



AGENDA MEMORANDUM
City Council Meeting of April 25, 2023

DATE: April 3, 2023
TO: Peter Zaroni, City Manager
FROM: Mike Culbertson, Interim CEO
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Corpus Christi Regional Economic Development Corporation (CCREDC)
Quarterly Update to City Council (First Quarter of Fiscal Year 2023)

OUTSIDE PRESENTER:

<u>Name</u>	<u>Title/Position</u>	<u>Organization</u>
1. Mike Culbertson	Interim CEO	CCREDC

BACKGROUND:

The CCREDC provides quarterly updates to City Council. In accordance with this practice, the CCREDC will update the Council on its activities and the status of the local economy. This presentation covers October – December 2022. Our last presentation was on January 31, 2023.

The Metropolitan Statistical Area (MSA) economy is still growing from a low of 180,200 jobs in February 2021 to 192,700 now. As a reference, 2019, the last normal year, the jobs were 192,400. Gas has started to go up again but not at a fast pace. The Eagle Ford is still not pumping as before. Without a stated policy, there is uncertainty in oil. Investors are hesitant to put more money into drilling if they are not assured a return. The unemployment rate has been coming down but has ticked up in this quarter from 4.5% in December up to 5.1%. The number of jobs went up but the number of people looking for jobs increased more. This can be the result of students graduating and entering the workforce; citizens that are returning to the workforce after COVID; and/or new residents. We have a challenge in trying to increase the Labor Rate Participation. We believe some of this is hidden by the gig economy (i.e., a labor market that relies heavily on temporary and part-time positions). The housing market seems to finally be settling down. Prices are up but only slightly. The inventory time is now up to 2.6 months which is trending toward a more balanced market between buyers and sellers. Inventory is up and although prices jumped in November year-over-year, it is still below last year.

CCREDC is about securing high paying jobs and diversifying our economy. Tesla has announced that they have broken ground on their lithium refinery to the southwest of the City. They will invest \$380 million and create 162 NEW JOBS. This was directly due to our Qualified Sites program where Tesla found the site and they said the process technology program at del Mar College. Previously, the They A Board and the City Council awarded Del Mar \$1.3 million to build out that program. It is still paying dividends. The sales tax collections are up across the MSA from 2022 with the exception of a couple of smaller cities. The EDC is working on 15 major projects that are

valued at \$9.6 billion in capital investment and would possibly create 3,251 quality primary jobs. The EDC is looking for other industries to attract to our region. We are still going through the suggested industries from our Targeted Industry Survey we did in 2020 to look at industries that we can target but also re-shoring opportunities. We are coordinating with partners to push a “sense of place” initiative. Your EDC is delivering value to the City and the region.

LIST OF SUPPORTING DOCUMENTS:

CCREDC City Council Q1 2023 Quarterly Update