



AGENDA MEMORANDUM

Action Item for the City Council Meeting June 14, 2022

DATE: June 14, 2022

TO: Peter Zanoni, City Manager

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Amendment No. 1 Convention Center Renovation-Expansion & Hotel Study

CAPTION:

Motion authorizing execution of an amendment to the professional services agreement with Hunden Strategic Partners, Inc., for Convention Center renovation, expansion, and hotel study in the amount of \$85,000.00 for an amended total of \$176,000.00.

SUMMARY:

This motion is requesting to amend the initial contract with Hunden Strategic Partners (Hunden) that established an amount to not exceed \$91,000 for services to determine the future needs of the American Bank Center and the feasibility of a Conference Center Hotel. Amendment No. 1 to Professional Service Agreement 4135 will increase the compensation payable by \$85,000.00 for additional work to be completed by Hunden increasing the agreement value to \$176,000.00. The Scope of Work of Amendment No.1 would include completing a mixed-use entertainment district market and financial feasibility study, a financial modeling, and economic fiscal impact analysis for the development of available City-owned parcels (Project) surrounding the American Bank Center (ABC) campus in Corpus Christi, Texas. City staff will bring future agenda items to the City Council as needed.

BACKGROUND AND FINDINGS:

The Bayfront Plaza Convention Center was opened in 1967. The Bayfront Plaza Auditorium was added in 1979 and renamed the Selena Auditorium in 1996. Both underwent renovations in 2002. Renovations were completed in October 2004, at which time the Arena was constructed and opened. The entire facility was renamed the American Bank Center. Since this time there have not been significant improvements to the facilities. In addition to technological advances, the ABC needs strategic improvements to remain relevant in the meetings and convention market.

According to a recent tourism economic impact study completed by Dean Runyan and Associates, the City of Corpus Christi attracts 4.6 million unique visitors per year with a portion of these visitors specifically attending conferences or events at the ABC. The size of the conference space and the lack of a Conference Center Hotel have been sighted frequently as a reason for why a group did not hold their event in Corpus Christi.

A study done by Visit Corpus Christi found that the City has lost bids totaling 36,000 room nights with an economic impact of over \$14 million due to issues regarding the ABC and the lack of a connected hotel.

Over the years, the addition of a Conference Center Hotel has been explored but no action has been taken. In October 2021, Johnny Philipello, CEO of the Buccaneer Commission acting as the Chair of Visit Corpus Christi (VCC), lead a task force of select hoteliers, business owners, City staff, and VCC staff to explore the future needs of the ABC and the feasibility of adding a Conference Center Hotel. The task force met several times to discuss the possible projects and decided to move forward with receiving proposals from several firms known to the task force members that perform services in support of this type of project. Two were selected and interviewed by the workgroup. Out of these two, Hunden was chosen as the most qualified with the best relevant experience.

The initial task will be a needs assessment of the ABC and a feasibility study for a Conference Center Hotel with added scope in this amendment to get the highest and best use entertainment district market demand study utilizing city owned properties surrounding the ABC complex. The outcome of these studies will determine the next steps, if any, and if additional services offered by Hunden will be utilized.

Once the needs assessment and feasibility study are completed, the task force will review the outcome of the feasibility study and make a recommendation to City staff on next steps. City staff will brief City Council and will bring forward a recommendation for the next steps in the process.

ALTERNATIVES:

City Council could choose not to authorize Amendment No. 1 to increase the compensation payable by \$85,000.00 for additional work to be completed or could award the contract for an amount less than the amount recommended.

FISCAL IMPACT:

The contract will utilize funds budgeted for economic development in the Hotel Occupancy Tax fund totaling \$85,000.00.

FUNDING DETAIL:

Fund:	1030 Hotel Occupancy Tax
Organization/Activity:	15100 Economic Development
Mission Element:	734
Project # (CIP Only):	
Account:	530000 Professional Services

RECOMMENDATION:

City staff recommends approval of Amendment No. 1 to Professional Services Agreement 4135 to not exceed the amount of \$85,000 to begin the process for the mixed-use entertainment district market and financial feasibility study, and economic/fiscal impact analysis for the development of available City-owned parcels (Project) surrounding the American Bank Center.

LIST OF SUPPORTING DOCUMENTS:

Amendment No. 1
Fully Executed Professional Service Agreement 4135