

REINVESTMENT ZONE FINANCING PLAN

Estimated Project Cost Description §311.011(c)(1) and Kind, Number, and Location of TIRZ Improvements §311.011(c)(2)

The Zone is anticipated to engage in projects that will support the types of development and economic activity projected in the DAPD Residential Market Analysis (Appendix A) as well as contribute to the image and attractiveness of North Beach Corpus Christi on a local, regional, and national level. In addition, the Zone will pay the costs of Zone creation and ongoing administration.

The following project cost estimates are derived from similar types of projects and should not be construed as definitive costs for the listed projects.

PUBLIC IMPROVEMENTS, FACILITIES, AND INFRASTRUCTURE (not listed in priority order)

1. **Wayfinding Infrastructure – \$3,000,000**
The Zone may participate in proposed construction of a gateway feature with wayfinding throughout North Beach. It may also build multi-use paths to major tourists destinations.
2. **Park Improvements – \$4,000,000**
The Zone may contribute to enhancements to Dolphin Park, Surfside Park, and Kiwanis and construct a North Beach birding park (Eco Park).
3. **Demolition of Blighted Structures – \$2,000,000**
Many older vacant or underutilized buildings within the Zone are not economically feasible to reuse because they contain environmentally undesirable or unsafe elements that present a public safety hazard. The Zone may provide assistance to property owners and developers who must remediate or demolish such structures in order to develop or redevelop.
4. **Public Safety – \$2,500,000**
With the purpose of increasing safety and security within the Zone, the Zone will provide support for security cameras and associated costs.
5. **North Beach Public Spaces Beautification & Revitalization Programs & Services - \$1,735,556**
The Zone may contribute five percent of the total incremental ad valorem taxes collected per year in the Zone to beautification projects including the creation of or enhancements to common areas, roadway & median streetscapes, pedestrian landscapes, beach beautification, public fountains, wayfinding signage. Lighting, public facilities and any services relating to such program.

In addition, any City funding currently and annually appropriated to maintain North Beach, could be used by the Zone for this intended use pending a full and thorough evaluation via a Request for Proposal process.

6. North Beach Parking Structure Initiative Grant – \$10,000,000

With the purpose of increasing density and maximizing land availability on North Beach, the Zone will provide support for parking structure(s) in key location(s) where parking is undersupplied or inadequately distributed.

In order to encourage the building of public access off street and concealed parking infrastructure ahead of the economic growth generated by New Developments, the Zone will establish a grant that will provide a \$25,000 per built parking space grant for any New Developments containing a concealed or enclosed parking structure comprising at least 20 parking spaces, with at least 50% of such spaces accessible to the public (“Parking Grant”). The maximum value of this grant will be \$10,000,000. Each applicant will have preference to receive Parking Grant funds equal to ninety-five (95) percent of the cumulative, incremental ad valorem taxes generated by all projects on North Beach at least 75% commonly owned by applicant(s) (“Project Cap”). Parking Grants will be paid to recipients annually until the Project Cap is met.

In situations where higher development costs create a financing gap, TIRZ #4 can provide assistance to property owners or developers through a Development Agreement for reimbursement of net new tax increment on new developments. Individual developers may qualify for reimbursement of the tax increment from new developments with at least 75% common ownership up to the cost of the qualifying cost elements listed below. The total reimbursement by the TIRZ #4 will not exceed 20% of the total project cost. A pro-forma is required to qualify for up to 75% reimbursement of the new taxes for 10 years if a development is 5,000 sq. ft or creating 25 or more new residential units. If further gap exists, staff will undertake additional third-party review to justify any additional reimbursement up to 95% of the qualifying tax increment, based on the “but, for” principle. The qualifying cost elements for this Program include:

- Environmental Remediation/Code Compliance
- Historic Preservation
- Structured Parking, including availability for public parking
- Urban Design/Landscaping
- Public Improvements/Utilities

7. North Beach Property Improvement Program – \$4,000,000

This grant will support and encourage private investment in the existing structures and facilities already built on North Beach. The Zone will match approved property improvements funded by the property owners. The Zone will consider a match of 50/50 (Property Owner / Zone), depending upon the extent to which the scope of the project meets the priorities of the Zone. The maximum amount of Grants to be paid to property owners under this program will be \$200,000 annually.

8. North Beach Living Initiative– \$4,000,000

In order to stimulate the development of North Beach and quickly build residential density in the district, the Zone will establish a grant that will provide a \$10,000 per unit reimbursement grant for multi-family developments of over 10 units (“Living Initiative Grant”).

Any applicant awarded a grant must obtain a Building Permit for the entirety of such project(s) within six (6) months of award of such grant. If a Building Permit is not obtained within the six-month time period, then the grant will be forfeited.

9. Residential Streets- \$797,431

In November 2016, the voters approved a Charter Revision to *Article VIII. Taxation and Bonds, Section 1. Taxation* of the City’s Charter which authorized the City Council to levy, assess and collect a property tax not to exceed six cents per \$100 valuation for residential street reconstruction to be gradually implemented at a rate not to exceed two cents per \$100 valuation per year (ie. 2+2+2 = 6 cents). The City Council exercised that authority in FY 2018 and in FY 2019. The additional four cents must be used for residential streets as approved by the residents of Corpus Christi on November 8, 2016.

City Charter Art. VIII, Sec. 1(c):

(c) A dedicated fund to be used solely for residential street reconstruction is established, and the city council is authorized each year to levy, assess and collect a property tax not to exceed six cents (\$0.06) per one hundred dollars (\$100.00) of assessed value for the purpose of residential street reconstruction to be deposited in such fund. Said taxes shall be used solely for the purpose of residential street reconstruction, including associated architectural, engineering and utility costs, and shall be implemented gradually at a rate not to exceed two cents (\$0.02) per one hundred dollars (\$100.00) of assessed value per year. For the purposes of this provision, the term "reconstruction" is defined as removing all or a significant portion of the pavement material and replacing it with new or recycled materials. The dedicated fund established by this subsection (c) may not be used for payment of debt service.

ADMINISTRATIVE COSTS

10. Creation – \$250,000

The Zone may reimburse relevant parties for expenses related to the costs of creating the Zone.

11. Administration – \$2,000,000

Zone funds may pay for the costs of ongoing administration of the Zone, including but not limited to accounting, legal services, document production and maintenance, and other administrative costs. These costs are estimated at \$100,000 per year for the 20-year life of the Zone.

The Project Costs are estimated as follows:

Public improvements, facilities, and infrastructure	\$32,282,987
Administrative costs	\$2,000,000
TOTAL	\$ 34,282,987