

Friday, May 15, 2009

## International Bancshares floats Tiki Island marina

IBC acts as developer, brings in Yacht Clubs for \$25 million project

Houston Business Journal - by [Jennifer Dawson](#)

**MEDIA**



International Bancshares Corp. is doing double duty as lender and developer to build a \$25 million marina on Tiki Island, now that the project's original developer is no longer on board.

IBC-Houston originally loaned money to Tiki Ventures Ltd. for construction of 90 residential condominiums and 150 boat slips on the tiny hamlet just outside of Galveston. But a sinking economy scuttled the deal and the bank took possession of the property late last year. The site is now owned by an IBC subsidiary called Premier Tierra Holdings Inc.

The bank has brought in Yacht Clubs of the Americas to market 400 proposed marina slips as condominiums for boats. The Florida-based operator of upscale marinas launched a marketing effort last week in conjunction with Laredo-based IBC. The partners will not disclose the nature of their business arrangement.

"It's the first time we've developed a project," says Jay Rogers, chairman and CEO of IBC-Houston.

"It's not our business to be in the real estate business but occasionally banks end up with real estate," Rogers says. "Our goal is to add value to it and sell it when it's appropriate."

The appropriate time could be determined by federal banking regulators, according to Paul Stephens, an associate at Carson Medlin Co. investment bankers.

He says IBC may initiate development on the property, but banking officials tend to frown on banks that keep real estate on the books for much longer than a year.

"Regulators don't like to see it," Stephens says. "They're going to eventually get on them to sell it."