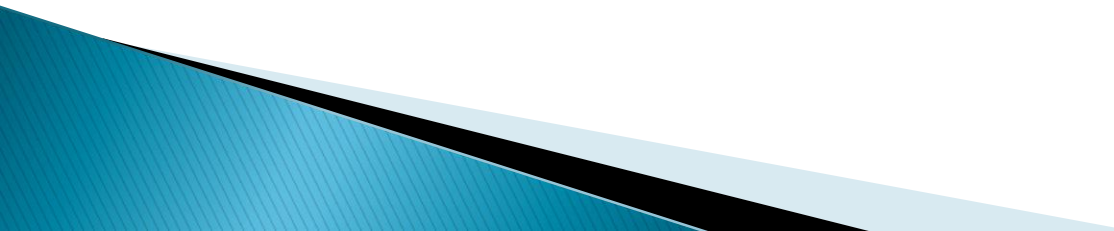


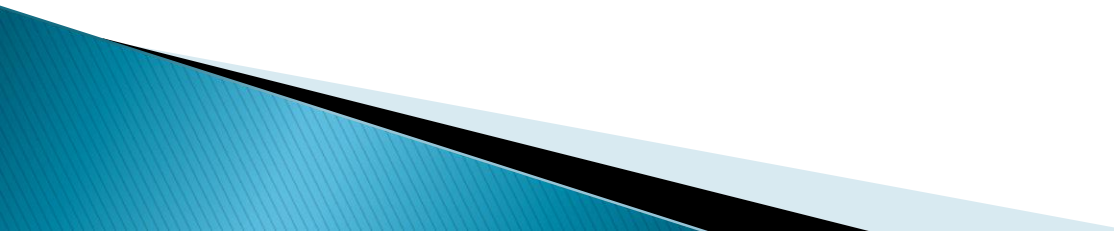
Schlitterbahn Corpus Christi Resort

Performance -Based 380 Agreement
May 8, 2012

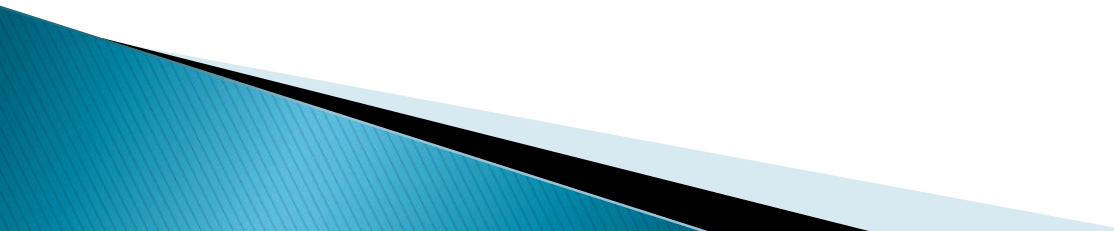
Presentation Overview

1. How does the Project fit into our overall economic development strategy?
 2. What does the public investment look like?
 3. What does our public investment buy?
 4. Just how big is the proposed \$552 million private investment?
 5. What does the Project look like?
 6. What does the 380 Agreement look like?
 7. What are the next steps?
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How does the Schlitterbahn Resort Project fit into our overall economic development strategy?

- ▶ Capitalizing on our unfair advantage – what makes our community unique
 - ▶ Complimenting existing economic segments of our economy
 - ▶ Looking for a win: by attracting projects like Schlitterbahn, we prove Corpus Christi is open for business and ready to compete
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What does the public investment look like?

- ▶ 100% rear-loaded and performance based
 - ▶ Public investment comes from earnings that would not occur without the Project
 - ▶ Because the public investment comes from a share of the revenue produced by and within the boundaries of the Project
 - ▶ So – no project, no revenue, no public investment
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What does the public investment look like?

Public Investment Funding Source	Amount of Public Investment
Type A Grant	\$5,000,000
M & O portion only of Property Tax	\$20,559,959
Waived Development Fees	\$1,400,000
Sales Tax (1%)	\$11,484,359
HOT Fund (7%)	\$77,974,008
Local Construction Tax	\$698,552
Public Investment	\$117,166,878

- Note: Public investment includes a large amount of HOT funds (\$78m or about 67%) that the Project may or may not be able to fully use

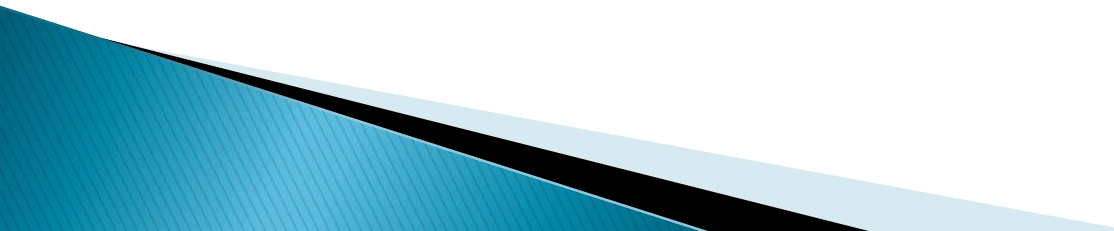
What does the public investment look like?

Incentive	Park District A & B	IslandWalk District	Resort District A	Resort District B	Marina District	Totals
Type A Grant	5,000,000	-	-		-	5,000,000
M&O	4,042,412	5,573,471	3,990,197	-	6,953,879	20,559,959
Development Fees	400,000	1,000,000	-	-	-	1,400,000
Sales Tax	4,935,243	3,525,275	-	-	3,023,840	11,484,359
HOT Fund	19,652,562	19,200,044	24,202,711	-	14,918,691	77,974,008
Cons. Sales Tax	99,914	598,638	-	-	-	698,552
Total	34,130,131	29,897,428	28,192,908	-	24,896,411	117,116,878
Investment	70,872,000	\$ 118,379,700	96,589,000	\$ 90,754,149	\$ 174,641,843	\$ 551,236,691
Percent of Investment	48.16%	25.26%	29.19%	0.00%	14.26%	21.25%
Inside/Outside TIF	Inside	Inside	Outside	Outside	Inside	
Share (M&O Portion)	100%	85%	70%	NA	0%	
Share (Residential M&O Portion)	NA	NA	NA	0%	0%	
Share Sales Tax	100%	85%	70%	0%	70%	
Share HOT Fund	100%	85%	57%	0%	70%	
Share Construction Sales Tax	50%	95%	0%	0%	50%	
Share Construction Sales Tax Residential	NA	NA	NA	0%	NA	

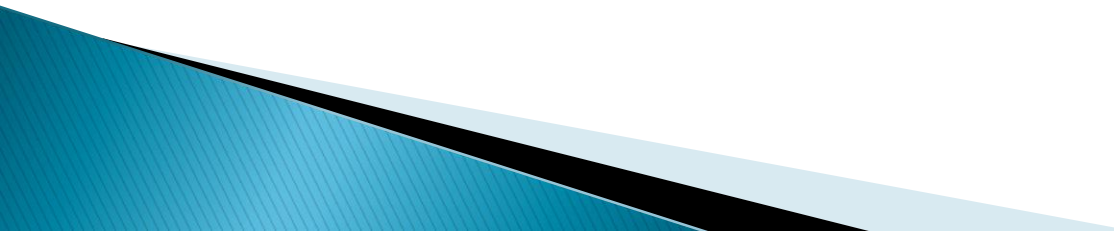
What does our public investment buy?

- ▶ 5 to 1 leverage ratio
- ▶ Produces \$258 million in revenue to all our taxing jurisdictions, such as the Flour Bluff ISD, of which:
 - The City receives over \$80 million (as opposed to \$27,000 annually if property stays a golf course)
 - The Island TRZ receives an additional \$20 million
- ▶ Creates 40 full time jobs and over 300 part time jobs

Just how big is the proposed \$552 million in private investment?

- ▶ Over 4 times larger than the capital investment associated with the Corpus Christi Airport
 - ▶ Almost 3 times larger than the City of Corpus Christi's annual General Fund budget
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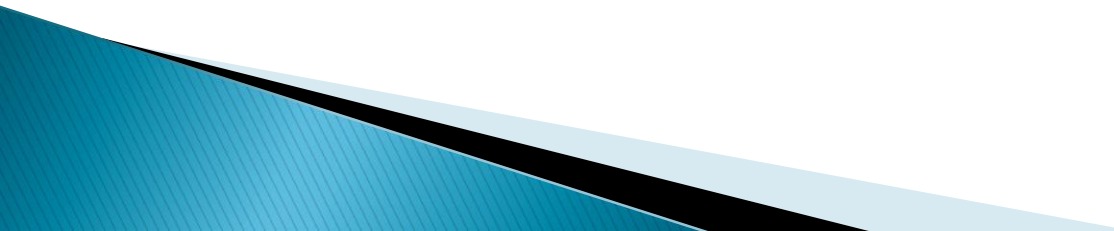
What does the Schlitterbahn Resort Project look like?

- ▶ 574 total acres and 4 distinct development tracts or districts:
 - ▶ Park District A & B
 - ▶ IslandWalk District
 - ▶ Resort District A & B
 - ▶ Marina District
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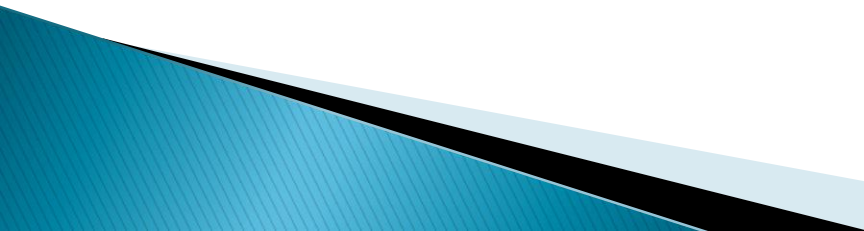
What does the Schlitterbahn Resort Project look like?



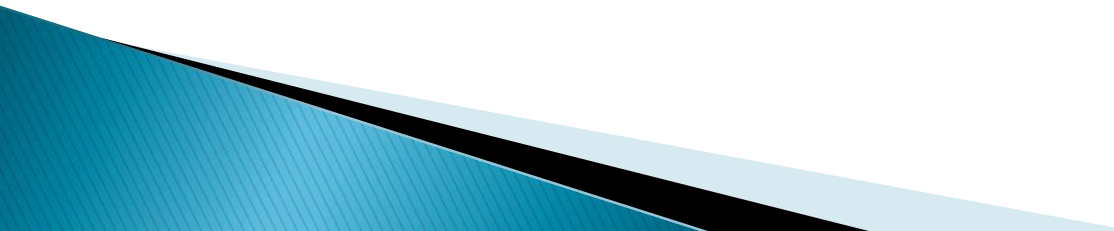
What does the 380 Agreement framework look like?

- ▶ Chapter 380 Agreement
 - ▶ Performance-based
 - ▶ Caps on the maximum public investment by District
 - ▶ 25 year term of agreement
 - ▶ 18 year estimated build out
 - ▶ 574 total project acreage
 - ▶ \$552 million in projected private investment
 - ▶ 40 full time jobs and over 300 part time jobs
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What does the 380 Agreement framework look like?

- ▶ Compliance checks, audit provisions and evidence of Project financing
 - ▶ Annual spending plan and 3rd party legal opinion on expenditure of HOT funds
 - ▶ Waterpark obligations: 9 months to commence and 24 months from commencement to complete, or entire Agreement is void
 - ▶ Good faith efforts for utilization of local contractors and suppliers, as well as DBEs
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What does the 380 Agreement framework look like?

- ▶ Waterpark conditions:
 - Continuous operations
 - Maintaining Schlitterbahn brand and standards
 - Operated under Schlitterbahn control
 - 3,000 simultaneous visitors
 - No waterpark feature above 60 feet
 - No waterpark features taller than a 2-story residence within 400 feet of existing, platted, SF residential lots
 - Penalties for non-compliance
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What does the 380 Agreement framework look like?

- ▶ Obligates Developer to fund the maintenance of public improvements in the project, other than streets and public utilities
- ▶ Reclaimed water agreement

What are the next steps?

- ▶ 5 / 8th
 - Executive Session and Public Discussion
 - Proposed 380 Agreement posted on City website
- ▶ 5 / 15th
 - Type A Grant and 380 Agreement posted as Future Items
- ▶ 5 / 22nd
 - Posted for final approval of Type A Grant and 380 Agreement