



AGENDA MEMORANDUM

First Reading for the City Council Meeting of October 19, 2021
Second Reading for the City Council Meeting of November 16, 2021

DATE: August 26, 2021
TO: Peter Zaroni, City Manager
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Texas State Aquarium Amended Lease Agreement

CAPTION:

Ordinance authorizing the execution of the First Amended Lease and Operating Agreement with Texas State Aquarium Association to adjust the term to 20 years from the effective date of this amendment and provide up to \$3,000,000.00 for construction of new Wildlife Rescue Center.

SUMMARY:

This ordinance executing a First Amended Lease and Operation Agreement with Texas State Aquarium Association (TSAA) restates and replaces in its entirety the prior Lease and Operating Agreement between the Texas State Aquarium Association and the City of Corpus Christi. The amendment will extend the lease term for an additional 20 years and provide funding of up to \$3,000,000 in voter-approved general obligation bond funding for the construction of a new Wildlife Rescue Center.

BACKGROUND AND FINDINGS:

In Bond 2020, Proposition B included \$3,000,000 for the City of Corpus Christi to provide leverage funding to assist the Texas State Aquarium with the construction of the new Texas Center for Wildlife Rescue and Research. The total cost for the project is \$15,000,000, and the remainder of the funds will come from fundraising by the Texas State Aquarium.

The City of Corpus Christi has a current lease agreement with the TSA. This lease needs to be amended to provide for the allocation of \$3,000,000 for construction of the new Texas Center for Wildlife Rescue and Research and to extend the lease for an additional 20 years.

Per City Charter, the approval of any lease exceeding 5 years requires 2 readings, no less than 28 days apart with the lease becoming effective on the 61st day after the 2nd reading. In addition, a notice of the lease must be published within 5 days after each reading. To comply with this requirement the first reading of the lease ordinance is scheduled for October 12, 2021, the second

reading of the lease ordinance is scheduled for November 9, 2021, and the amended lease will be effective on January 9, 2022.

ALTERNATIVES:

City Council could choose not to approve the amended Lease and Operating Agreement with TSA or could make additional recommendations.

FISCAL IMPACT:

The fiscal impact to the City of Corpus Christi is the remittance of up to \$3,000,000.00 from general obligation bond proceeds to the TSA for the construction of a new Texas Center for Wildlife Rescue and Research. The City plans on issuing bonds in several tranches beginning in FY 2022. On December 1, 2020, the City Council approved a reimbursement resolution for the projects approved by the voters for Bond 2020 that included funding to the Texas State Aquarium for the Texas Center for Wildlife Rescue and Research. The resolution allows the City to begin expending funds for these projects prior to the issuance of general obligation bonds and can reimburse itself with bond proceeds for related expenditures.

Section 4 of the amendment between the TSA and the City of Corpus Christi delineates the process by which the TSA can request funding from the City of Corpus Christi. The TSA may submit to the City of Corpus Christi's Director of Finance a "certification for payment" for reimbursement of actual costs related to the Rescue Center in a form outlined in Exhibit E of the amendment. The City will reimburse the TSA from Bond 2020 Proposition B funds in an amount up to \$3,000,000.00 for construction of the Rescue Center. The agreement stipulates that the TSA may only submit one "certification for payment" form in each 30-day period. If the TSA fails to complete construction of the Rescue Center Project within three years of the commencement date, the City shall notify the TSA in writing of the event of default and provide 60 days from the date of the notice for TSA to cure the event of the default. If, after 60 days, and taking into account any extenuating circumstances that might have occurred through no fault of the TSA as determined by the City, the TSA shall immediately repay all funds paid by the City from Bond 2020 Proposition B.

Funding Detail:

Fund:	3296 – Park & Rec Bond 2020
Organization/Activity:	21081 – Texas State Aquarium – Rescue Center
Mission Element:	141
Project # (CIP Only):	210813296EXP
Account:	40500

RECOMMENDATION:

City Staff recommends approval of the Amended Lease Agreement.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
Redline Copy - Amended Lease of Texas State Aquarium
Amended Lease of Texas State Aquarium (Clean Version)