



## **AGENDA MEMORANDUM**

First Reading at the City Council Meeting of March 26, 2024  
Second Reading at the City Council Meeting of April 09, 2024

**DATE:** March 18, 2024

**TO:** Peter Zaroni, City Manager

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<p><b>Ordinance amending the FY 2024 Capital Budget to add the Art Museum of South Texas HVAC Improvements Project</b></p>
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### **CAPTION:**

Ordinance amending the Capital Improvement Program to add the Art Museum of South Texas HVAC Improvements Project; appropriating \$3,500,000 from the unreserved fund balance in the Seawall Fund; and amending the FY 2024 Operating and Capital Budgets.

### **SUMMARY:**

The Art Museum of South Texas is a city-owned facility with two buildings that currently operate with two separate chiller systems. The Johnson Building uses a chilled water distribution loop system that is linked to the American Bank Center (ABC) chiller system. The Legorreta Building uses a standalone chiller that is approximately 20 years old. This unit recently failed, and it has been determined that it is beyond repair. The museum has procured emergency repairs and rental of equipment to install a temporary chiller to continue operations.

### **BACKGROUND AND FINDINGS:**

The existing chiller system at the ABC is a chilled water distribution loop system that provides chilled water for cooling at the Convention Center, Selena Auditorium, along with three external public facilities: the Art Museum, Science and History Museum, and the Harbor Playhouse. The Facility Conditions Assessment report and the Gap Analysis conducted for the American Bank Center in 2023 identified the need to decouple the external public facilities from the Convention Center chilled water loop system as a critical

project. The three chillers at the ABC are at the end of life and any failures affect not only the ABC but also the other three external facilities.

Separating the three external public facilities from the ABC to operate on independent HVAC chiller equipment will ease the demand on the existing ABC chiller equipment. Additionally, a new system will provide HVAC controls to the external public facilities, including the Art Museum, to allow appropriate building and humidification levels management to safeguard the artwork.

Both the ABC chillers and the stand-alone chillers have undergone several costly repairs, and the equipment is at the end of its useful life. The HVAC system is not operating effectively resulting in the facility having issues controlling the building temperature and humidity levels. The Art Museum HVAC replacement projects are identified in the long-range Capital Improvement Plan Budget for 2028 to 2030 but due to the continued failure of the systems staff recommends the timeline be accelerated. The preliminary cost to decouple the system from the ABC and install new HVAC improvements to service the whole Art Museum including emergency temporary repairs and allowance for the rental of a temporary chiller is \$3.5 million.

The Engineering Department is working on the emergency task for Facility Conditions Assessment to prepare a list of long lead equipment. The estimated lead time for the required chillers, air handlers, and equipment is approximately 6-12 months.

Below are the preliminary major projects identified:

#### Legorreta Building

- Replace Chiller
- Cooling Tower
- (4) pumps
- Mech Piping
- (6) indoor air handlers
- (2) fan coil units
- outdoor air handling unit, and ducting

#### Johnson Building

- Remove from the central chiller plant at the American Bank Center
- Replacement of all (10) roof mezzanine air handling units and connection piping
- Improvements to the HVAC system and install building controls.
- Enhance mechanical rooms for new equipment.

During the March 18, 2024, Corpus Christi Business and Job Development Corporation Type A Board meeting, the board approved the request for \$3,500,000 in HVAC Improvements for repairs at the city owned facility housing the Art Museum of South Texas and is recommending funding be the appropriated from the Seawall Fund balance for the project.

#### **ALTERNATIVES:**

The alternative would be to keep the project in the long-range Capital Improvement Plan until fiscal year 2029 and continue to rent chiller equipment to provide cool air to the

museum. The cost to rent the chiller for the next five years is approximately \$900,000.

**FISCAL IMPACT:**

The fiscal impact in FY 2024 is \$3,500,000 from the Seawall Fund reserves.

**Funding Detail:**

Fund:	1120 - Seawall Improvement Fund
Organization/Activity:	60195 – Transfer to Seawall CIP
Department:	57 – Economic Development
Account:	548500 – Operating transfers out
Project # (CIP Only):	24036 - Art Museum HVAC Systems Improvements
Amount:	\$3,500,000

**RECOMMENDATION:**

Staff recommends approval.

**LIST OF SUPPORTING DOCUMENTS:**

Ordinance  
Location Map  
Presentation