

Corpus Christi
REGIONAL ECONOMIC
DEVELOPMENT CORPORATION

APPLICATION FOR INCENTIVES

Date of Application:

Check All Incentives Applicant Is Applying For:

- | | |
|--|--|
| <input type="checkbox"/> Tax Abatement | <input type="checkbox"/> Chapter 380 Agreement |
| <input type="checkbox"/> Chapter 381 | <input type="checkbox"/> Municipal Management District |
| <input type="checkbox"/> Public Improvement District | <input type="checkbox"/> Industrial District |
| <input checked="" type="checkbox"/> Type A | <input checked="" type="checkbox"/> TIRZ |
| <input type="checkbox"/> Enterprise Zone | <input type="checkbox"/> Fast Track Permitting |
| <input type="checkbox"/> Industrial Revenue Bonds | <input type="checkbox"/> Large Retail/Mixed Use |

SECTION I – APPLICANT INFORMATION AND BUSINESS DESCRIPTION

Company Name: Improvement Network Development Partners, LLC

Address: 650 California Street Floor 7

City: San Francisco State: CA Zip: 94704

Authorized Contact Name: Stephen L. Goodman

Title: Managing Director

Mailing Address: 650 California Street, Floor 7

City: San Francisco State: CA Zip: 94704

Telephone: 415-879-9980 (office) 415-312-9864 (cell) Fax: 800-749-9020

E-mail Address: sgoodman@indevelopmentpartners.com

Duns Number:

NAICS: 72110

1.1 Indicate ownership of Applicant Company: Private Public

- 1.2 Indicate applicant's type of legal entity, e.g., proprietorship, partnership, joint venture, or corporation: Limited Liability Company
- 1.3 Identify applicant's state of registration or incorporation, if applicable: Texas
- 1.4 Identify business headquarters location (city, state): San Francisco, CA
- 1.5 Does/will the applicant own or lease the project land and/or facility: Own
 If leased, indicate lease term: Expiration date:
- 1.6 Indicate applicant's total workforce: Full-time: 2 Part-time: 10
 (we are assuming "applicant" is the single purpose entity we formed to own this project)
- 1.7 Indicate applicant's existing County Appraisal District tax account numbers:
 Real Property: \$2,283,989 (2018 value)
 Personal Property: 0
 Inventory/Supplies: 0
- 1.8 Identify the owner(s) of the real and/or personal property if applicant is not the owner: n/a
- 1.9 Is the company delinquent in the payment of ad valorem taxes to any taxing unit located County: Yes No If yes, explain:

SECTION II – PROJECT DESCRIPTION

2.1 Type of facility (check):

- | | |
|---|---|
| <input type="checkbox"/> Agribusiness | <input type="checkbox"/> Aviation |
| <input type="checkbox"/> Biotechnology | <input type="checkbox"/> Basic Industrial |
| <input type="checkbox"/> Manufacturing | <input type="checkbox"/> Service Facility |
| <input type="checkbox"/> Petrochemical Facility | <input type="checkbox"/> Regional Distribution Center |
| <input type="checkbox"/> Environmental Technology (clean or green technology) | |
| <input type="checkbox"/> Telecommunication/Data Processing Center | |
| <input checked="" type="checkbox"/> Visitor/Amusement Facility | |
| <input type="checkbox"/> Significant Projects in targeted areas, including but not limited to mixed-use and multifamily housing | |
| <input type="checkbox"/> Other: | |

- 2.2 Type of project: Retention Re-Location or New Location
 New Facility Existing Facility
 Expansion or Modernization

2.3 Fully describe the proposed project, including capital improvements (real and personal property) to be undertaken, the facility's use, and the product or service to be produced:

Improvement Network Development Partners, LLC (INDP) is acquiring the Old Nueces County Courthouse located in the heart of downtown Corpus Christi, TX. INDP has completed a development plan to convert the existing courthouse building into an upscale Le Meridian Hotel.

The plan includes the renovation of the existing 80,000 square foot building and the addition of 51,165 square feet for a 159 room 4-star hotel to include a full-service restaurant and bar, meeting spaces and other hotel amenities. 199 surface parking spaces will be added.

189 full-time construction jobs will be available during 2018 and 2019 through the completion of the project. Salaries will average \$62,500 per person totaling approximately \$14,765,625 for the 15 month construction period.

2.4 Zoning required for operation: C1

2.4.1 Current Zoning: C1

2.4.2 Is the property platted? Yes No

2.4.3 Is the property served by adequate infrastructure?

Water: yes Wastewater: yes Storm Water: yes Gas: yes

2.4.4 Is a master plan amendment required before infrastructure can be extended? No

2.4.5 Are off-site traffic control improvements required? Yes No

2.5 Briefly justify how this incentive(s) is/are necessary for the project to be completed:

This incentive is necessary for the economic viability of the project. The sponsor is contributing a significant amount of equity (\$6.4MM) and is taking on \$21MM in debt. The projects needs incentives to fill the gap in the capital requirements of \$52.5MM.

2.6 Indicate project location (street address/legal description): 1101 N. Mesquite Street, Corpus Christi, TX

Lots One through Twelve (1-12), both inclusive, in the Court House Block, Beach Portion of the City of Corpus Christi, Texas, according to the map or plat thereof, recorded in Volume A, Page 3, Map Records, Nueces County, Texas; SAVE AND EXCEPT, however, those certain parcels of land conveyed by the County of Nueces to

the State of Texas as a Road Right-of-Way Easement, by Instrument dated February 8, 1957, recorded in Volume 766, Page 138, Deed Record, Nueces County, Texas.

2.7 Provide a timeline for the project completion, indicate commencement and completion dates: The close on property acquisition is April 1, 2018. Commencement of construction is August 1, 2018 with completion expected by November 1, 2019. Opening is planned for November 15, 2019.

SECTION III – PROJECT VALUATIONS

3.1 As provided by the Nueces County Appraisal District, indicate the appraised values of the following:

| | | |
|------------------------------------|--------------------|------------|
| Land (excluding acquisition costs) | Value: \$837,000 | Date: 2018 |
| Existing real property | Value: \$2,238,989 | Date: 2018 |
| Existing personal property | Value: 0 | Date: |

3.2 Indicate the estimated project improvement values:

Real property: \$48M Personal property: \$3.98M Inventory/supplies: \$480K

SECTION IV – PROJECT JOB CREATION

4.1 Number of new, permanent jobs to be created: Full-time: 45 Part-time: 30

189 full-time construction jobs will be created through November 2019. In addition to the 75 permanent positions, the project will offer 189 full-time construction jobs during the renovation. Additionally, over 30 indirect jobs will be created by various service providers.

4.2 Number of jobs retained: Full-time: 0 Part-time: 0

As this facility is currently unused, there are no existing positions.

4.3 Matrix of Existing and Proposed Employment, Gross Payroll, and Investment

As of December 31, 2018 2019 2020 2021 2022

New Capital Investment (in millions)

| | | | | | |
|----------|-------------|--------------------|--|--|--|
| Building | \$8,796,000 | \$26,383,310 | | | |
| FFE | <u>0</u> | <u>\$4,460,000</u> | | | |
| Total | \$8,796,000 | \$30,848,310 | | | |

The \$39M reflects construction and FFES. The additional \$11M is for soft costs such as architecture and engineering.

As of December 31, 2018 2019 2020 2021 2022

Employment

| | | | | | | |
|----------------|----------|----------|-----------|-----------|-----------|--|
| Existing Jobs | | | | | | |
| Full-time | 0 | | | | | |
| Part-time | <u>0</u> | | | | | |
| Total Existing | 0 | | | | | |
| New Jobs | | | | | | |
| Full-time | 0 | 189 | 45 | 45 | 45 | |
| Part-time | <u>0</u> | <u>0</u> | <u>30</u> | <u>30</u> | <u>30</u> | |
| Total Existing | 0 | 189 | 75 | 75 | 75 | |

Gross Payroll

| | | | | | | |
|--------------------------------|-------------|-------------|------------------|------------------|------------------|--|
| Existing Payroll (in millions) | | | | | | |
| Full-time | 0 | | | | | |
| Part-time | <u>0</u> | | | | | |
| Total Existing | 0 | | | | | |
| New Payroll (in millions) | | | | | | |
| Full-time | \$4,921,875 | \$9,843,750 | \$2,110,500 | \$2,110,500 | \$2,110,500 | |
| Part-time | | | <u>\$658,000</u> | <u>\$658,000</u> | <u>\$658,000</u> | |
| Total New | \$4,821,875 | \$9,843,750 | \$2,769,000 | \$2,769,000 | \$2,769,000 | |

Average Wage/Year

\$62,500 \$62,500 * * *

*Salary ranges vary dramatically depending on job classification and full or part time. Full time professional staff average approximately \$90,000, middle -skilled workers average \$48,000, and service workers earn about 29,000.

Will Benefits be available to all full time employees? Yes No
If yes, please describe:

Le Meridian employees receive medical, dental, 401K, free meals, vacation and paid holidays.

4.4 Indicate the project impact on the following job classifications:

| Number of Full-Time Jobs | Avg. Annual Salary | Number of Positions Created | Number of Positions Retained |
|---------------------------------|---------------------------|------------------------------------|-------------------------------------|
| Officials and Managers | \$90,000 | 5 | |
| Professionals | \$123,000 | 5 | |
| Technicians | \$50,000 | 4 | |
| Sales | | | |
| Office and Clerical | \$26,675 | 20 | |
| Craft Worker (skilled) | \$24,500 | 8 | |
| Operators (semi-skilled) | | | |
| Labors (unskilled) | | | |
| Service Workers | \$29,000 | 4 | |
| Totals: | \$343,175 | 46 | |

4.5 Describe the benefits package to be offered to employees:

Le Meridian employees receive medical, dental, 401K, free meals, vacation and paid holidays.

4.6 Describe the investment in training/education that will be made for jobs created:

Del Mar Junior College offers degree and certificate programs in Culinary Arts, Baking/Pastry Specialization and Hospitality Management. Le Meridien is ideally located to work with the college to provide employment opportunities for graduates. Internship opportunities will also be available to Del Mar students. In addition, hotel management will provide intensive on-the-job training for staff.

SECTION V – OTHER PROJECT INFORMATION

5.1 Has the company or any of its affiliates been cited, currently under investigation, or have litigation pending for any violations of Federal, State, or Local laws, codes or ordinances: Yes No

If yes, indicate the nature/status of violation(s):

5.2 Is any interest in the proposed project presently held by a member of the Corpus Christi City Council or other City official or employee:

Yes No

If yes, please indicate person:

APPLICATION ATTACHMENTS

The following information supports various application sections and is needed to fully evaluate the company for incentives. Applications will not be considered until all the required information is received:

SECTION I – APPLICANT INFORMATION AND BUSINESS DESCRIPTION

1. Provide information regarding the applicant company's description, including corporate structure, the last three annual financial statements, and organization chart identifying affiliates and subsidiaries, if any.

Improvement Network Development Partners (INDP) is a real estate development firm based in San Francisco, California with projects located throughout the United States. INDP is committed to innovative design, creative financing, intelligent development, and high-quality construction. INDP principals have a combined 60 plus years of experience in development, acquisitions, and real estate capital markets. INDP provides pre-development services, financing and project timing, team assembly, project management and construction management. INDP is a limited liability company.

The last three years financial statements don't exist for the buyer as it is a newly formed Special Purpose entity.

See organizational charts at end of application.

SECTION II – PROJECT DESCRIPTION

2. Indicate property description and attach a map showing the location of the existing and proposed improvements and the legal description.

Le Meridien is an adaptive historic multi-use redevelopment project of the Historic Nueces County Courthouse. Le Meridien will be a 206-room full-service hotel including a two-story restaurant, a junior ballroom and several meeting rooms.

This renovation project will contribute to local initiatives in Corpus Christi including new public policy supporting downtown revitalization, the Harbor Bridge removal and relocation, and new state tax incentives for historic rehabilitation. The renovation of the old Nueces County Courthouse will also support the local efforts to revitalize downtown Corpus Christi in alignment with the Main Street City and Town Square initiatives.

Site plans for this project are included at the end of the application.

SECTION III – OTHER PROJECT INFORMATION

1. Provide an assessment of the proposed project's environmental impact, and any remediation and/or compliance plan associated with the project, which

would have the effect of minimizing the negative impact of the project on the environment.

Upon a thorough inspection, asbestos was detected in various products throughout the Historic Nueces County Courthouse. Appropriate abatement procedures will be used to remediate the hazards.

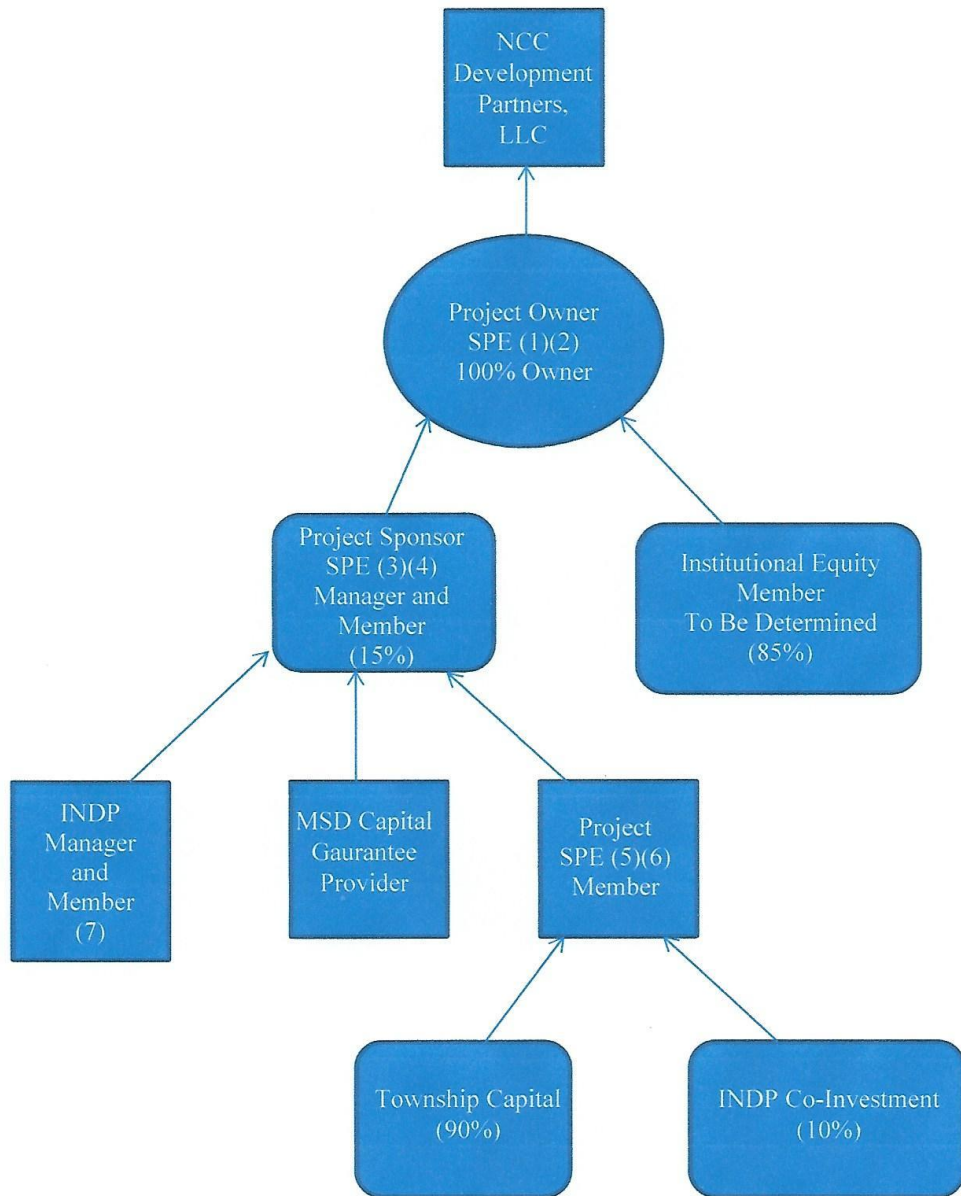
2. Please describe any other State or Federal incentives you are applying for with regard to this project:

This project will draw on state and federal tax incentives, a Texas Historic Courthouse Preservation Project grant, Tax Credit Bridge Financing and an allocation from Nueces County for clean-up.

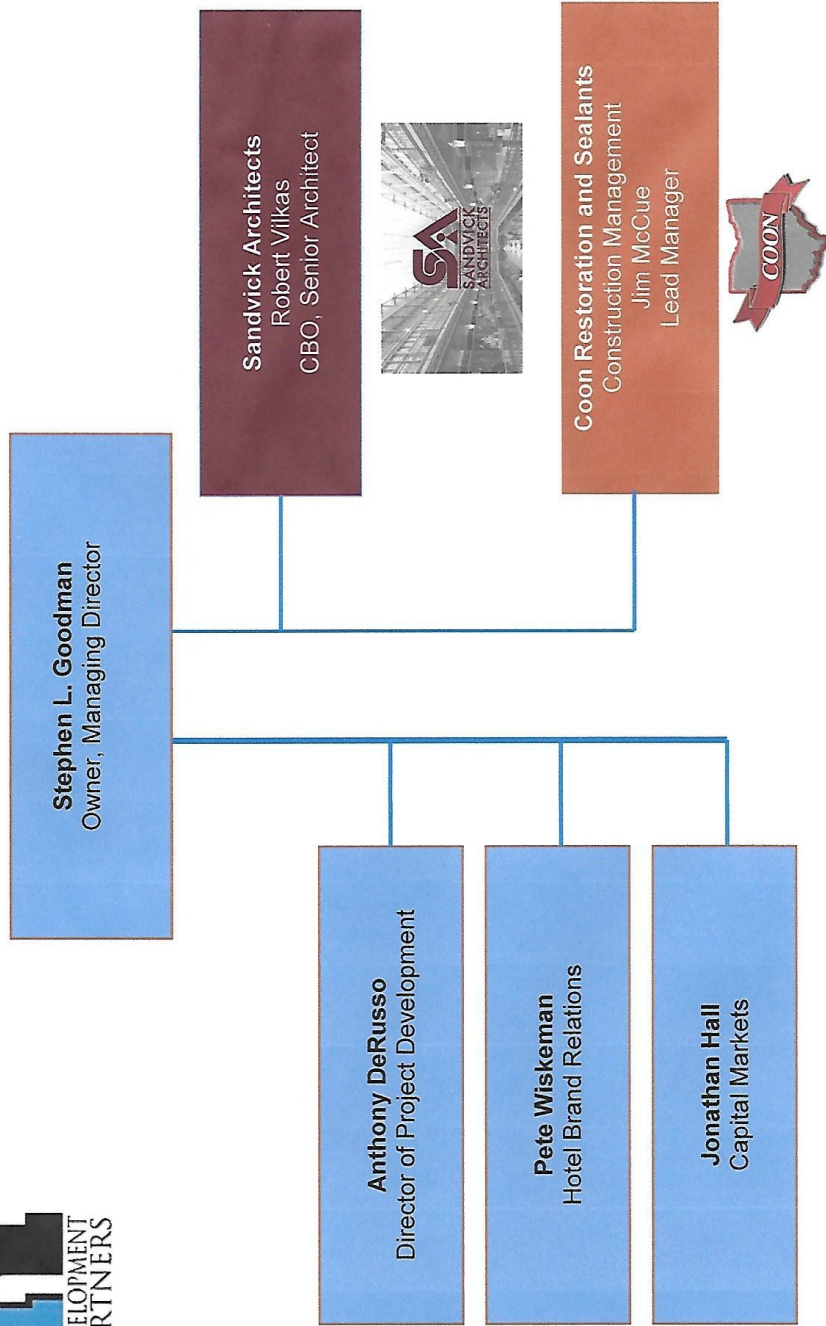
3. Include a letter of authorization for signing authority for the person signing this application.

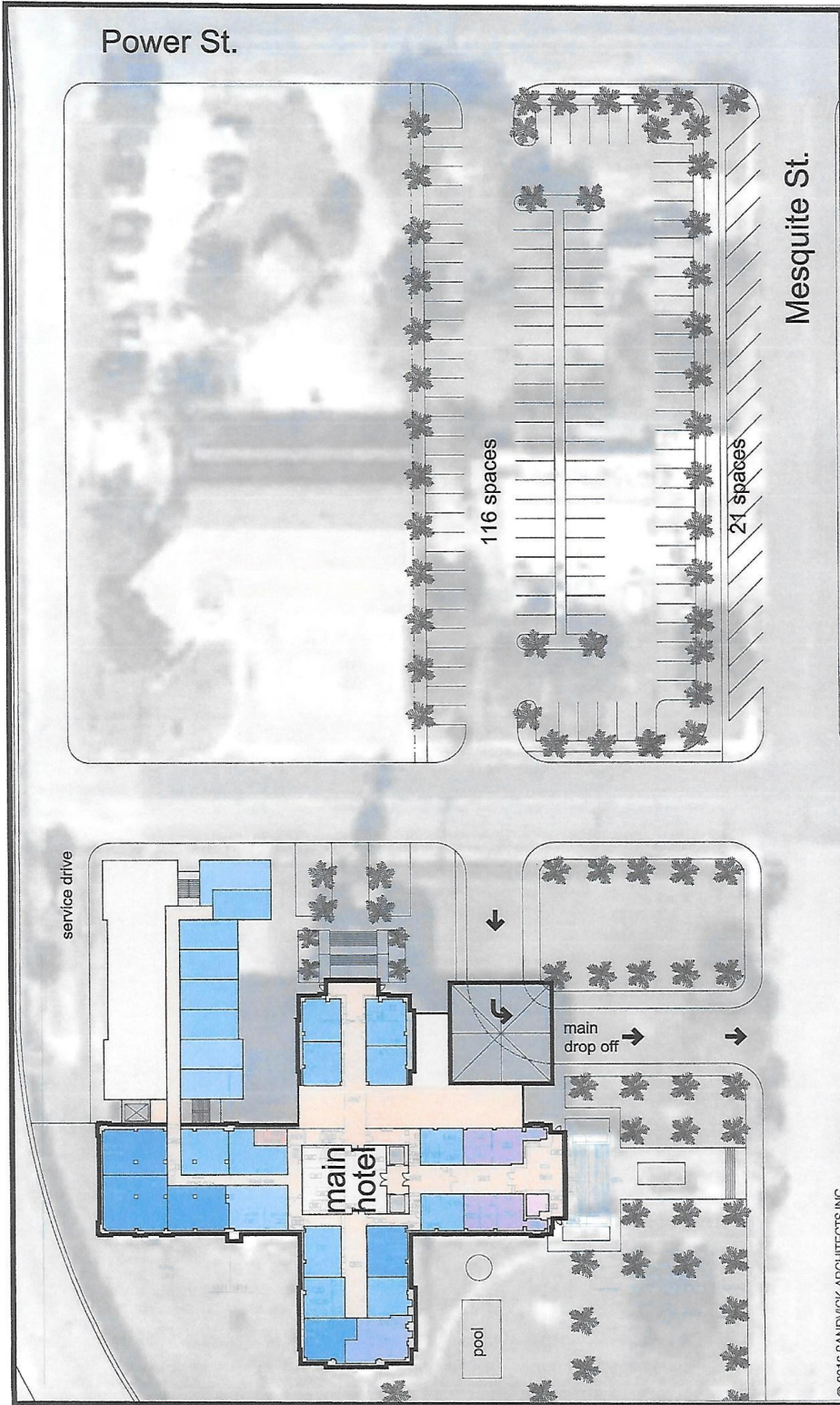
See below

Nueces County Courthouse Development Partners, LLC
Organizational Structure



Nueces County Courthouse Development Partners, LLC
 Organization Chart





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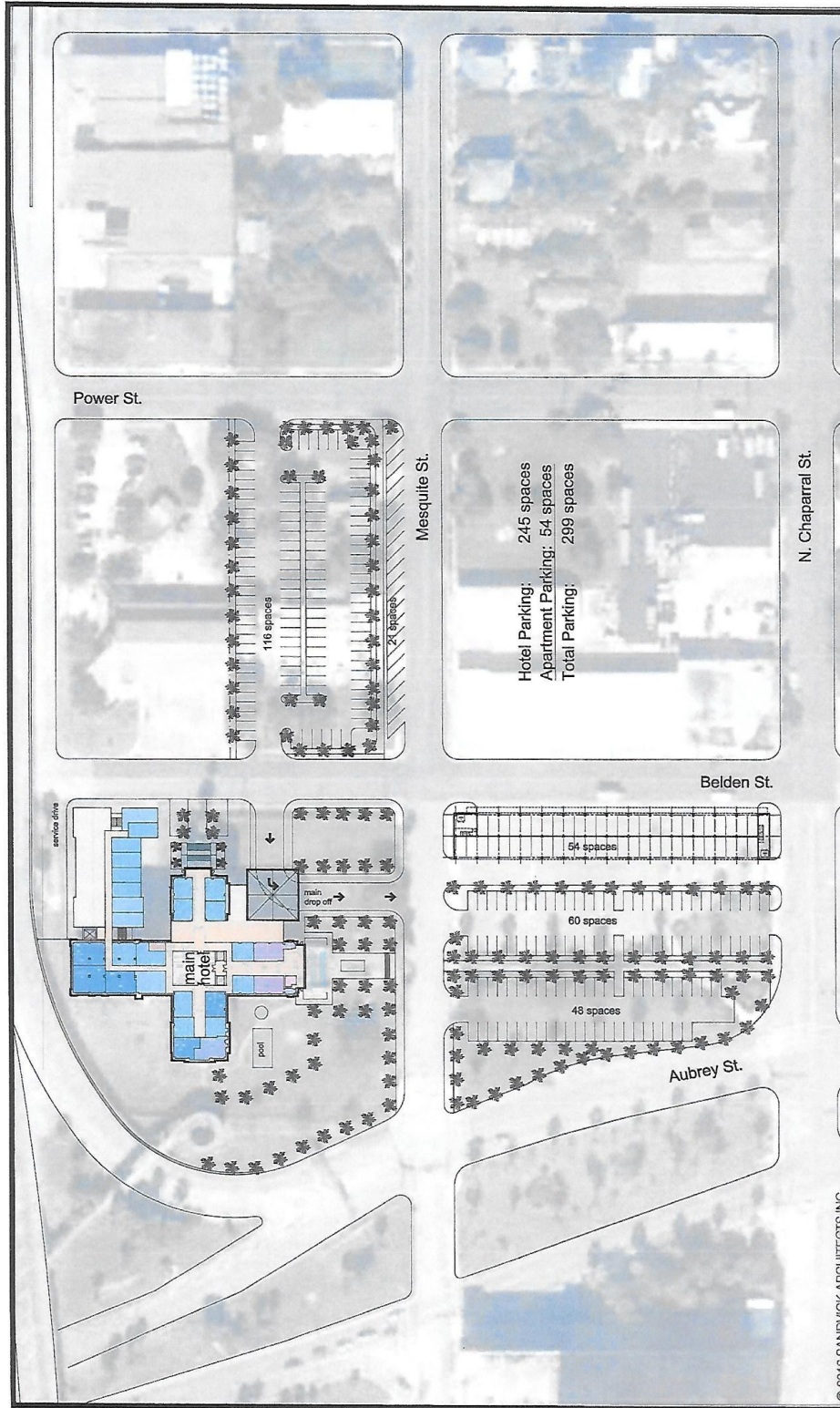
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HISTORIC NUECES COUNTY COURTHOUSE

Corpus Christi, Texas

scale: 1" = 40'

1/11/18



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HISTORIC NUECES COUNTY COURTHOUSE

Corpus Christi, Texas

Scale: 1" = 80'

1/11/18