



AGENDA MEMORANDUM

First Reading for the City Council Meeting of April 12, 2022
Second Reading for the City Council Meeting of April 19, 2022

DATE: March 16, 2022
TO: Peter Zaroni, City Manager
FROM: Heather Hurlbert, CPA, CGFO, Director of Finance and Business Analysis
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Whataburger Field Capital Improvement Project

CAPTION:

Ordinance approving Amended and Restated Addendum No. 1 to Lease Agreement with Corpus Christi Baseball Club, L.P., which provides for an increase of \$374,200.00 in Type A funding on a reimbursement basis, to make certain capital improvements to the Whataburger Field property in accordance with Major League Baseball Requirements; and amending the operating budget.

SUMMARY:

The purpose of this item is to approve the Amended and Restate Addendum No. 1 to the Lease Agreement for Whataburger Field, which increases the Type A funding amount from \$701,800.00 to \$1,076,000.00 for improvements to the stadium property that will help bring the building into compliance with Major League Baseball Standards, which includes Field Lighting, new Women's Clubhouse, and renovations to the Visitors' Clubhouse.

BACKGROUND AND FINDINGS:

Since the 2021 season, MLB has operated as the new governing body overseeing minor league baseball (also known as the Player Development League, or PDL). The previous governing body, the National Association of Baseball, did not have facility standards in place. With the shift in management, the MLB has created standards for minor league baseball facilities.

All 120 license holders (to include the Corpus Christi Hooks) are subject to the enhanced standards to create a more consistent workplace environment across all of the minor league teams. This standardization of facility assets also will attract longer term commitments from MLB teams, reduce the potential for a minor league team to move markets, and stabilize the professional baseball's footprint for long term community impact.

To measure facility compliance, the MLB has created a tiered grading scale that requires facilities to achieve specific scores over a 3-year term.

- 2023 – 30 points or less
- 2024 – 20 points or less
- 2025 & beyond – 10 points or less

Recent renovations supported by Type A funding has helped Whataburger Field meet some of the base measurements of this new grading scale. However, more investment is needed to bring the Corpus Christi Hooks into compliance.

The total amount requested for these improvements to Whataburger Field, a City owned facility, is for an amount not to exceed \$1,076,000.00. At this time, funding totaling \$701,800.00 was allocated on August 30, 2021, for Whataburger Field improvement, and the scope of work will be to upgrade the field lighting requirement, construct a new Women's Personnel Clubhouse, and renovate the Visitor's Clubhouse.

The Fiscal Year (FY) 2021 contracts for the Small Business projects in the Type A Business and Job Development Fund closed out in January 2022. The contracts returned \$263,244 of unspent funds to the fund balance in the Type A Business and Job Development Fund. These funds helped to close the remaining funding gap of \$374,200.00 for the Whataburger Field improvements. At their March 21, 2022 Type A board meeting, the Type A Board approved a motion to allocate additional funds in an amount not to exceed \$374,200.00 for improvements to Whataburger Field. This agenda item is needed to approve an amendment to the Lease Agreement between the City of Corpus Christi and the Corpus Christi Baseball Club, L. P. and to amend the City of Corpus Christi's FY 2022 operating budget to appropriate these funds in the Type A Business and Job Development Fund.

ALTERNATIVES:

If the funding for these improvements is not supported, the PDL License holder shall be subject to potential discipline from the MLB Commissioner. Punishments can include a fine not to exceed \$100,000 in the first year and fines more than \$100,000 for subsequent non-compliance. The ultimate penalty for continued non-compliance is potential loss of franchise license.

FISCAL IMPACT:

Funding for this project will be from Fund 1140 Business and Job Development Fund, the funding source of the capital improvements. This item will increase Type A funding from \$701,800.00 to \$1,076,000.00.

Funding Detail:

Fund:	1140 – Business & Job Development
Organization/Activity:	15010 – Major Business Incentive Project
Mission Element:	707 – Economic Development
Project # (CIP Only):	N/A
Account:	530000 – Professional Services

RECOMMENDATION:

Staff recommends approving the ordinance to approve \$374,200.00 for capital improvements to Whataburger Field and amending the operating budget.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
Addendum No. 1 to Lease Agreement
PowerPoint – Scope of Work