



AGENDA MEMORANDUM

Action Item for the City Council Meeting September 12, 2023

DATE: September 12, 2023

TO: Peter Zanoni, City Manager

FROM: Elsy Borgstedte, Assistant Director of Economic Development
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Amendment No. 4 Convention Center Renovation-Expansion & Hotel Study

CAPTION:

Motion authorizing execution of Amendment No. 4 to the professional service agreement with Hunden Strategic Partners, Inc., for \$330,000.00, for a total revised amount not to exceed \$605,300.00, for continuing services regarding the future needs of the American Bank Center, the addition of a conference center hotel, and development of an entertainment district, with FY 2023 funding from the Hotel Occupancy Tax Fund.

SUMMARY:

This motion is to amend the professional services contract with Hunden Strategic Partners (Hunden) in an amount not to exceed \$330,000 for continuing services in relation to the future needs of the American Bank Center, addition of a Conference Center Hotel, and development of an entertainment district. Amendment No. 4 will increase the contract by \$330,000 for a total contract value of \$605,300. The scope of work for amendment #4 will include efforts related to the expansion of the American Bank Center, implementing the mixed-use district master plan, and ongoing funding and financing work.

BACKGROUND AND FINDINGS:

The Bayfront Plaza Convention Center was opened in 1967. The Bayfront Plaza Auditorium was added in 1979 and renamed the Selena Auditorium in 1996. Both underwent renovations in 2002. Renovations were completed in October 2004, at which time the Arena was constructed and opened. The entire facility was renamed the American Bank Center. Since this time there have not been significant improvements to the facilities. In addition to technological advances, the ABC needs strategic improvements to remain relevant in the meetings and convention market.

According to a recent tourism economic impact study completed by Dean Runyan and Associates, the City of Corpus Christi attracts 4.6 million unique visitors per year with a portion of these visitors specifically attending conferences or events at the ABC. The size of the conference space and the lack of a Conference Center Hotel have been cited frequently as a reason for why a group did not hold their event in Corpus Christi.

A study done by Visit Corpus Christi found that the City has lost bids totaling 36,000 room nights with an economic impact of over \$14 million due to issues regarding the ABC and the lack of a connected hotel.

Over the years, the addition of a Conference Center Hotel has been explored but no action has been taken. In October 2021, Johnny Philipello, CEO of the Buccaneer Commission acting as the Chair of Visit Corpus Christi (VCC), lead a task force of select hoteliers, business owners, City staff, and VCC staff to explore the future needs of the ABC and the feasibility of adding a Conference Center Hotel. The task force met several times to discuss the possible projects and decided to move forward with receiving proposals from several firms known to the task force members that perform services in support of this type of project. Two were selected and interviewed by the workgroup. Out of these two, Hunden was chosen as the most qualified with the best relevant experience.

The City engaged Hunden to complete a needs assessment for the ABC and a feasibility study for a Conference Center Hotel. Once this was completed, the contract was amended to include a feasibility and market study for a mixed-use entertainment district, financial modeling, economic impact analysis for surrounding development, continued interviews and work with key stakeholders, site visits, and preliminary design and renderings for the project.

The amendment #4 will include the addition of:

- Services related to the expansion of the American Bank Center
 - Development of project scope
 - Preparation of a preliminary development budget
 - Activities leading up to the selection of a design and construction team
- Services related to implementation of the Mixed-Use District master plan
 - Refining the master plan and developing an approach for delivery
 - Preparation of a preliminary development budget
 - Promotion of the development opportunity
- Services related to the funding and financial work
 - Plan of finance/modeling and coordination
 - Update programming and related modeling
 - PFZ and HOT projections
- Additional site visits

These tasks are anticipated to take place between during September 2023 through December 2023. If the election to expand the use of the Type A Sales Tax is successful in November 2023, the tasks will prepare the City to move forward with the RFP process for the Convention Center renovation and expansion design and continue with other aspects of the project.

ALTERNATIVES:

City Council could choose not to authorize amendment #4 to amend the contract by \$330,000 for a total contract value of \$605,300 for additional work to be completed or could award the contract for an amount less than the amount recommended.

FISCAL IMPACT:

The contract will utilize funds budgeted for Economic Development in the Hotel Occupancy Tax fund totaling \$330,000.00.

FUNDING DETAIL:

Fund:	1030	Hotel Occupancy Tax
Organization/Activity:	15100	Economic Development
Department:	34	Tourism
Account:	530000	Professional Services

RECOMMENDATION:

City staff recommends approval of amendment #4 to Professional Services Agreement 4135 in an amount not to exceed \$330,000 for a total contract value of \$605,300 to continue the efforts for the Convention Center renovation and expansion, a HQ hotel, and a mixed-use entertainment district.

LIST OF SUPPORTING DOCUMENTS:

Amendment No. 4
Fully Executed Professional Service Agreement 4135