



AGENDA MEMORANDUM

First Reading Ordinance for the City Council Meeting of August 18, 2020
Second Reading Ordinance for the City Council Meeting of August 25, 2020

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DATE: July 24, 2020
TO: Peter Zanoni, City Manager
FROM: Mike Culbertson
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**\$250,000 Type B Economic Development Grant for the United Services Organization (USO)
in the amount of \$250,000 for facility improvements**

CAPTION:

Ordinance approving a five-year Business Incentive Agreement between the Corpus Christi B Corporation and the United Service Organization of South Texas ("USO") in the amount of \$250,000 for the creation and retention of jobs and improvements to the facility leased to the USO by the United States Navy, effective upon signature of the City Manager or designee; appropriating funds in the amount of \$250,000 from the Type B Economic Development Fund; and amending the budget.

PURPOSE:

The company is requesting a grant in the amount of \$250,000 for renovations of their building and expanding their services.

BACKGROUND AND FINDINGS:

The USO of South Texas provides services to the military and their families stationed at Naval Air Station (NAS) Corpus Christi, NAS Kingsville, the Coast Guard, and foreign military officers in training. Their current building is in need of repair and renovations. The Navy does not have funds available, but they have allowed the USO to gather the funds needed to do the renovations. The USO has received donations from HEB, the Port of Corpus Christi, the Pat McNeil Foundation, and an Anonymous Foundation. The total cost of the renovations will be \$1,000,000. The USO plans on retaining two full-time and three part-time employees and will create another part-time position after the renovations.

Renovations to the USO spaces in Building 3 will increase the square footage from 2,585 to nearly 7,000. The project will include the renovation of both up and downstairs areas. When completed the new spaces will have 5 each new unisex restrooms, nursing mothers room, 12 person conference room, 30 seat state of art theater which can double as a briefing room for Foreign Dignitaries visiting the Chief of Naval Training, Congressional Delegation or any other VIPs visiting Naval Air Station Corpus. In addition, there will be a game room, children and youth rooms, student pilot library and study, USO Admin offices, expanded food pantry, baby supplies, washer and dryer area, computer lab, reception area, social area and modern kitchen and dining area.

The new kitchen will greatly enhance the ability to provide weekly meals to around 225 personnel located on station while supporting Naval Air Station Kingsville and the Coast Guard at CCIA with weekly meals as well. When finished, the kitchen can serve as a test/demonstration facility for student pilot families and young unwed military personnel. The expansion of the food pantry and baby supplies area will better support personnel who need supplies or in times of government shutdown. Additionally, the fire protection system for the building will be updated to meet life, health and safety codes to protect fulltime employees, volunteers and personnel.

The infrastructure improvements for the USO building promote or develop new and expanding enterprises for the military within the area. This goes a long way in support of the military in our region. The base generates over \$2 billion in economic impact in our city and a BRAC committee would view this support very favorably. The grant to help fund the renovations goes a long way to show our support of the military.

ALTERNATIVES:

The City Council may choose to not approve funding or fund a lesser amount.

FISCAL IMPACT:

This item will use \$250,000 of Type B funds.

Funding Detail:

Fund: 1145
Organization/Activity: 15020
Mission Element:
Project # (CIP Only):
Account: 530000

RECOMMENDATION:

Staff recommends approval of a grant of up to \$250,000 to the USO of South Texas for renovations to their building at NAS Corpus Christi. The Board of Directors of the EDC voted unanimously to recommend approval of this grant at their June meeting and the Type B Corporation Board approved this grant at their July meeting.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
Agreement