



AGENDA MEMORANDUM

One-Reading Ordinance for the City Council Meeting May 23, 2023

DATE: May 15, 2023

TO: Peter Zaroni, City Manager

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FY2023 Budget Appropriation

Urgent Mechanical Improvements and Exterior Capital Improvements at the American Bank Center Arena, Convention Center, and Selena Auditorium

CAPTION:

One-Reading Ordinance appropriating \$6,500,000.00 from the unreserved fund balance of the Type A Arena Fund; transferring such funds to the Arena Capital Improvement Fund for urgent mechanical improvements at the Arena and for capital improvements and enhancement of the Arena; transferring \$1,911,000.00 from the HOT Fund to the Convention Center Capital Improvement Fund for urgent mechanical improvements at the Selena Auditorium and for capital improvements and enhancement of the Convention Center and Selena Auditorium; and amending the FY 2023 Operating and Capital Improvement Budgets

SUMMARY:

This ordinance authorizes the appropriation of funding from the Type A Arena Fund in FY 2023 to design and construct urgent mechanical improvements and capital improvements at the American Bank Center (ABC). The improvements at the ABC will restore deferred maintenance items in urgent condition to normal condition. Improvements include replacement of the existing 1,000-ton Chillers #1 and #2 in urgent condition, Arena dehumidification system improvements, building envelope leaks in the Arena, replacement and improvements of the existing stage pit lift in the Selena Auditorium, replacement of the exterior loading dock doors at the Selena Auditorium, and construction rehabilitation of damaged landscaping for erosion control and building structural support, new irrigation system, installation of new lighting, creation of concrete retaining walls, installation of bollards along Shoreline Road for the Arena, Convention Center, and new outdoor shaded seating in the Selena Auditorium East side facing the bay.

BACKGROUND AND FINDINGS:

The American Bank Center (ABC) comprises three facilities; the Selena Auditorium, which was built around 1975, the Convention Center built in 1979, and the multi-use Arena built in 2004. The Selena Auditorium and the Convention Center received extensive remodels in 2004.

The ABC is one of the top destinations in Corpus Christi with over 900,000 visitors per year. The Arena is home to the Corpus Christi Ice Rays ice hockey team and the Texas A&M University Islanders basketball team. The Convention Center and Selena Auditorium hosts multiple conferences and shows throughout the year. Additionally, the Arena hosts numerous concerts, and special events such as high school graduations, WWE SmackDown, Disney on Ice, and Buc Days.

The City of Corpus Christi engaged ME Engineering, under an emergency declaration, to provide a Facility Conditions Assessment of the American Bank Center. The January 2023 report results include a comprehensive assessment of the deferred maintenance scope of the entire ABC complex. Through the ME Engineering report and maintenance staff assessments by the facility operator, OVG360, some items have been deemed urgent. Amongst these are two chillers and related systems for the air conditioning in the Arena, the dehumidification system in the Arena, the Selena Stage Pit Lift, and building envelope leaks affecting critical operations. Total estimated cost of these projects is \$6,181,000.

The landscaping, irrigation system, and infrastructure need improvements due to aging of and poor upkeep. The historic freeze of 2021 precipitated the need for a complete upgrade including the reevaluation of the plant species. Losing the landscaping and irrigation has caused the ground around the arena to lose some of its moisture content, which in turn has caused slabs to become unstable and settle in some areas accessing the main Arena entrance.

The landscaping will improve the curb appeal of the ABC surroundings to provide a welcoming atmosphere for the community and traveling public. The comprehensive landscaping improvement plan will include new planters and retaining walls highlighting the main Arena entrance on Resaca Street. The modern irrigation system will use localized irrigation techniques for water savings and will assist the landscaping in retaining the moisture levels around the building for structural support. The new landscaping will not only promote a healthy, relaxed environment but will include improved lighting for visitors to be and feel safe at night. The native and xeriscape plant and tree selections by local experts will adorn the North Shoreline medians, areas surrounding the Convention Center/Selena Auditorium on the East side facing the bay, on the West side facing the Harbor Playhouse, and the Water Garden, and a stepped design along the southern portions of the Arena. Total estimated cost of this project is \$2,230,000.

From:	To:	Amount:
Type A Arena Sales Tax Fund 1130-34-60165 Acct 548500	Arena Capital Improvement Fund	\$6,500,000
HOT Fund 1030-34-13606 Acct 548500	Convention Center Capital Improvement Fund	\$1,911,000
Total:		\$8,411,000

ALTERNATIVES:

The alternative is to reject the request for funding. This will result in the continued deterioration of the urgent scope items and may cause the urgent condition to become an emergency.

FISCAL IMPACT:

The fiscal impact in FY 2023 is an amount of \$6,500,000.00 from the Type A Arena Sales Tax Fund and \$1,911,000.00 from the HOT Funds. The \$6,500,000.00 will be appropriated to the Type A Arena fund and transferred to the Arena Capital Fund and \$1,911,000.00 will be transferred to Convention Center Capital Fund.

Funding Detail:

Funds will be appropriated to Type A - Arena fund 1130-34-60165 and transferred from the Type A - Arena fund to Arena Capital Fund as well as transferring HOT Funds 1030-34-13606 to Convention Center Capital Fund.

Fund: Fund 3274 Arena Capital Fund
Organization/Activity: 23195
Department: 57 Economic Development
Project # **(CIP Only)**: 23195 Arena Urgent Mechanical Improvements
Amount: \$5,200,000.00

Fund: Fund 3180 Convention Center Capital Fund
Organization/Activity: 23199
Department: 57 Economic Development
Project # **(CIP Only)**: 23199 Convention Center Urgent Mechanical Improvements
Amount: \$981,000.00

Fund: Fund 3274 Arena Capital Fund
Organization/Activity: 23197
Department: 57 Economic Development
Project # **(CIP Only)**: 23197 Arena/Convention Center/ Selena Auditorium
Landscaping
Amount: \$1,300,000.00

Fund: Fund 3180 Convention Center Capital Fund
Organization/Activity: 23197
Department: 57 Economic Development
Project # **(CIP Only)**: 23197 Arena/Convention Center/ Selena Auditorium
Landscaping
Amount: \$930,000.00

RECOMMENDATION:

On May 15, 2023, the Corpus Christi Business and Job Development Corporation approved the request for funding in the amount of \$6,500,000 from the Type A Arena Sales Tax.

Staff recommends authorizing the request for appropriation in the amount of \$6,500,000 from the unreserved fund balance of the Type A Arena Sales Tax Fund and transferring said funds in addition to \$1,911,000 from the HOT Fund to support the Urgent Mechanical and Capital Improvements at the American Bank Center Arena, Convention Center, and the Selena Auditorium.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
Presentation