



AGENDA MEMORANDUM
for the City Council Meeting of May 15, 2012

DATE: May 10, 2012
TO: Ronald L. Olson, City Manager
THROUGH: Toby Futrell, Interim Assistant City Manager
FROM: Mike Culbertson
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Type A Grant for Schlitterbahn Water Park
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CAPTION:

- A) Ordinance appropriating \$5,000,000 from the unreserved fund balance in the No. 1140 Business/Job Development Fund for a business incentive grant from the Corpus Christi Business and Job Development Corporation ("Type A Corporation") to North Padre Waterpark Holdings, LTD ("Schlitterbahn"), to be paid to Schlitterbahn's general partner North Padre WPH GP, LLC, of which \$2,500,000 (one-half) is to be paid upon 50% completion of the construction of the waterpark or after \$5,000,000 has been spent on infrastructure costs, whichever comes first, and \$2,500,000 (one-half) upon completion of the waterpark construction, for the creation of certain infrastructure improvements allowed under Section 501.103 of the Texas Local Government Code needed for the development of the Schlitterbahn waterpark in Corpus Christi, increased economic development and the creation and retention of jobs; Changing the FY 2011-2012 operating budget, adopted by Ordinance No. 029155, by increasing proposed expenditures by \$5,000,000; and declaring an emergency

- B) Resolution approving a business incentive agreement for the creation and retention of jobs between the Corpus Christi Business and Job Development Corporation ("Type A Corporation") and North Padre Waterpark Holdings, LTD ("Schlitterbahn"), which provides a grant of up to \$5,000,000, of which \$2,500,000 (one-half) is to be paid upon 50% completion of the construction of the waterpark or after \$5,000,000 has been spent on infrastructure costs, whichever comes first, and \$2,500,000 (one-half) upon completion of the waterpark construction, for the creation of certain infrastructure improvements allowed under Section 501.103 of the Texas Local Government Code needed for the development of the Schlitterbahn waterpark in Corpus Christi, increased economic development and the creation and retention of jobs, and authorizing the City Manager or designee to execute a business incentive project support agreement with the Type A Corporation regarding implementation and administration of the Schlitterbahn Business Incentive Agreement for the creation and retention of jobs

PURPOSE:

The Corpus Christi Business and Job Development Corporation will grant \$5,000,000 to Schlitterbahn for infrastructure improvements allowed under Section 501.103 of the Texas Local Government Code to encourage economic development.

BACKGROUND AND FINDINGS:

Schlitterbahn is proposing a new water park in Corpus Christi. They will invest \$39,000,000 in the water park. This grant will partially pay for infrastructure improvements allowed under Section 501.103 of the Texas Local Government Code required for the park.

OTHER CONSIDERATIONS:

The water park is an anchor for more planned improvements on the Island.

CONFORMITY TO CITY POLICY:

This project is consistent with the City's stated goals of promoting economic development and incentivizing business to locate and thrive in Corpus Christi. The Island is designated as a catalyst area by the Council.

EMERGENCY / NON-EMERGENCY:

EMERGENCY

DEPARTMENTAL CLEARANCES:**FINANCIAL IMPACT:**

☐ Operating ☐ Revenue ☐ Capital ☐ Not applicable

Fiscal Year: 2011-2012	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget				
Encumbered / Expended Amount				
This item			5,000,000	5,000,000
BALANCE			5,000,000	5,000,000

Fund(s): Type A Funds

Comments:**RECOMMENDATION:**

Staff recommends approval of this grant to Schlitterbahn Water Park for infrastructure improvements allowed under Section 501.103 of the Texas Local Government Code in the amount of \$5,000,000.

LIST OF SUPPORTING DOCUMENTS:

Resolution
Ordinance
Type A Agreement