



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

DATE: May 9, 2012
TO: Ronald L. Olson, City Manager
THROUGH: Toby Futrell, Interim Assistant City Manager
FROM: Mike Culbertson
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Chapter 380 Agreement for Upper Padre Partners, LP and North Padre Waterpark Holdings, LLC

CAPTION:

Resolution authorizing the City Manager or designee to execute a Chapter 380 Economic Development Incentive Agreement with Upper Padre Partners, LP, and North Padre Waterpark Holdings, LTD, ("Agreement") for certain economic development grants up to approximately \$112,116,878 to be paid to Upper Padre GP, Inc, general partner of Upper Padre Partners, LP, for development of a Schlitterbahn waterpark resort project together with certain public improvements by Upper Padre Partners, LP and North Padre Waterpark Holdings, LTD for the benefit of the City

PURPOSE:

The City of Corpus Christi will enter into a Chapter 380 agreement with Upper Padre GP, Inc and North Padre Waterpark Holdings, LLC for incentives to construct and operate a destination resort that includes a Schlitterbahn waterpark and other attractions. This agreement will provide for sharing certain tax revenues including the Maintenance and Operating ad valorem tax, the sales tax, and the Hotel Occupancy Tax over a 25 year term. This agreement will provide sharing of up to \$112,116,878 in those districts through the maintenance and operating portion of the ad valorem tax, sales tax, hotel occupancy tax, construction sales tax, and waiving of development fees.

BACKGROUND AND FINDINGS:

Schlitterbahn Beach Country is planned to provide the essential elements of a true family destination on Upper Padre Island at Corpus Christi, Texas.

The Park District

Park District A contains the Schlitterbahn Waterpark. The Waterpark is approximately 75.119

acre waterpark resort that will be built in phases over a period of several years, whose initial components will feature a minimum capacity of three thousand simultaneous visitors, with future phases increasing the capacity based on demonstrated demand. The Waterpark will be based on the "Transportainment" model in place at each of the other Schlitterbahn Waterparks in which multiple entertainment elements and rides are integrated with each other, typically featuring tube chutes, momentum rivers, torrent rivers, slides, pools and aquaveyors (all based on proprietary technologies and patents). Other elements of the Waterpark include, but are not limited to, heated pools, children pools and play areas, and support areas such as food and beverage, dressing areas, shade structures, gift shops, admission areas and parking areas. The Waterpark also may include a hotel or theme-style designed lodging consistent with but not specifically limited to the Treehaus lodging located at Schlitterbahn New Braunfels or other theme-style designed lodging that may be developed by Developer. The mix of rides and attractions, and the integration of ride technology, of the Waterpark will be similar to other Schlitterbahn Waterparks.

Park District B includes a golf course. The numbers of holes will be reduced but will remain at least a 9-hole course.

The IslandWalk District

The IslandWalk District offers several use options from the canal side restaurants and retail to residential with rental units up to residential units lining the golf course. Residential units in this district will range from traditional canal side units, cottage clusters and pond and golf course residential.

The creation of the IslandWalk canal creates a truly pedestrian experience that is not available elsewhere along the Texas Coast. The heart of the district is the 2,500 feet of canal on the west side of Park Road 22. Once completed, residents and tourists will use the canal system as a transportation system. In addition to walking along the canal, visitors will be able to dock their boats as they visit the various shops and restaurants or attend events on the IslandWalk.

The Marina District

The Marina District is designed as a mixed use marina development serving Padre Harbor and the IslandWalk. With its access to the Gulf of Mexico via Packery Channel, the Marina District is designed to include in-the-water boat slips and dry-stack boat storage.

The Marina District will become the center of the boating community and will provide essential elements to the fishing and water sports visitors. The Marina District is envisioned to include restaurants, entertainment, retail and lodging. The Lodging facilities will be comprised of traditional apartment and hotel units as well as residential above retail.

The location and configuration will be designed to offer a Live-Work-Play lifestyle. As the harbor side anchor of the IslandWalk those choosing to live in or visit the Marina District will have easy access to the pedestrian IslandWalk district and Schlitterbahn Beach Country.

The Resort District

The Resort District is designed as the resort residential district serving Upper Padre Island and Schlitterbahn Beach Country. The roughly 250 acres will be designed with full architectural design standards, mixed residential uses and resort quality lodging facilities.

Cooper Robertson and Associates, the land planners of WaterColor and Water Sound in the Florida Panhandle, prepared the conceptual land plan for the Resort District.

The Resort District will be subject to the City of Corpus Christi's zoning ordinance and unified development code prior to construction. In addition, any changes in the development plan will require Corps of Engineer permit modifications procedures. Accordingly there will be substantial public input prior to construction of the district.

The Resort District plan contains the traditional bulk headed canal lots, canal lots with natural shore line and areas with fresh water ponds. In addition to the canal system the district will include pedestrian pathways, cart paths and open areas.

The Resort District borders Commodores Drive, Aquarius Street and portions of the Laguna Madre. A portion of the Resort District fronts on a protected habitat and will be designed to add separation between the protected habitat and the developed property.

OTHER CONSIDERATIONS:

The waterpark will act as the anchor for more planned improvements on the Island. This will result in additional tourism and additional hotel nights for Corpus Christi

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				
BALANCE				

Fund(s):

RECOMMENDATION:

Staff recommends approval of this Chapter 380 agreement with Upper Padre GP, Inc and North Padre Waterpark Holdings, LLC.

LIST OF SUPPORTING DOCUMENTS:

Resolution
Certification of Funds (Not Required)
Chapter 380 Agreement