



OFFICE OF
**ECONOMIC
DEVELOPMENT**

Designating a Project Financing Zone for Convention Center Complex

City Council Presentation
December 10, 2024



Background

- The Project Financing Zone (PFZ) statute was enacted in 2013 by the Texas Legislature to provide State-funded financial assistance for convention center expansion and renovations in Dallas and Fort Worth.
- On February 28, 2023, City Council members discussed and approved a Resolution seeking legislation that would allow the City to create a PFZ and fund a qualified project.
- During the 88th legislative session, the Texas Legislature approved HB 5012, that allows Corpus Christi to create a PFZ



Project Financing Zone

The PFZ would rebate the incremental growth in revenues from state tax revenues including state Hotel Occupancy Taxes (HOT), sales, and mixed-beverage, generated by hotels within a three-mile radius of the qualified project to the City for thirty years (estimated to be \$70.8 million cumulatively).

The zone's incremental state tax revenues can be used to finance Qualified Project Activities which include:

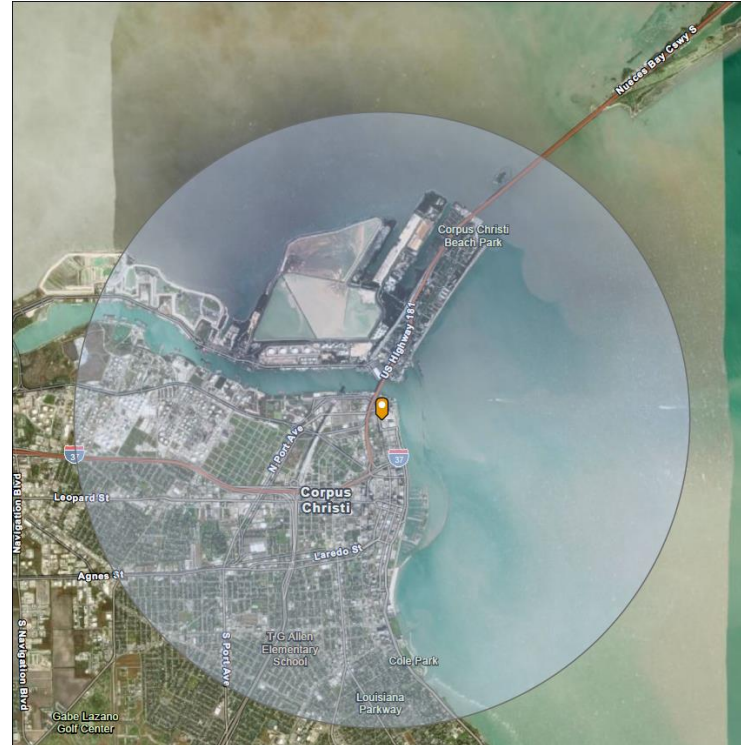
- Costs to acquire or lease;
- Costs to construct, improve, expand, enlarge, renovate, modernize;
- Costs to equip, maintain, and operate;
- Costs associated with the payment of bonds or other obligations

The City's qualified project would include improvements to the Convention Center, the Selena Auditorium, and/or the Arena. The project must commence within five years of the designation of the zone.



3 Mile Radius

- The 3-Mile radius of the American Bank Center Complex (or the qualified project) includes 20 hotels with a total of 2,094 hotel rooms.
- As new hotels are built within the zone, they will be added to the zone.





Preliminary Projections

PFZ Year	Calendar Year	Natural Market Growth				
		Incremental State Revenues			Summary	
		Hotel Occupancy Tax	Mixed Beverage	Sales	Annual Revenue	Cumulative
Year 0	2024	\$ -	\$ -	\$ -	\$ -	\$ -
Year 1	2025	\$ 94,972	\$ 1,775	\$ 3,710	\$ 100,456	\$ 100,456
Year 2	2026	\$ 193,710	\$ 3,620	\$ 7,567	\$ 204,897	\$ 305,353
Year 3	2027	\$ 296,364	\$ 5,538	\$ 11,577	\$ 313,479	\$ 618,832
Year 4	2028	\$ 403,089	\$ 7,533	\$ 15,746	\$ 426,367	\$ 1,045,199
Year 5	2029	\$ 514,046	\$ 9,606	\$ 20,080	\$ 543,732	\$ 1,588,931
Year 6	2030	\$ 629,404	\$ 11,762	\$ 24,586	\$ 665,752	\$ 2,254,682
Year 7	2031	\$ 749,336	\$ 14,003	\$ 29,271	\$ 792,610	\$ 3,047,292
Year 8	2032	\$ 874,025	\$ 16,333	\$ 34,142	\$ 924,500	\$ 3,971,792
Year 9	2033	\$ 1,003,658	\$ 18,756	\$ 39,205	\$ 1,061,619	\$ 5,033,411
Year 10	2034	\$ 1,138,433	\$ 21,274	\$ 44,470	\$ 1,204,177	\$ 6,237,589
Year 11	2035	\$ 1,278,552	\$ 23,893	\$ 49,943	\$ 1,352,388	\$ 7,589,977
Year 12	2036	\$ 1,424,228	\$ 26,615	\$ 55,634	\$ 1,506,477	\$ 9,096,454
Year 13	2037	\$ 1,575,681	\$ 29,446	\$ 61,550	\$ 1,666,677	\$ 10,763,131
Year 14	2038	\$ 1,733,141	\$ 32,388	\$ 67,701	\$ 1,833,230	\$ 12,596,361
Year 15	2039	\$ 1,896,845	\$ 35,447	\$ 74,096	\$ 2,006,388	\$ 14,602,749
Year 16	2040	\$ 2,067,041	\$ 38,628	\$ 80,744	\$ 2,186,413	\$ 16,789,162
Year 17	2041	\$ 2,243,987	\$ 41,935	\$ 87,656	\$ 2,373,577	\$ 19,162,739
Year 18	2042	\$ 2,427,950	\$ 45,372	\$ 94,842	\$ 2,568,164	\$ 21,730,904
Year 19	2043	\$ 2,619,209	\$ 48,946	\$ 102,313	\$ 2,770,468	\$ 24,501,371
Year 20	2044	\$ 2,818,052	\$ 52,662	\$ 110,080	\$ 2,980,795	\$ 27,482,166
Year 21	2045	\$ 3,024,781	\$ 56,526	\$ 118,156	\$ 3,199,462	\$ 30,681,628
Year 22	2046	\$ 3,239,709	\$ 60,542	\$ 126,551	\$ 3,426,802	\$ 34,108,430
Year 23	2047	\$ 3,463,160	\$ 64,718	\$ 135,280	\$ 3,663,157	\$ 37,771,587
Year 24	2048	\$ 3,695,472	\$ 69,059	\$ 144,354	\$ 3,908,886	\$ 41,680,473
Year 25	2049	\$ 3,936,998	\$ 73,573	\$ 153,789	\$ 4,164,359	\$ 45,844,833
Year 26	2050	\$ 4,188,102	\$ 78,265	\$ 163,598	\$ 4,429,964	\$ 50,274,797
Year 27	2051	\$ 4,449,164	\$ 83,144	\$ 173,795	\$ 4,706,103	\$ 54,980,900
Year 28	2052	\$ 4,720,579	\$ 88,216	\$ 184,398	\$ 4,993,192	\$ 59,974,092
Year 29	2053	\$ 5,002,758	\$ 93,489	\$ 195,420	\$ 5,291,667	\$ 65,265,759
Year 30	2054	\$ 5,296,127	\$ 98,971	\$ 206,880	\$ 5,601,978	\$ 70,867,737
Total (2025-2054)		\$ 66,998,570	\$ 1,252,036	\$ 2,617,132	\$ 70,867,737	



Staff Recommendation

Action today

Adoption of this Ordinance to designate a Project Financing Zone for deposit of incremental state hotel-associated tax revenues with a thirty (30) year term for Convention Center Complex Qualified Project activities.

Next steps

City staff will present a Qualified Project recommendation in Spring 2025.



Questions?