



AGENDA MEMORANDUM

One-Reading Action Item for the City Council Meeting of January 17, 2017

DATE: January 9, 2017
TO: Margie C. Rose, City Manager
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RESOLUTION

Supporting the economic development efforts of the Corpus Christi Regional Economic Development Corporation, the Port of Corpus Christi and other community partners to attract new businesses and industry to the Coastal Bend.

CAPTION:

Resolution expressing the full support and continued cooperation for the partnerships, incentives, investments, and job-creating strategies which will diversify the Coastal Bend economy, sustain the economic engines driving these communities, protect and enhance the quality of life and environment, instill community pride and solidarity of spirit and achieve career goals through expansion of academic and job opportunities.

PURPOSE:

Provide the Corpus Christi Regional Economic Development Corporation, the Port of Corpus Christi, and other partners in economic development activities a resolution of support for the projects it is pursuing, including the ExxonMobil and Saudi Arabia Basic Industries Corporation (SABIC) proposed \$10 billion plastics and Ethylene Glycol manufacturing facility at Farm to Market Road 2986 and U.S. Highway 181, located within the extraterritorial jurisdiction (ETJ) of the City of Corpus Christi (City).

BACKGROUND AND FINDINGS:

The City of Corpus Christi promotes long-term growth and prosperity for residents and businesses in the City and the surrounding region. In order to encourage long-term growth and prosperity, the City dedicates resources to achieving the following objectives:

- Improve the Quality of Life of Our Residents
- Diversify the City's Economy
- Increase Business Recruitment and Retention
- Attract Talent and Develop Our Workforce

ExxonMobil announced that a site in the Corpus Christi ETJ was on the company's short list for a \$10 billion project ethylene glycol manufacturing facility. This project would be a milestone in the region's development as a legitimate industrial cluster. Since the opening of the Port of

Corpus Christi in 1926, the industrial and manufacturing businesses that rely upon access to a port have employed countless Coastal Bend residents and supported countless families. These businesses (mining, logging and construction, manufacturing and trade, transportation and utilities) currently employ 35 percent of the Coastal Bend region.

Local economic development theory explains that various industries prefer to invest where similar operations have been successful and support infrastructure exists – creating clusters. Communities develop in a way that supports a specific type of economic activity with high education levels, high median incomes and exemplary quality of life.

Therefore, the support for industrial development is based on strengths and weaknesses of the local economy. For the Coastal Bend economy to grow, it is essential that community leaders recognize and seize opportunities to advance the region realistically. In the past 30 years, locally-grown HEB, Whataburger and Stripes have left the Coastal Bend to headquarter clusters in San Antonio and Dallas. An investment of this scale by Exxon Mobil, the number two company on the Fortune 500 list would not only legitimize the Coastal Bend’s competitiveness as a cluster, but would accelerate the region’s ability to diversify by increasing wages and educational levels throughout the region.

Opposition from residents in Portland weakens the competitiveness of the Coastal Bend proposal. To improve the chances of Exxon and SABIC selecting the site within the City’s ETJ, the City should publicly express its support for this project and other economic development projects to create jobs and diversify the economy.

ALTERNATIVES:

The Council can choose to:

1. Adopt the resolution.
2. Not adopt the resolution.
3. Make revisions to the resolution.

OTHER CONSIDERATIONS:

CONFORMITY TO CITY POLICY:

n/a

EMERGENCY / NON-EMERGENCY:

Non-emergency

DEPARTMENTAL CLEARANCES:

n/a

FINANCIAL IMPACT:

Operating Revenue Capital Not applicable

Fiscal Year: 2016-2017	Current Year	Future Years	TOTALS
Line Item Budget			
Encumbered / Expended Amount			

This item			
BALANCE			

Fund(s):

Comments: None

RECOMMENDATION:

Staff recommends adoption of the resolution.

LIST OF SUPPORTING DOCUMENTS:

Resolution
Presentation