

LARGE RETAIL / MIXED USE DEVELOPMENT & REDEVELOPMENT



Policy Description:

Approved by the City of Corpus Christi on June 26, 2007, Resolution Number 027322, Large Retail/Mixed Use Development & Redevelopment applies to large retail development and redevelopment and mixed use projects, and encourages projects which address goals or priorities established by the City Council for blighted areas or areas targeted for development. All projects must demonstrate significant increases in sales tax revenues and ad valorem property values and revenues.

The City will only utilize this incentive for projects occurring in areas targeted for growth, redevelopment or designated as blighted and located in census tracts which are part of the Renewal Community program or Corpus Christi (North) Beach and Padre/Mustang Islands.

The City may consider the use of Tax Increment Financing (TIF), a Public Improvement District (PID), a 380 Agreement and/or any appropriate financing vehicle to provide tax incentives for eligible projects.

Priority will be given to projects which are in Catalyst Areas. Recipients who are granted a Large Retail/Mixed Use Development & Redevelopment incentive are strongly encouraged to support the local community with cash contributions, volunteer support and in-kind services. In particular, the City seeks support for the downtown area, arts and cultural projects and community organizations. Moreover, for retail projects, consideration must be given to small local businesses in the form of reduced rents or other financial support on the project site. *The City Council reserves the right to waive or modify this policy*

Eligibility Criteria:

- The following are required:
 - (1) Commission economic impact study
 - (2) Agreement to background check
 - (3) Submittal of letter of financial assurance.
- Applicants must, at a minimum, satisfy the following requirements (each development/redevelopment project will be considered on a case by case basis):
 - (1) Generate a positive economic impact to include employment, sales tax revenues to the City, ad valorem taxes, and personal property

taxes that exceed the City's investment of public funds. While personal property taxes will be considered in making the determination of positive economic impact, personal property taxes will not be included as part of any Tax Incentive Agreement.

- (2) Describe how the project will contribute to revitalization activities in the zone or in the surrounding area of the community.
- (3) Describe how the input of nearby neighborhood residents and businesses will be or has been solicited in the planning process.
- (4) Comply with all City master plans, zoning ordinances, building codes and other applicable City Ordinances. Projects exceeding plan requirements may be considered for additional incentives.
- (5) Agree to hold the City, its agents, employees and public officials harmless and shall pay all attorney's fees generated due to any dispute regarding the tax incentive.
- (6) Provide information regarding the gap in funding needed to construct the project. Staff will evaluate cost, expenses and revenue, and consider market conditions to determine if gap exists.
- (7) Agree that only new tax increment revenue generated by the facility will be used for payment of the incentives.
- (8) Agree that any sales tax revenues generated by operations which relocate with the same or less square footage from other areas of the City to the project will not be included in the calculation of any tax incentives to be provided. In the event the new store in the project is larger than the closed store, the percentage of the Gross Floor Area which represents the increase shall not be considered part of the relocation but shall be treated as new store sales.
- (9) Demonstrate commitment to the quality of the development, the project area, and project completion.
- (10) Job creation is required and will be considered on a case by case basis.
- (11) Develop a "destination retail or mixed use" facility.
- (12) In order to qualify as a large retail and/or mixed use development, the project must offer a facility value of no less than \$10,000,000.
- (13) Demonstrate that the project reduces retail leakage or captures

new retail sales not currently in the City.

- (14) Establish a relocation percentage no greater than 30% based on square footage at the onset of discussion with the City and for inclusion in the tax incentive agreement. If relocation percentage is exceeded within two (2) years after the opening date of the development, the developer will lose all tax incentives with the exception of offsite City infrastructure costs. The developer agrees that no more than 15% of the total gross floor area of the retail space in the project may come from any one existing multi-tenant retail facility in the City of Corpus Christi.
- (15) M/WBE Goals & Utilization of Local Contractors and Suppliers.
In compliance with the requirements set forth in section 311.0101 of the Texas Tax Code and before the start of any phase of the public improvements, the following M/WBE goals and commitments must be met:
- A. Any project costs for infrastructure improvements that will be contemplated under a tax incentive agreement and/or TIF project plan will require the applicant to utilize local contractors and suppliers with a minimum goal of 40% for locally purchased labor and supplies.
 - B. A minimum goal of 25% is also required for the use of historically-underutilized businesses (minority and women-owned enterprises).
 - C. Compliance with these provisions will be assured through a Fair Share Agreement between the City and the Applicant. Verification of compliance will be done by an independent contractor selected by the City. Cost for this independent verification shall be borne by the applicant. Procedures for compliance monitoring will be specified in the Tax Incentive Agreement.

How to Apply:

Applicants seeking incentives must file an application for Economic Incentives before the request can be considered.

Please contact the City of Corpus Christi's Economic Development Office at (361) 826-3850 to request the application or visit www.cctexas.com/economicdevelopment to download the application.

The City shall not grant any incentive unless the business submits a full and complete application and provides additional information as may be requested.

The accuracy of the information in the application is the sole responsibility of the applicant. Upon request, the applicant shall provide supporting documentation. Any misstatement of or error in fact may render an application null and void and may be cause for repeal of any ordinance adopted in reliance of said information.

If it is determined that the application meets these guidelines, a full and financial programmatic review will be conducted. This review may be done by City Staff, an outside agency or consultant and will ensure conformance with these guidelines.

Additional Resources:

Development Services

www.cctexas.com/developmentservices

Corpus Christi Regional Economic Development Corporation

www.ccredc.com