



AGENDA MEMORANDUM

Corpus Christi Tax Increment Reinvestment Zone #4 Meeting May 06, 2025

DATE: April 29, 2025

TO: President and Honorable Board Members,
Corpus Christi Tax Increment Reinvestment Zone #4

THROUGH: Peter Zanoni, City Manager

FROM: Arturo Marquez, CEcD, Ms. Econ, Director of Economic Development
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<p>Approval of TIRZ #4 Reimbursement Agreement for DoubleTree by Hilton Corpus Christi Beachfront</p>
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CAPTION:

Motion to approve a Development Reimbursement Agreement with South Texas Hospitality LTD for exterior and interior improvements to the hotel located at 3200 E. Surfside Blvd., benefiting the TIRZ #4 zone, in an amount not to exceed \$398,970, with a project completion date on or before December 31, 2026.

SUMMARY:

This motion authorizes a reimbursement agreement with South Texas Hospitality LTD for qualifying improvements at 3200 E. Surfside Blvd (DoubleTree by Hilton Corpus Christi Beachfront). The project includes the conversion of a large vacant and underutilized meeting room into six luxury suites, construction of a new parking lot, and the replacement of 45 balcony doors with hurricane-rated sliding doors.

BACKGROUND AND FINDINGS:

Tax Increment Reinvestment Zone (TIRZ) #4 is dedicated to supporting infrastructure improvements, maintenance, and development incentives that stimulate growth and enhance the quality of life in North Beach. A cornerstone of these efforts is the North Beach Property Improvement Program, which incentivizes private investment in existing facilities.

The DoubleTree by Hilton Corpus Christi Beachfront Hotel, owned and managed by Rick and Jody Patel since 1999, has been a longstanding anchor on North Beach. Initially operating as a Radisson Hotel for two decades, the property underwent a \$5 million renovation in 2020, upgrading the hotel into Hilton's first beachfront hotel on the Texas Gulf Coast. This has resulted in the hotel being recognized as a premier lodging destination, located near high-traffic attractions such as the Texas State Aquarium and the USS Lexington, which together draw more than 500,000 annual visitors.

The current project involves converting a large vacant and underutilized meeting room into six upscale Venetian-style suites, including a presidential suite. The design draws inspiration from luxury resort aesthetics found in destinations such as Las Vegas, aiming to provide guests with a unique and immersive lodging experience. While the standard rooms are approximately 300 SF, the proposed suites will be 480 SF with the Presidential Suite offering a spacious 1,100 SF. These suites will overlook the Corpus Christi Bay with floor to ceiling windows showcasing water views of North Beach, the U.S.S Lexington, and Downtown.

Currently the hotel is at capacity for parking to accommodate for the additional suites, the hotel will construct a new concrete parking lot to increase parking capacity.

Further, the developer is proposed to replace the remaining 45 balcony doors with hurricane-rated sliding doors to enhance safety and durability. The hotel has already invested \$840,000 in 99 balcony door replacements but had to pause due to significant price increases and product delays. Notably, the DoubleTree is one of a select few hotels in Corpus Christi offering private room-access balconies.

The total project cost is \$1,465,900, of which \$1,329,900 are eligible expenses through the TIRZ #4 Property Improvement Program. The proposed incentive is \$398,970. These improvements will elevate the visual appeal, safety, and guest experience at the hotel, contributing to the continued revitalization of the North Beach area.

Staff's reimbursement recommendation aligns with a precedent set by similar projects approved within the past 18 months.

ALTERNATIVES:

The Board could choose not to approve this agreement or make edits to the incentive amount.

FISCAL IMPACT:

The funding source for this project is an amount not to exceed \$398,970 from the TIRZ #4 North Beach Property Improvement Program in fiscal year 2027 and 2028.

Funding Detail:

Fund:	1114
Organization/Activity:	13905
Mission Element:	57
Project # (CIP Only):	N/A
Account:	530000

RECOMMENDATION:

Staff recommends approval of this agreement.

LIST OF SUPPORTING DOCUMENTS:

Agreement
PowerPoint – DoubleTree by Hilton Presentation