved 11/15/16. Under Construction. Delays due to Marriott approved suppliers being affected by Chinese tariffs.
Whiskey Rodeo	Country Dance Hall	\$320,000	\$50,000 – Developer (Chap Street) \$9,482 – Property Owner (Chap Street)	12/31/2019	Agreement Approved 7/24/18. Inside cleared out. Construction has not begun.
600 Building	126 Unit Conversion	\$36 MM	\$1.2 MM (Project Specific)	20 mo after closing	Agreement Approved 11/15/16. Closed on Property November 2018. Denied by HUD. Looking at alternative financing options.
Hilton Garden Inn	196 Room	\$30 MM	\$1.4 MM (Project Specific)	06/01/2020	Financing approved pending appraisal. Floor plans are being modified/updated by architect. Plans will need to be approved by DSD. Breaking ground expected by Jan. 2020.
RITZ Theatre	Roof Repairs	\$12 MM (est. repairs)	\$100,000 (Chap St.)	8/02/2019	On 8/27/19, motion to direct staff to draft an agreement. Pending approval on 9/17/19
Ward Building	Mixed-use development. Retail, art studios, and apartments.	\$4.3 MM	\$190,000 (Chap St.) \$200,000 (Project Specific)	8/31/2020	Agreement Approved 3/19/19. Asbestos remediated. New roof complete. Structural and engineering report complete. Contractor to be selected by October 2019.
Limerick Apartments	Complete renovation on a	\$1.7 MM	\$220,000 (Downtown Living Initiative)	8/31/2020	On 8/27/19, motion to direct staff to draft an agreement. Pending approval on 9/17/19

	vacant apartment complex due to a fire. 29 total units.				
807 N Upper Broadway	Renovation of vacant historic building into corporate offices plus leasable office space.	\$10.4 MM	\$520,000 (Project Specific)	4/20/2020	On 8/27/19, motion to direct staff to draft an agreement. Pending approval on 9/17/19
Gift & Gallery Shop at K Space	K Space expansion for a gift & gallery shop	\$32,450	\$6,490 (New Tenant)	11/30/2019	Agreement Approved 8/27/19.
K Space Streetscape	Façade Improvements	\$40,150	\$20,075 (Streetscape)	12/31/2019	Agreement Approved 8/27/19.
Americano Properties	Full Façade Replacement & Sidewalk Repairs	\$152,900	\$76,450 (Streetscape) \$17,000 (Streetscape Sidewalk Repairs)	2/29/2020	Agreement Approved 8/27/19.
Lucy's Snack Bar	Coffee, drinks, and health food options	\$72,000	\$20,390 (Chap St.)	4/01/2019	Agreement Approved 12/04/18. Complete.
Nueces Brewery	Brewery	\$1.07 MM	\$60,000 (New Tenant)	06/30/2019	Agreement Approved on 5/15/18. Complete.
Stonewater Properties – Water Street	Mixed-use development. Retail/office.	\$755,000	\$200,000 (Project Specific)	6/30/2019	Agreement Approved on 5/15/18. Complete. Nueces Brewery is the anchor tenant.
Moonshine & Ale	Piano Bar	\$428,000	\$50,000 – Developer (Chap St.) \$9,482 – Property Owner (Chap St.)	06/30/2019	Agreement Approved 7/24/18. Complete.
Fresco	Mexican Street Food/Paletera	\$92,000	\$22,640 (Chap St.)	7/31/2019	Agreement Approved 3/19/19. Complete.
Stonewater Studio 44	44 Micro Apt Unit Conversions	\$2.5 MM	\$185,000 (Downtown Living Initiative)	7/31/2019	Agreement Approved 4/12/16. Complete.
Frost Bank	New 5-Story Building. 70,000 SF.	\$35 MM	\$600,000 (Project Specific)	08/31/2019	Agreement Approved on 10/24/17. Temp CO issued 7/12/19 awaiting completion of landscaping.
Streetscape & Safety Improvement Program – Administratively Approved Projects					
Shook Enterprises	Camera System	\$6,164	\$3,082	9/30/2019	Agreement Approved 2/19/19. Awaiting contract to begin work.
House of Rock	Lights & Cameras	\$15,572	\$7,786	4/30/2019	Agreement Approved 2/19/19. Complete.
Lucy's Snack Bar	New Windows	\$7,138	\$3,569	4/05/2019	Agreement Approved 3/05/19. Complete.

Initiatives - Necessary to unlock some of the larger scope issues that impact downtown's functionality. Undertaken by staff, designed to strategically plan and gather data to make well-founded spending decisions.

Project	Status
5) Property Management & Development	Assisted multiple inquiries regarding TIRZ incentives for potential projects. Currently assisting one retail tenant and one office tenant on site selection.
6) Streetscape and Safety Program	Assisted four Streetscape projects on the application process. At least two applications are expected to be submitted this month.
7) Other Programs & Initiatives	On 9/6/19, City Council approved an interlocal contract with the DMD for \$150,000 for upgrades to Artesian Park. The DMD issued a RFQ and has approved a response for an architect to supervise the project.