



AGENDA MEMORANDUM

First Reading for the City Council Meeting of November 9, 2021
Second Reading for the City Council Meeting of November 16, 2021

DATE: October 19, 2021

TO: Peter Zaroni, City Manager

FROM: Heather Hurlbert, CPA, CGFO, Director of Finance and Procurement
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Whataburger Field Capital Improvement Project
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CAPTION:

Ordinance approving Addendum No. 1 to Lease Agreement with Corpus Christi Baseball Club, L.P., providing for Type A funding in an amount not to exceed \$701,800.00 on a reimbursement basis to make certain capital improvements to the Whataburger Field property in accordance with Major League Baseball Requirements.

SUMMARY:

The purpose of this item is to approve an addendum to the Lease Agreement for Whataburger Field which provides for \$701,800.00 in Type A funding for improvements to the stadium property that will help to bring the building into compliance with Major League Baseball (MLB) Standards.

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 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.

Once the Type A FY21 Small Business Project contracts close out, staff anticipates another \$200,000 - \$250,000 to be available to allocate to the project and further close the remaining gap of funding. A request for additional funding will be brought to the Corpus Christi Business and Job Development Corporation (Type A Board) for consideration after the final contract payments in January 2022.

The Type A Board made a motion to approve the project in an amount not to exceed \$701,800.00 for improvements to Whataburger Field on October 18, 2021. This item amends the lease between the City of Corpus Christi and the Corpus Christi Baseball Club to provide funding for certain capital improvements at Whataburger Field.

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 \$100,000.00 in the first year and fines more than \$100,000.00 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 the Type A Fund - Fund 1140 Business and Job Development Fund.

Funding Detail:

Fund:	1140
Organization/Activity:	15010
Mission Element:	707
Project # (CIP Only):	N/A
Account:	530000

RECOMMENDATION:

Staff recommends approving the ordinance to approve \$701,800.00 for capital improvements to Whataburger Field.

LIST OF SUPPORTING DOCUMENTS:

PowerPoint – Scope of Work

PowerPoint – Full CIP

Addendum No. 1 to Lease Agreement

Ordinance