



AGENDA MEMORANDUM

Corpus Christi B Corporation Meeting June 19, 2023

DATE: May 31, 2023

TO: President and Honorable Board Members,
Corpus Christi B Corporation

THROUGH: Peter Zanoni, City Manager

FROM: Mike Culbertson
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Amendment for and Extension for New Sports Company LLC Grant

CAPTION:

Motion authorizing an Amendment to the Reimbursement Agreement with New Sports Company LLC., to extend the performance deadline of Phase I from November 30, 2023, to December 31, 2024, and the completion deadline of Phase II from November 30, 2023, to August 31, 2026.

PURPOSE:

The company is requesting an extension of the required dates of completion of construction of Phases I from November 30, 2023, until December 31, 2024, and the completion of Phase II from November 30, 2023, until August 31, 2026. The agreement needs to be extended from the current effective date of October 23, 2025, until August 31, 2026.

BACKGROUND AND FINDINGS:

On September 21, 2020, the Type B Corporation Board voted to approve a grant of \$1,850,000 to New Sports Company LLC to erect soccer fields and a stadium on Old Brownsville Road. The City Council approved the agreement on October 20, 2020, and the agreement was signed and took effect on October 23, 2020. As part of that agreement in Section 3 h. Within 90 days after the Effective Date, which was January 23, 2021, Company had to demonstrate to the satisfaction of the City Manager that Company has full funding for construction of Phase I and Phase II, including all necessary public infrastructure. In January 2021 the company requested an extension of the 90-day requirement to May 21, 2021. The amendment was approved by the Board at the January 11, 2021, meeting. The amendment also changed Section 3. g. Company will complete construction of both Phase I and Phase II on or before November 30, 2023." There was virtually a shutdown in financing large has been delays in getting the Small Business Administration loans due to people working from home and a backlog of requests.

Due to COVID the funding of large meeting venues almost evaporated overnight. No one could have foreseen the impact that COVID had not just on society but also the banking underwriting system and delays in the Small Business Administration underwriting for local bank loans.

These and other economic constraints such as supply chain issues the company has submitted their revised schedule and request for an extension of the completion date for Phase I from November 30, 2023, to December 31, 2024. And an extension of the completion date for Phase II from November 2023 until August 31, 2026. The agreement will need to be extended from October 10, 2025, to August 31, 2026.

ALTERNATIVES:

The Board may choose not to approve the extension or choose a different date.

FINANCIAL IMPACT:

This grant totals \$1,850,000 of the Type B funds. There is \$1,200,000 for the completion of Phase I and \$650,000 for the completion of Phase II and the creation of forty-seven jobs.

Funding Detail:

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

RECOMMENDATION:

Staff recommends approval of an extension of the completion date for Phase I from November 30, 2023, to December 31, 2024. An extension of the completion date for Phase II from November 2023 until August 31, 2026. The agreement will need to be extended from October 10, 2025, to August 31, 2026. This is still a great project for our city and the business circumstances that the company has had to operate in have been quite extraordinary. The grant funds must still be earned, and the requirements must be met before the grant is paid.

LIST OF SUPPORTING DOCUMENTS:

Letter Request
Amendment