



AGENDA MEMORANDUM

One Reading Ordinance for the City Council Meeting of December 12, 2023

DATE: December 5, 2023
TO: Peter Zaroni, City Manager
FROM: Heather Hurlbert, CPA CGFO, Assistant City Manager
Heatherh3@cctexas.com
361-826-3227

South Texas Military Housing, LP – CNATRA Flag Officer Quarters

CAPTION:

Ordinance authorizing the creation of a Corpus Christi B Corporation project, which includes the expenditure up to \$1,000,000.00 for an agreement with South Texas Military Housing, LP for the construction of a Chief of Naval Air Training Flag Officer quarters at Naval Air Station - Corpus Christi; appropriating \$1,000,000 from the unreserved fund balance of the Corpus Christi B Corporation Economic Development fund; and amending the budget.

SUMMARY:

This ordinance authorizes an expenditure up to \$1,000,000.00 from the Corpus Christi B Corporation Economic Development fund for the construction of the Chief of Naval Air Training (“CNATRA”) Flag Officer quarters and facility for the two-star Admiral overseen by the South Texas Military Housing, LP (“STMH”) which is in a public/private venture with the Navy, who renovates, builds, maintains, and manages family housing onboard Naval Air Station - Corpus Christi (“NAS-CC”).

BACKGROUND AND FINDINGS:

On November 13, 2023, the Type B Corporation unanimously voted to support the expenditure of \$1,000,000.00 for the construction of the CNATRA Flag Officer quarters at NAS-CC. On October 12, 2023, with overwhelming support, the CCREDC Board of Directors voted unanimously to recommend this project to the Type B Corporation.

STMH is requesting a grant of up to \$1,000,000.00 from the Type B Corporation. The grant will go towards the construction of the CNATRA quarters and facility. CNATRA is a two-star Admiral who oversees all naval air training; including pilots, naval flight officers (NFO), and Blue Angels, and is headquartered onboard NAS-CC. CNATRA has a staff of 193 military and civilian personnel stationed; the average salary is \$65,000 per year.

After Hurricane Harvey, the Admirals quarters were condemned and there are currently no

existing budget methods to build the CNATRA facility. The construction of the two-story facility is estimated to be \$1,550,000.00; the second story for living quarters and the first floor to host important meetings, special dignitaries, visiting guests and an entertainment venue for the NAS-CC.

City participation has occurred for similar projects across the United States in the past. For example, in support of their military partners the City of Huntsville since 2003 has spent more than \$3,500,000.00 upgrading housing for generals on Redstone Arsenal; one of the houses is more than 4,000-square feet and was earmarked for the general. The size of this unit is because it involves a lot of entertainment of dignitaries and space needed for official functions. Since then, they have funded two more houses and added two major commands. Losing CNATRA could be devastating to the base. The importance of having a flag officer (Admiral) onboard NAS0CC is critical. In eras of austerity, base realignments can happen and when they do it is important that one of the commands be a flag officer. CNATRA has become an advocate for our area. Base Realignment and Closure (BRAC) does not have to occur for cuts to come to our bases.

There are also other participating entities who are pledging funds for the project, The Port of Corpus Christi, City of Kingsville, and Kleberg County.

ALTERNATIVES:

The City Council could choose not to fund this expenditure or could choose to fund at a lesser amount.

FINANCIAL IMPACT:

The financial impact is an amount up to \$1,000,000.00 to be funded with the Type B Economic Development Fund in FY 2024.

Funding Detail:

Fund:	1146	Economic Development Fund
Organization/Activity:	15010	Major Business Projects
Mission Element:	57	Economic Development
Project # (CIP Only):		
Account:	530000	Professional Services Expense

RECOMMENDATION:

Staff recommend approval of the expenditure in the amount up to \$1,000,000.00 to be funded by the Corpus Christi B Corporation in FY 2024.

LIST OF SUPPORTING DOCUMENTS: