

DIAMOND BEACH HOLDINGS, LLC

Subsidiary of IBC Bank
5615 Kirby Dr.
Houston, TX 77005

Peter Zaroni
City Manager
City of Corpus Christi
1201 Leopard Street
Corpus Christi, Texas 78401

September 22, 2021

Dear Peter:

Please allow this letter to serve as the PID Petition Request for the Master Plan Community development of the property owned by Diamond Beach Holdings LLC on North Padre Island.

Accompanied with this petition is a non-refundable \$15,000 application fee along with petition requirement documentation.

We request to begin the process of review regarding the PID petition, and we look forward to working with you as we go through this process. Let me know if you have any questions.

Thank you,



Jennifer Hoff
Vice President
Diamond Beach Holdings, LLC
A Subsidiary of IBC Bank

CC:

Constance Sanchez
Heather Hurlbert
Daniel McGinn
Amiee Alcorn-Reed
Greg Smith

PID Petition Requirements

In accordance with section 372. 005(a) of the Code the petition must state:

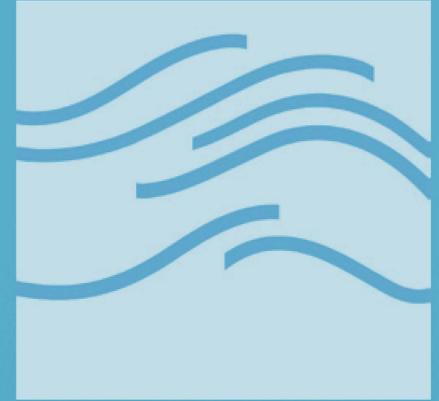
- 1. the general nature of the proposed improvements.
- 2. the estimated cost of the improvements.
- 3. the boundaries of the proposed assessment district.
- 4. the proposed method of assessment, which may specify included or excluded classes of assessable property.
- 5. the proposed apportionment of costs between the proposed PID and the City as a whole.
- 6. whether the proposed PID will be managed by the City, by the private sector, or by a partnership of the two.
- 7. that the persons signing the petition request or concur with the establishment of the proposed PID.
- 8. that an advisory body may be established to develop and recommend an improvement plan to the City Council; and
- 9. that the petitioner has read and understands this Policy and will adhere to all language herein.

Additional requirements include:

- 1. PID petitions shall include this additional note: " With respect to community property, the City may accept the signature of a spouse as a representation of both spouses that they support the creation or renewal of the PID, absent a separate property agreement. However, if City staff is made aware of any disagreement among owners of community property, those signatures will not be counted."
- 2. Signatures for PID petitions must be gathered not more than six months preceding submittal of the PID petition.

For a PID to be established, a petition shall include the following:

- 1. Evidence that the petition' s signatures meet the state law requirements, or the petition must be accompanied by a reasonable fee to cover the City' s costs of the notary/ signature verification.
- 2. Map of the area, metes and bounds with a survey (all signed by a licensed engineer), and a" commonly known" description of the area to be included in the PID.
- 3. Statement that the petitioners understand that the annual update, including any annual costs, for the PID is subject to review by City staff with final approval by the City Council.



Whitecap Reserve

Public Improvement District (PID) Petition

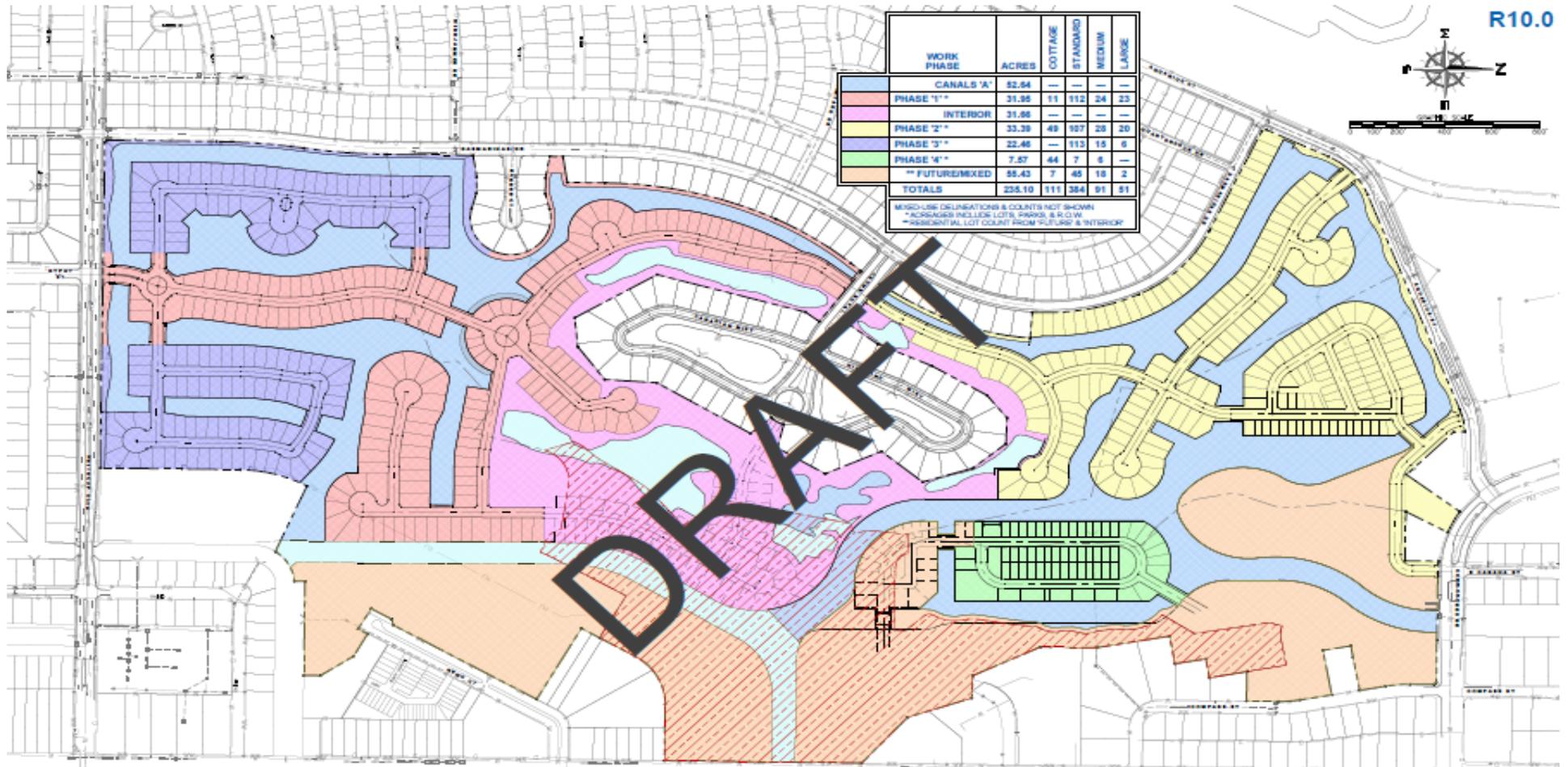
Table of Contents - Whitecap Reserve PID Petition

- Petition Summary & General Requirements
- Preliminary Site Map - PID Boundaries
- Preliminary Project Cost Summary
- Development Lot Assumptions
- Special Assessment Revenue Bond Estimates
- Summary of Development Assessment

Public Financing Request Summary - Whitecap Reserve PID/TIRZ

- Diamond Beach Holdings LLC, the owner of the Whitecap Reserve property, is requesting approval from the City of Corpus Christi for public financing districts, including a PID and a TIRZ (city and/or county TIRZ) intended to reimburse the development and funding of master and intract infrastructure for the Whitecap Reserve project
- Whitecap Reserve consists of over 200 acres of developable land for single-family residential and commercial property in Corpus Christi
- Included herein are a site plan, preliminary development cost estimates (in draft form and subject to change), and estimated public financing bond capacity
- The proposed improvements include Intract Infrastructure and Master Infrastructure for the property as well as landscaping and amenities
- Based on preliminary estimates and bonding capacity, the project should to be able to support ~\$100MM in public financing bonds, including PID and TIRZ reimbursements
 - Diamond Beach Holdings LLC is viewing the \$100MM in available capacity as a "not-to-exceed" number and only anticipates \$75MM of available capacity to be utilized to reimburse eligible costs through a PID and TIRZ program
 - The numbers included in the analysis are not finalized and we expect will be vetted by the City, PID administrator, financing advisor and/or underwriter
- Diamond Beach Holdings LLC anticipates that the PID will be managed by a combination of City and a private sector administrator on behalf of the City. It is also understood that an advisory body may be established to develop and recommend an improvement plan to the City Council
- A Feasibility Report, which we understand will be required for this process, is currently being finalized by a market research consultant
- A formal survey, to replace the current boundary map of the property, will be conducted and provided to the City at a later date
- As this property is wholly owned by one entity, the need for secondary signatures/approvals is not necessary
- Diamond Beach Holdings LLC understands the PID Policy and will adhere to the language as stated in the Policy. It is also understood that an annual update and any annual costs for the PID annual update are subject to review by City staff with final approval by the City Council

Preliminary Site Map - Whitecap Reserve PID



City of Corpus Christi, Texas
Preliminary Summary of Costs
(Corpus Christi Public Improvement District No. 1)

		Phase 1	Phase 2	Phase 3	Phase 4	Total	Public Financing
Intract Infrastructure							
Lots		217	178	134	72	601	
Soft Costs (% Hard Cost)	18%	1,601	1,314	989	531	4,435	PID
Hard Cost (\$ per Lot)	\$41.0	8,897	7,298	5,494	2,952	24,641	PID
Landscaping (\$ per Lot)	\$2.5	543	445	335	180	1,503	PID
Subtotal		11,041	9,057	6,818	3,663	30,579	
Contingency	10%	1,104	906	682	366	3,058	PID
Total Intract Infrastructure		12,145	9,963	7,500	4,029	33,637	PID
<i>Total Intract Infrastructure/Lot</i>		<i>\$56.0</i>	<i>\$56.0</i>	<i>\$56.0</i>	<i>\$56.0</i>	<i>\$56.0</i>	
Master Infrastructure							
Soft Costs (% Hard Cost)	10%					2,458	TIRZ
Hard Costs							
Island Walk Excavation & Bulkhead						1,840	TIRZ
Canal Excavation						4,400	TIRZ
Phase 1 Bulkhead						4,800	TIRZ/PID
Remaining Phases Bulkhead						9,000	TIRZ/PID
Mobility Bridges						2,136	TIRZ
Commodores Drive Bridge Structure						2,400	TIRZ
Subtotal - Hard Costs						24,576	
Master Landscaping	5%					1,229	TIRZ
Contingency	10%					2,826	TIRZ/PID
Total Master Infrastructure						31,089	TIRZ/PID
Entry/Landscaping/Amenities							
Soft Costs (% Hard Cost)	10%					390	TIRZ
Hard Costs							
Main Amenity Center						1,500	NA
Communities Park Space Improvements						600	TIRZ
Preserve Walking Trail						400	TIRZ
Aquarius Pedestrian Path						198	TIRZ
Preserve Pavillion						1,200	TIRZ
Subtotal - Hard Costs						3,898	
Entry/Landscaping/Amenities	5%					195	TIRZ
Contingency	5%					224	TIRZ
Total Entry/Landscaping/Amenities						4,707	TIRZ
TOTAL PROJECT COSTS						\$69,432	
<i>Total Project Costs/Lot</i>						<i>\$115.5</i>	
Public Financing Breakdown*							
TIRZ						17,669	
PID						33,637	
TIRZ/PID						16,626	
None						1,500	
Total						\$69,432	

* Public Financing Breakdown represents projects which may be reimbursable through these vehicles. Individual projects and % of costs which may be reimbursable through these districts to be finalized.

Development Lot Matrix
Development Assumptions
 (Corpus Christi Public Improvement District No. 1)

Lot Type	Number of Units/Lots	Average Monthly Absorption	Finished Lot Value	Finished Home Value	Equivalent Tax Rate	Total Overlapping Tax Rate
35'	132	5	\$ 115,000	\$ 575,000	\$ 0.5000	\$ 3.0000
45'	348	3	\$ 200,000	\$ 1,000,000	\$ 0.5000	\$ 3.0000
55'	72	2	\$ 285,000	\$ 1,425,000	\$ 0.5000	\$ 3.0000
65'	49	1	\$ 370,000	\$ 1,850,000	\$ 0.5000	\$ 3.0000
Total / Average	601	11				

City of Corpus Christi, Texas
Special Assessment Revenue Bonds
(Corpus Christi Public Improvement District No. 1)

SOURCES OF FUNDS	Improvement Area #1-A	Improvement Area #1-B	Improvement Area #2-A	Improvement Area #2-B	Total
Bond Par Amount	\$ 25,000,000.00	\$ 9,000,000.00	\$ 30,000,000.00	\$ 11,000,000.00	\$ 75,000,000.00
Total Sources of Funds	\$ 25,000,000.00	\$ 9,000,000.00	\$ 30,000,000.00	\$ 11,000,000.00	\$ 75,000,000.00

USES OF FUNDS	Improvement Area #1-A	Improvement Area #1-B	Improvement Area #2-A	Improvement Area #2-B	Total
Project Fund Deposit	\$ 19,000,000.00	\$ 8,000,000.00	\$ 24,000,000.00	\$ 9,000,000.00	\$ 60,000,000.00
Capitalized Interest	2,000,000.00	-	1,500,000.00	-	\$ 3,500,000.00
Debt Service Reserve Fund	1,750,000.00	300,000.00	2,000,000.00	800,000.00	\$ 4,850,000.00
Cost of Issuance	1,500,000.00	400,000.00	1,750,000.00	700,000.00	\$ 4,350,000.00
Underwriter's Discount	500,000.00	200,000.00	500,000.00	300,000.00	\$ 1,500,000.00
Underwriter's Counsel Fee	200,000.00	100,000.00	200,000.00	200,000.00	\$ 700,000.00
Administrative Fund	50,000.00	-	50,000.00	-	\$ 100,000.00
Total Sources of Funds	\$ 25,000,000.00	\$ 9,000,000.00	\$ 30,000,000.00	\$ 11,000,000.00	\$ 75,000,000.00

City of Corpus Christi, Texas
 Summary of Development Assessment
 (Corpus Christi Public Improvement District No. 1)

Improvement Area No. 1

Lot Type	Number of Lots	Developed Lot Value	Estimated Appraised Lot Value	Estimated Appraised Value	Bulldout Value Per Home	Bulldout Value	Gross Equivalent Tax Rate	Maximum Annual Installment	Annual Installment per Lot	TIRZ Tax Rate Offset	Net Equivalent Tax Rate	Annual Installment per Lot After TIRZ	IA #1-A Assessment	Value to Lien	IA #1-B Assessment	Total Assessment	Assessment per Lot
35'	132	\$ 115,000	\$ 100,000	\$ 13,200,000	\$ 575,000	\$ 75,900,000	\$ 0.82	\$ 624,756	\$ 4,733	\$ 0.32	\$ 0.50	\$ 2,800	\$ 6,600,000	2.0 : 1	\$ 2,400,000	\$ 9,000,000	\$ 68,182
45'	61	\$ 200,000	\$ 180,000	\$ 14,580,000	\$ 1,000,000	\$ 81,000,000	\$ 0.82	\$ 666,737	\$ 8,231	\$ 0.32	\$ 0.50	\$ 5,000	\$ 7,000,000	2.0 : 1	\$ 2,500,000	\$ 9,500,000	\$ 117,284
55'	54	\$ 285,000	\$ 250,000	\$ 13,500,000	\$ 1,425,000	\$ 76,950,000	\$ 0.82	\$ 633,400	\$ 11,730	\$ 0.32	\$ 0.50	\$ 7,200	\$ 6,900,000	2.0 : 1	\$ 2,400,000	\$ 9,300,000	\$ 172,222
65'	27	\$ 370,000	\$ 300,000	\$ 8,100,000	\$ 1,850,000	\$ 49,950,000	\$ 0.82	\$ 411,154	\$ 15,228	\$ 0.32	\$ 0.50	\$ 9,200	\$ 4,500,000	2.0 : 1	\$ 1,700,000	\$ 6,200,000	\$ 229,630
	294		\$ 173,755	\$ 49,380,000	\$ 965,306	\$ 283,800,000	\$ 0.82	\$ 2,336,047	\$ 7,946	\$ 0.32	\$ 0.50	\$ 4,900	\$ 25,000,000	2.0 : 1	\$ 9,000,000	\$ 34,000,000	\$ 115,646

Improvement Area No. 2

Lot Type	Number of Lots	Developed Lot Value	Estimated Appraised Lot Value	Estimated Appraised Value	Bulldout Value Per Home	Bulldout Value	Gross Equivalent Tax Rate	Maximum Annual Installment	Annual Installment per Lot	TIRZ Tax Rate Offset	Net Equivalent Tax Rate	Annual Installment per Lot After TIRZ	IA #2-A Assessment	Value to Lien	IA #2-B Assessment	Total Assessment	Assessment per Lot
35'	-	\$ 115,000	\$ 103,500	\$ -	\$ 575,000	\$ -	\$ 0.82	\$ -	\$ -	\$ 0.32	\$ 0.50	\$ -	\$ -	-	\$ -	\$ -	\$ -
45'	267	\$ 200,000	\$ 180,000	\$ 48,060,000	\$ 1,000,000	\$ 267,000,000	\$ 0.82	\$ 2,197,762	\$ 8,231	\$ 0.32	\$ 0.50	\$ 5,000	\$ 24,000,000	2.0 : 1	\$ 8,700,000	\$ 32,700,000	\$ 122,472
55'	18	\$ 285,000	\$ 256,500	\$ 4,617,000	\$ 1,425,000	\$ 25,650,000	\$ 0.82	\$ 211,133	\$ 11,730	\$ 0.32	\$ 0.50	\$ 7,125	\$ 2,500,000	2.0 : 1	\$ 850,000	\$ 3,350,000	\$ 186,111
65'	22	\$ 370,000	\$ 333,000	\$ 7,326,000	\$ 1,850,000	\$ 40,700,000	\$ 0.82	\$ 335,015	\$ 15,228	\$ 0.32	\$ 0.50	\$ 9,250	\$ 3,500,000	2.0 : 1	\$ 1,450,000	\$ 4,950,000	\$ 225,000
	307		\$ 195,450	\$ 60,003,000	\$ 1,085,831	\$ 333,350,000	\$ 0.82	\$ 2,743,910	\$ 8,938	\$ 0.32	\$ 0.50	\$ 5,429	\$ 30,000,000	2.0 : 1	\$ 11,000,000	\$ 41,000,000	\$ 132,720

THIS CHECK HAS A COLORED BACKGROUND AND CONTAINS MULTIPLE SECURITY FEATURES - SEE BACK FOR DETAILS

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MEMBER INTERNATIONAL BANCSHARES CORPORATION / FDIC

NOTICE TO CUSTOMER:
THE FILING OF A DECLARATION OF LOSS FORM AFTER 90 DAYS FROM
THE DATE OF ISSUANCE CAN BE FILED FOR THE REPLACEMENT OF THIS
CHECK IN THE EVENT IT IS LOST, STOLEN OR DESTROYED.

No. 111028844

Remitter: Diamond Beach Holdings

REMITTER

September 20, 2021

Pay to the order of: City of Corpus Christi

Fifteen Thousand and 00/100ths Dollars

*****\$15,000.00

Pay to: Mr D Lopez - Whiskey Reserve

Pay By: Mersol Rocha

CASHIER'S CHECK



Victoria Orsak
AUTHORIZED SIGNATURE

⑈ 111028844 ⑈ ⑆ 11300086 ⑆ 111280110 ⑈