

**Changes to
February 20, 2024
Agenda**



AGENDA MEMORANDUM

First Reading for the City Council Meeting of February 20, 2024
Second Reading for the City Council Meeting of February 27, 2024

DATE: January 30, 2024
TO: Peter Zaroni, City Manager
FROM: Heather Hurlbert, CPA, CGFO Assistant city Manager
Heatherh3@cctexas.com
361-826-3506

Homewood Suites by Hilton

CAPTION:

Ordinance authorizing an agreement between the Corpus Christi B Corporation and Elevate QOF LLC, for costs associated with FEMA AE Flood Zone requirements and exterior upgrades for Homewood Suites by Hilton at the corner of Chaparral Street and Lomax Street; appropriating \$2,000,000.00 for a non-reimbursable grant from the Type B Economic Development Fund; and amending the budget.

SUMMARY:

This ordinance authorizes an agreement with Elevate QOF LLC, in an amount not to exceed \$2,000,000 for the Homewood Suites by Hilton.

BACKGROUND AND FINDINGS:

On January 22, 2024, the Type B Corporation unanimously approved an agreement with Elevate QOF LLC for costs associated to FEMA AE Flood Zone requirements, exterior upgrades, and lease spaces in an amount up to \$2,000,000 for Homewood Suites by Hilton to be paid over a five-year period.

On December 11, 2023, the Type B Corporation approved an incentive amount not to exceed \$2,000,000 and amending the budget for Homewood Suites Hotel and requested the agreement be brought back to the Type B Board at the next meeting in January 2024.

During the November 9, 2023, Corpus Christi Regional Economic Development Corporation (CCREDC) Board of Directors meeting, the board recommended the \$1,043,433 to the Type B Board. An economic impact report was conducted by CCREDC staff, and the analysis generated a total incentive amount of \$1,043,433 with a payback period of five years at a rate of return of 19.7%. The total capital investment is \$30,000,000, 70 jobs created with an average salary of \$30,000.

The Hilton – Homewood Suites is requesting a grant of \$2,000,000 from the Type B Corporation for construction of a five story, 127-room dual hotel (overnight and extended stay) at the corner



AGENDA MEMORANDUM

First Reading for the City Council Meeting of February 20, 2024
Second Reading for the City Council Meeting of April 23, 2024

DATE: March 11, 2024
TO: Peter Zaroni, City Manager
FROM: Heather Hurlbert, CPA, CGFO Assistant City Manager
Heatherh3@cctexas.com
361-826-3506

Mike Culbertson, President & CEO, CCREDC
mculbertson@ccredc.com
(361) 882-7448

Homewood Suites by Hilton

CAPTION:

Ordinance authorizing an agreement between the Type B Corporation and Elevate QOF LLC, for a total incentive amount not to exceed \$2,000,000 for Homewood Suites by Hilton at the corner of N Chaparral Street and Lomax Street; for costs associated with the street level retail, public space, and outdoor dining area activation including gray box and finish out including necessary floodwall and dry flood proofing to allow for consistent street level access; authorizing the expenditure of up to \$2,000,000 from the Type B unreserved fund balance; and amending the fiscal year 2023-24 budget to increase expenditures by \$2,000,000.00.

SUMMARY:

This ordinance authorizes an agreement with Elevate QOF LLC, in the amount of \$2,000,000 for Homewood Suites by Hilton for costs associated with the development of street level retail, public space, and outdoor dining activation. The costs include gray box and finish out of the spaces to include the necessary floodwall and dry flood proofing of the bottom floor which allows for street level activation which is consistent with other structures adjacent to the new hotel. This hotel project serves as a catalytic project in the heart of downtown that will activate almost an entire city block in the heart of downtown, transforming the entire area and having a positive impact on future development.

BACKGROUND AND FINDINGS:

On September 27, 2023 Elevate QOF LLC submitted an application for funding from the Type B Corporation for costs associated with the development of street level retail, restaurant, and public spaces to be built along with the Homewood Suites project. The costs included floodwall and dry flood proofing the street level structures to maintain consistency with adjacent buildings across downtown along with gray box and finish out of the spaces. While the updated FEMA

Exhibit A - Removed from contract

APPLICATION AND CERTIFICATE FOR PAYMENT

TO OWNER: Elevate QOF, LLC PO Box 61178 Corpus Christi, Tx 78466 FROM CONTRACTOR: APD Construction LLC 4210 Surfside Dr Corpus Christi, Tx 78402 CONTRACT FOR:	PROJECT: Homewood Suites Floodproofing Bid 402 Lomax St Corpus Christi, Tx 78401 VIA ARCHITECT:	APPLICATION #: 1 PERIOD TO: PROJECT NOS: 1 CONTRACT DATE:	Distribution to: <input type="checkbox"/> Owner <input type="checkbox"/> Const. Mgr <input type="checkbox"/> Architect <input type="checkbox"/> Contractor
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CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet is attached.

1. ORIGINAL CONTRACT SUM..... \$

2. Net change by Change Orders.....\$

3. CONTRACT SUM TO DATE (Line 1 +/- 2) \$

4. TOTAL COMPLETED & STORED TO DATE-\$

(Column G on Continuation Sheet)

5. RETAINAGE:

a. _____ of Completed Work \$
 (Columns D+E on Continuation Sheet)

b. _____ of Stored Material \$
 (Column F on Continuation Sheet)

Total Retainage (Line 5a + 5b or Total in Column 1 of Continuation Sheet)..... \$

6. TOTAL EARNED LESS RETAINAGE..... \$
 (Line 4 less Line 5 Total)

7. LESS PREVIOUS CERTIFICATES FOR PAYMENT
 (Line 6 from prior Certificate)..... \$

8. CURRENT PAYMENT DUE..... \$

9. BALANCE TO FINISH, INCLUDING RETAINAGE
 (Line 3 less Line 6) \$

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner		
Total approved this Month		
TOTALS		
NET CHANGES by Change Order		

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown therein is now due.

CONTRACTOR:

By: _____ Date: _____

State of: Texas
 County of: Nueces

Subscribed and sworn to before me this _____ day of _____

Notary Public: _____

My Commission expires: _____

CERTIFICATE FOR PAYMENT
 In accordance with Contract Documents, based on on-site observations and the data comprising application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED \$ _____
 (Attach explanation if amount certified differs from the amount applied for. Initial all figures on this application and on the Continuation Sheet that are changed to conform to the amount certified.)

ARCHITECT:

By: _____ Date: _____

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner of Contractor under this Contract.

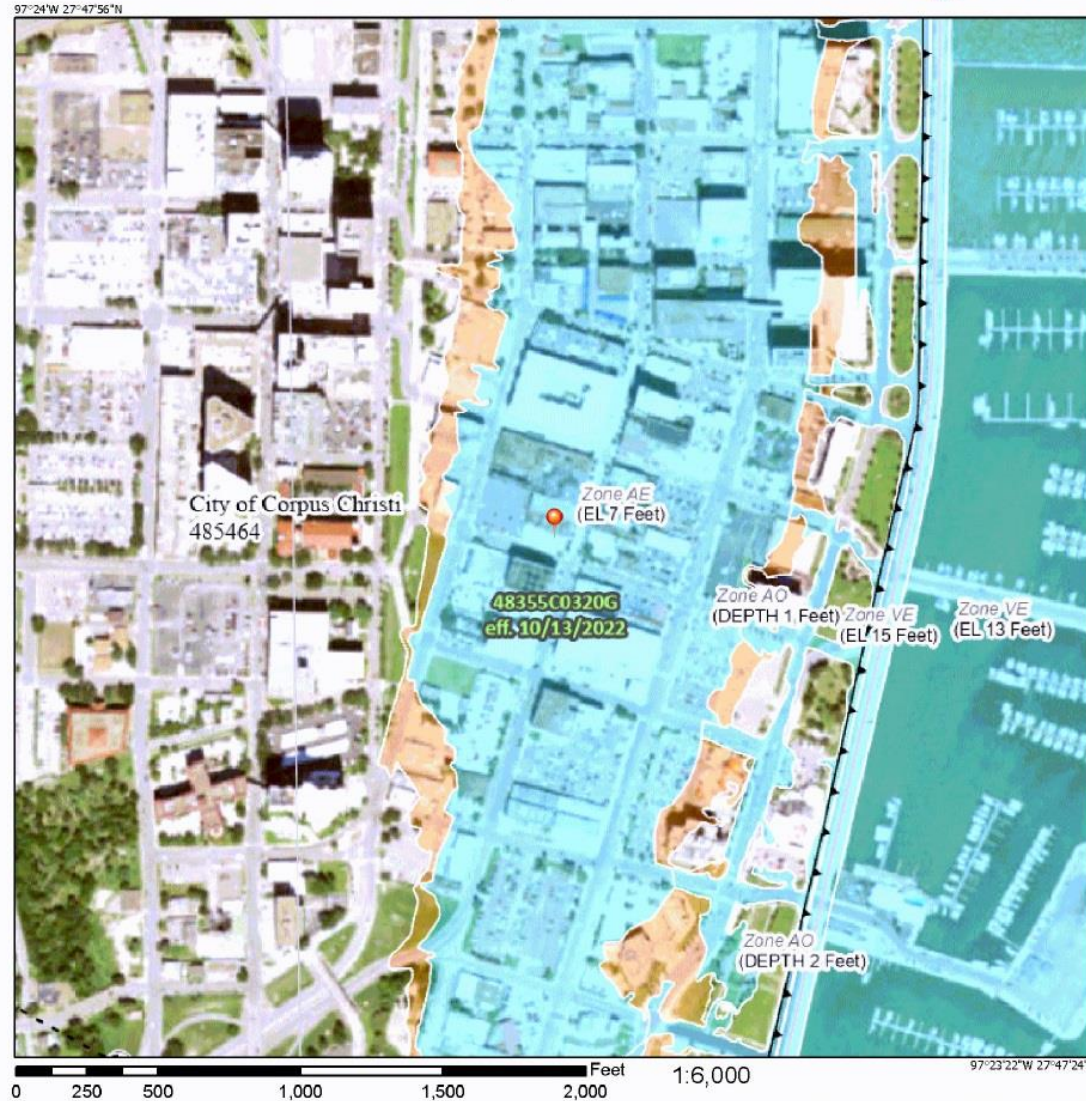
CONTINUATION SHEET

ATTACHMENT TO PAY APPLICATION PROJECT: Homewood Suites Floodproofing Bid 402 Lomax St Corpus Christi, Tx 78401	APPLICATION NUMBER: 1 APPLICATION DATE: PERIOD TO: ARCHITECT'S PROJECT NO: 1
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Item No.	Description of Work	Scheduled Value	Work Completed		Materials Presently Stored (Not In D or E)	Total Completed And Stored To Date (D + E + F)	%(G/C)	Balance To Finish (C - G)	Retainage
			From Previous Application (D + E)	This Period					
1	Building Perimeter Knee Wall	275,000.00						275,000.00	
2	Poured Concrete walls	185,000.00						185,000.00	
3	Mechanical Mezzanine levels	123,000.00						123,000.00	
4	Dry Floodproofing components	190,000.00						190,000.00	
5	Flood proofing paint for Knee Wall	85,000.00						85,000.00	
6	AEP vault	175,000.00						175,000.00	
7	Entry Stoops	75,000.00						75,000.00	
8	Added cost for roof mounted Condensor	82,000.00						82,000.00	
9	Fire Riser Mezzanine	85,000.00						85,000.00	
10	General Floodproofing	120,000.00						120,000.00	
11	Taxes	115,087.50						115,087.50	
12									
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SUBTOTALS PAGE 2		1,510,087.50						1,510,087.50	

FEMA Map removed

National Flood Hazard Layer FIRMette



Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

- SPECIAL FLOOD HAZARD AREAS**
 - Without Base Flood Elevation (BFE) Zone A, V, A99
 - With BFE or Depth Zone AE, AO, AH, VE, AR
 - Regulatory Floodway

 - OTHER AREAS OF FLOOD HAZARD**
 - 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
 - Future Conditions 1% Annual Chance Flood Hazard Zone X
 - Area with Reduced Flood Risk due to Levee. See Notes. Zone X
 - Area with Flood Risk due to Levee Zone D

 - OTHER AREAS**
 - NO SCREEN Area of Minimal Flood Hazard Zone X
 - Effective LOMRs
 - Area of Undetermined Flood Hazard Zone D

 - GENERAL STRUCTURES**
 - Channel, Culvert, or Storm Sewer
 - Levee, Dike, or Floodwall

 - CROSS SECTIONS**
 - 20.2 Cross Sections with 1% Annual Chance Water Surface Elevation
 - 17.6 Coastal Transect
 - Base Flood Elevation Line (BFE)
 - Limit of Study
 - Jurisdiction Boundary

 - OTHER FEATURES**
 - Coastal Transect Baseline
 - Profile Baseline
 - Hydrographic Feature

 - MAP PANELS**
 - Digital Data Available
 - No Digital Data Available
 - Unmapped
- The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 11/10/2023 at 9:04 AM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

Slide removed from presentation



Project Details:

- Five story, 127-room dual hotel (overnight and extended stay), including a rooftop bar, retail space, Top Golf Swing Suites, outdoor patio and other amenities
- Project costs increased during the pandemic, resulting in required rental rates that could not be supported by established leasing rates in the downtown area
- \$2,000,000 reimbursement request from the Type B Corporation approved
- \$1,510,087.50 for FEMA AE Flood Zone requirements
- \$489,913.50 for exterior upgrades and lease spaces

A screenshot of the FEMA website. The top navigation bar includes the FEMA logo, a search icon, and links for "Prepare for Disasters", "Get Flood Insurance", "Apply for Assistance", and "Check Application Status". Below this is a dark blue navigation menu with items: "Disasters & Assistance", "Grants", "Floods & Maps", "Emergency Management", "About", and "Work With Us". The main content area features a sidebar on the left with links for "About", "News & Multimedia", "Press Releases", "Blog", "Events", "Fact Sheets", "FEMA Live", "Mobile Products", "Newsletters", "Podcast", and "Social Media". The main heading is "Nueces County, Texas Flood Maps Become Final". Below the heading are language options for "English" and "Español". The text below the heading states: "DENTON, Texas - New flood maps have been finalized and will become effective on Oct. 13, 2022 for Nueces County, Texas. During the next six months, a FEMA compliance specialist will work with the community to update each floodplain ordinance and adopt these new flood maps." At the bottom, it says: "Residents are encouraged to examine the maps to determine if they are in a low-to-moderate or high-risk flood zone. The current and future Flood Insurance Rate Map can be viewed on FEMA's Flood Map Changes Viewer at <https://msc.fema.gov/fmcy>."