



## AGENDA MEMORANDUM

Action Item for the City Council Meeting of October 20, 2020

**DATE:** September 21, 2020  
**TO:** Peter Zaroni, City Manager  
**FROM:** Mike Culbertson  
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### Type B Economic Development Agreement with Next Sports Company LLC

#### **CAPTION:**

Motion approving a five-year Business Incentive Agreement between the Corpus Christi B Corporation and Next Sports Company (“NSC”) in the amount of \$1,850,000 for improvements associated with a sports complex on Old Brownsville Road consisting of eight multi-purpose fields to be used for soccer, lacrosse, field hockey, flag football, and cheerleading for both children and adults; creating and retaining jobs; and requiring NSC within 90 days of executing the agreement to demonstrate that funding has been secured for the project; effective upon signature of the City Manager or designee.

#### **SUMMARY:**

NSC is requesting an incentive through the Corpus Christi B Corporation in the amount of \$1,850,000 for improvements associated with a sports complex to be built on Old Brownsville Road and for the creation of 47 jobs. The Board for the Corpus Christi B Corporation approved this incentive at its September 21, 2020 monthly meeting. The incentive is considered a grant that will not have to be repaid unless milestones outlined in the incentive agreement are not met.

#### **BACKGROUND AND FINDINGS:**

NSC plans to build a sports field complex on Old Brownsville Road between South Padre Island Drive and Cliff Maus Drive. Total project cost is estimated to be \$17,200,00 of which NSC will invest \$15.35 million and \$1.85 million will be a grant received from the Corpus Christi B Corporation on a reimbursement basis. NSC is owned by Dr. Kingsley Okonkwo, a local pediatric physician who is also the owner of the Corpus Christi Football Club known as the Sharks, founded in 2017.

NSC plans to build a new sports field complex on Old Brownsville Road between South Padre Island Drive and Cliff Maus Drive. They will create 47 full-time jobs and up to 50 part-time job and will serve a variety of athletes including local leagues and youth sports travel teams. NSC is affiliated with the United Soccer League (USL). In addition to the

youth leagues, NSC serves several levels of adult soccer play including USL League One (professional) and USL League Two (pre-professional). As the club grows, CCFC will serve the USL Championship league. Currently, Dr. Kingsley owns and operates the Corpus Christi Football Club (CCFC) Youth Academy for children ages eight to 18 and the CCFC Sharks, a USL League Two pre-professional team for adults between 17-26 years of age. Dr. Kingsley has a commitment from the USL organization to add a USL One professional team upon completion of this project. Dr. Kingsley is committed to the Corpus Christi community.

The first stage of the complex will have eight multi-purpose fields that can be used for soccer, lacrosse, field hockey, flag football, and cheerleading for both children and adults. Phase I also includes the parking to accommodate ongoing activities and tournaments. Construction of the majority of the infrastructure and site preparation costs of their facility will be designed and installed during Phase I to be completed by December 2021.

Phase II which includes administrative offices, retail space, and supporting amenities is anticipated to be completed no later than December 2022.

NSC is requesting an incentive of \$1,850,000 from the Corpus Christi B Corporation to be made in two payments. The first payment of \$1,200,000, representing 2/3 of the total incentive, will be released when Phase I has been completed as verified by approval of permit requirements and final inspection by the City of Corpus Christi. Estimated time of completion for Phase I is December 2021. The final 1/3 or \$650,000 will be released upon completion of Phase II to include administrative offices, retail space and supporting amenities as certified by a Certificate of Occupancy issued by the City of Corpus Christi. Estimated time of completion for Phase II is no later than December 2022.

NSC will provide funding to complete this project and has control of the site. The site's current zoning supports this development, and initial work to plat the property has begun. The site is near West Oso Independent School District. NSC will work with the school district on logistics, such as communication regarding events, and identifying opportunities to partner with the district and students. Engaging students of all ages in soccer (which is not currently offered at West Oso) and reaching out to students to fill the part-time positions to grow their workforce skills are two examples.

The Corpus Christi Regional Economic Development Corporation (CCREDC) receives and reviews all Corpus Christi Type B applications. Once an application is vetted by the CCREDC staff, it is taken to their Board of Directors. The CCREDC Board of Directors voted unanimously to recommend approval of this incentive at their August 13, 2020 meeting. The Corpus Christi B Corporation approved the incentive agreement at its September 21, 2020 monthly board meeting. The last step is for the City Council to approve the incentive agreement.

### **ALTERNATIVES:**

The City Council may choose to not approve funding or fund a lesser amount.

### **FISCAL IMPACT:**

This item will use \$1,850,000 of Type B funds on a reimbursement basis and will be paid in two payments. Based on the current schedule, one payment will occur in FY 2022 and the second in FY 2023.

**Funding Detail:**

Fund: 1146 – Type B Fund – Economic Development  
Organization/Activity:  
Mission Element:  
Project # **(CIP Only)**:  
Account: 251850 – Fund Balance

**RECOMMENDATION:**

Staff recommends approval of a grant of up to \$1,850,000 to the Next Sports Company LLC for improvements associated with a sports complex on Old Brownsville Road and the creation and retention of jobs.

**LIST OF SUPPORTING DOCUMENTS:**

Agreement