



Corpus Christi
REGIONAL ECONOMIC
DEVELOPMENT CORPORATION

November 10, 2015

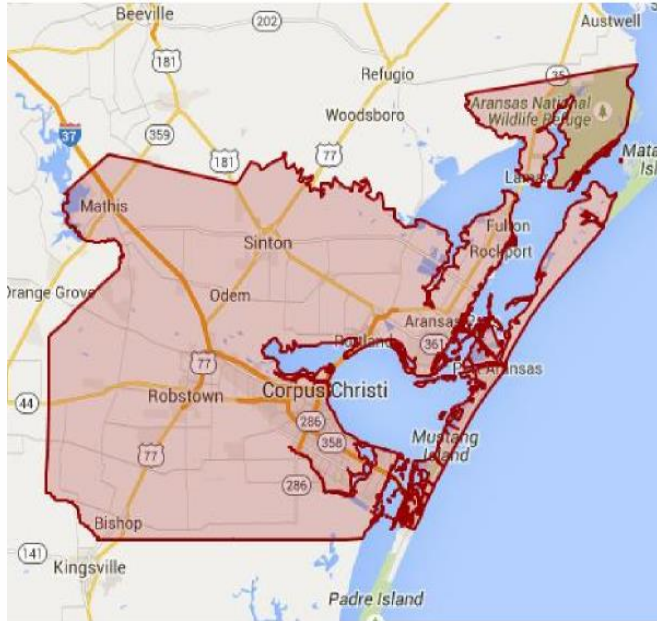
Economic Update

Iain Vasey

The Coastal Bend Region CCREDC Service Area



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MSA (Counties)

Aransas, San Patricio, Nueces

Corpus Christi MSA

Population:	448,108
Total Jobs:	198,000
Unemployment:	5.1%
5 Year Job Growth	11%
Total Wages	\$10B
5 Yr Total Wage Increase:	\$2B
Average Salary	\$47,800

Corpus Christi MSA Employment by Sector



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Employment by Sector for Selected Month/Corpus Christi MSA	Sep 15	Aug 15	Sep 14	Sep 13	Sep 12	Sep 11
Total Nonagricultural	198,600	196,500	195,700	187,600	184,700	178,800
Mining, Logging, & Const.	27,600	27,100	26,400	24,000	22,700	20,600
Manufacturing	9,800	9,700	9,900	9,700	9,900	9,600
Trade, Transportation and Utilities	36,200	35,900	35,700	33,800	32,400	31,100
Information	2,100	2,100	2,100	2,000	2,000	2,000
Financial Activities	8,600	8,600	8,500	7,900	7,600	7,500
Professional and Business Services	15,800	15,700	16,500	15,400	15,300	15,000
Educational and Health Services	30,800	30,600	29,800	29,600	30,500	31,500
Leisure and Hospitality	26,600	27,100	25,700	24,400	23,500	21,600
Other Services	8,300	8,400	8,300	7,800	7,800	7,100
Government	32,800	31,300	32,800	33,000	33,000	32,800

Source: Texas Workforce Commission

EDC Goals and Results



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- 1,000+ Direct New “Economic Driver” Jobs Annually - **1,109 YTD**
- Overall New Direct Payroll: **\$77.9 M - YTD** (\$70.2k avg.)
- \$1.0 Billion Capital Expenditures (“CapEx”) **\$15.44 B - YTD**
- 150+BRE Visits/Company Interviews & semi-annual BRE reports **121 - YTD**
- Recognition in National EDC Rankings/Best Places:
 - *Business Facilities Top 10 Export Cities*
 - *Wallethub.com - 27th Fastest Growing City in the nation,*
 - *Caller.com - 9th in the nation for exports*

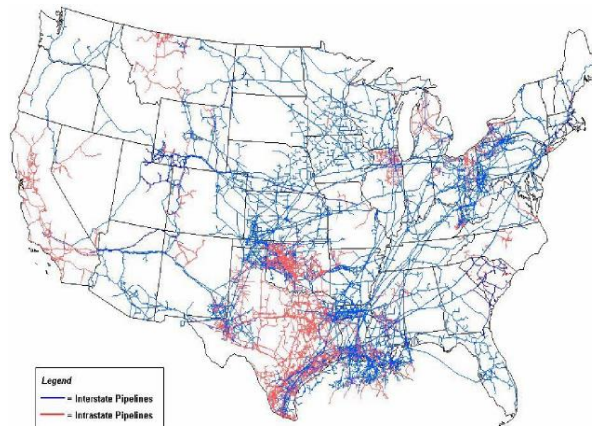
Adler-Montcalm		QSR Online		Tex-Isle	
Castleton	Oxy Petroleum	Cheniere	Gravity Mid-Steam		
C.C. Cold Storage	Govind	OxyChem	Cameron		

Energy Sector Information



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- \$300+ Billion in announced Industrial Projects along Gulf Coast since 2010
- Texas:
 - Natural Gas Production: 8,000 Trillion BTU's annually
 - Crude Oil: 4,000 Trillion BTU's annually
- 27 Petroleum Refineries in TX
- 29% of US Refining Capacity
- TX Electricity primarily comes from Natural Gas (18,000 GW/month, compared to Coal 7,400 GW/month)
- TX uses 4 Trillion BTU's from Natural Gas/year
- TX leads US in wind energy (12,000 MW production capacity)



Source: Energy Information Administration, Office of Oil & Gas, Natural Gas Division, Gas Transportation Information System

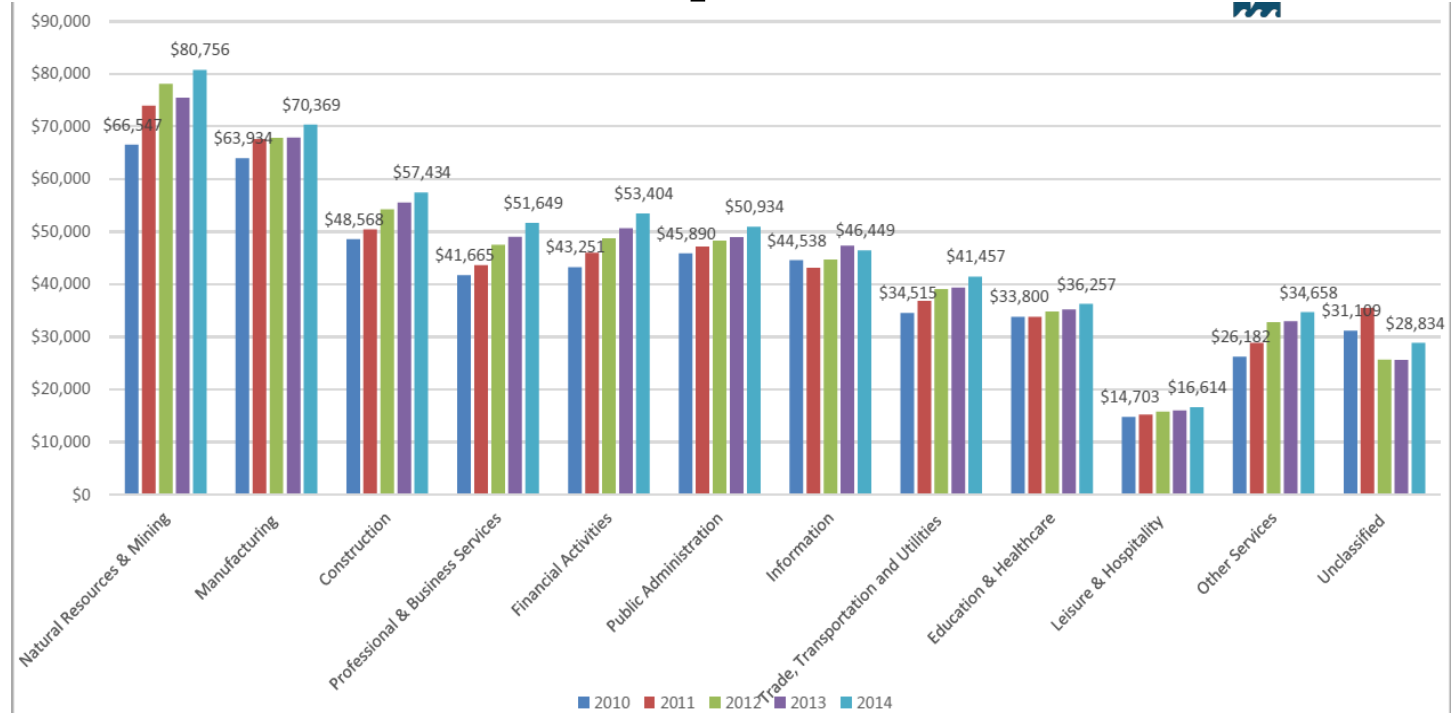
Average Annual Wages

(based on Average Weekly Wages by Industry)



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2010-2015 Corpus Christi MSA





Coastal Bend Workforce Area

Area	Area Type	Latest Monthly Data September 2015						Previous Monthly Data August 2015				Year Ago September 2014			
		Labor Force	Employment	Unemployment	Rate	M+	Y+	Labor Force	Employment	Unemployment	Rate	Labor Force	Employment	Unemployment	Rate
United States	Nation	156,715,000	148,800,000	7,915,000	5.1	0.0	-0.8	157,065,000	149,036,000	8,029,000	5.1	155,845,000	146,607,000	9,237,000	5.9
Texas	State	13,010,043	12,465,308	544,735	4.2	0.1	-0.6	13,012,389	12,474,419	537,970	4.1	13,131,438	12,501,664	629,774	4.8
Corpus Christi	MSA	211,240	200,650	10,590	5.0	0.0	0.1	209,574	199,001	10,573	5.0	212,946	202,469	10,477	4.9
Coastal Bend	WDA	278,529	263,542	14,987	5.4	0.0	0.5	276,379	261,348	15,031	5.4	279,261	265,513	13,748	4.9
Aransas	County	10,119	9,617	502	5.0	0.1	-0.2	10,019	9,527	492	4.9	10,269	9,737	532	5.2
Bee	County	10,759	10,109	650	6.0	-0.3	0.5	10,683	10,007	676	6.3	11,030	10,422	608	5.5
Brooks	County	2,734	2,452	282	10.3	-1.0	3.2	2,753	2,443	310	11.3	2,649	2,461	188	7.1
Duval	County	5,829	5,363	466	8.0	0.6	2.7	5,741	5,314	427	7.4	5,655	5,355	300	5.3
Jim Wells	County	20,919	19,228	1,691	8.1	0.0	3.2	20,883	19,186	1,697	8.1	20,156	19,174	982	4.9
Kenedy	County	362	354	8	2.2	-0.1	-0.5	354	346	8	2.3	339	330	9	2.7
Kleberg	County	15,106	14,251	855	5.7	-0.4	0.5	14,868	13,966	902	6.1	15,376	14,576	800	5.2
Live Oak	County	6,673	6,431	242	3.6	0.1	0.3	6,619	6,385	234	3.5	6,369	6,160	209	3.3
McMullen	County	1,274	1,253	21	1.6	0.0	-0.2	1,275	1,255	20	1.6	1,121	1,101	20	1.8
Nueces	County	170,140	161,932	8,208	4.8	0.0	0.0	168,774	160,624	8,150	4.8	171,510	163,317	8,193	4.8
Refugio	County	3,633	3,451	182	5.0	-0.1	0.7	3,629	3,445	184	5.1	3,620	3,465	155	4.3
San Patricio	County	30,981	29,101	1,880	6.1	-0.2	0.5	30,781	28,850	1,931	6.3	31,167	29,415	1,752	5.6

Key Economic Indicators



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Monitoring:

	<u>Oil Prices:</u>	<u>Natural Gas Prices:</u>
Oct 20, 2014	\$ 82.76/bbl.	\$3.92 mm btu
Oct 20, 2015	\$ 45.84/bbl. (WTC www.oil.com)	\$2.66 mm btu (Henry Hub www.eia.gov)

Rig Count: (www.bakerhughes.com/rigcount)

October 31, 2014	901
October 30, 2015	339

Unemployment:

Sept 2014	4.8%	Sept	2015	5.0%
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EDC Strategic Plan



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- Business Retention & Expansion
- Business Recruitment & Economic Diversification
- Project Management & Operating Protocols
- Accountability, Compliance & Responsibility
- Investor & Communications Campaign

Projects Pipeline:

<i>Projects in Pipeline:</i>	<i>31</i>
<i>Potential CapEx:</i>	<i>\$3.947 billion</i>
<i>Potential Jobs:</i>	<i>3,779</i>
<i>Potential Payroll:</i>	<i>\$108 million/year</i>

Recruiting Missions YTD: 6 Existing Industry Visits: 121

EDC Economic Return



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- 2011-15 EDC involved in securing:
 - 1,234 new permanent jobs & retained 2,035 jobs = 3,269 jobs
 - New payroll of \$52.8M & retained payroll of \$87.2M = \$140M in annual payroll
 - \$20.7 billion in announced private capital investment

 - City of Corpus Christi Return on Investment:
 - City support for EDC: \$3.2M
 - Additional & retained sales & property taxes: \$22.2M
 - Return on Investment: 675% (cost/benefit ratio 1 to 6.23)

 - Overall Community Return on Investment:
 - Community's support for EDC (public & private): \$7.57M
 - All taxing districts sales & property tax returns: \$102.9M
 - Return on Investment: 1,360% (cost/benefit ratio of 1 to 13.60)
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2016 Economic Outlook



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- **Energy Pricing:** Continued Uncertainty in crude oil market – no consensus on pricing
 - Analysts predict huge range \$25-55/bbl for the next two years.
 - Dependent on Saudi production – competition for market share with US shale, other international producers.
 - Geopolitical factors: War in Middle East, Saudi Arabia maintaining 9.5-10m/bpd (US at 9m/bpd – double what it was in 2008)
 - Legislation to allow export of crude
- **Watch List:** The ratio between Natural Gas prices and Crude Oil prices (7:1 ratio)
- Low oil/gasoline prices are considered good for US, but generally bad for Texas
 - Corpus Christi MSA somewhat insulated, due to chemical sector growth, throughput of product at Port, construction of new facilities which is projected to continue for next 5+ years
- **\$2-5 Billion in new industrial investment in Corpus Christi MSA, 1,000+ new jobs**
- **Two words for 2016: *Ethane & Liquefaction***