



Corpus Christi  
REGIONAL ECONOMIC  
DEVELOPMENT CORPORATION

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# **February 2016 Economic Update**

Iain Vasey

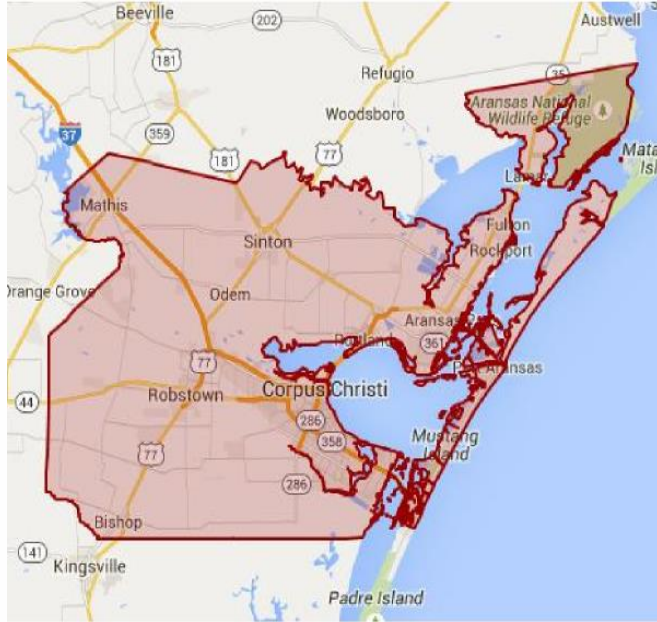
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# The Coastal Bend Region

## CCREDC Service Area



Corpus Christi  
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### MSA (Counties)

Aransas, San Patricio, Nueces

### Corpus Christi MSA

Population:	448,108
Total Jobs:	200,800
Unemployment:	5.2%
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	Dec 15	Nov 15	Dec 14	Dec 13	Dec 12	Dec 11
<b>Total Nonagricultural</b>	<b>200,400</b>	<b>201,000</b>	<b>197,500</b>	<b>189,400</b>	<b>187,500</b>	<b>184,900</b>
<b>Mining, Logging, &amp; Const.</b>	<b>28,400</b>	<b>28,700</b>	<b>27,000</b>	<b>24,300</b>	<b>21,900</b>	<b>21,000</b>
<b>Manufacturing</b>	<b>9,600</b>	<b>9,700</b>	<b>10,000</b>	<b>9,800</b>	<b>9,600</b>	<b>9,600</b>
<b>Trade, Transportation and Utilities</b>	<b>36,600</b>	<b>36,800</b>	<b>37,100</b>	<b>34,700</b>	<b>35,600</b>	<b>35,400</b>
<b>Information</b>	<b>2,200</b>	<b>2,200</b>	<b>2,100</b>	<b>2,100</b>	<b>1,900</b>	<b>1,900</b>
<b>Financial Activities</b>	<b>8,700</b>	<b>8,600</b>	<b>8,600</b>	<b>7,900</b>	<b>7,400</b>	<b>7,400</b>
<b>Professional and Business Services</b>	<b>16,100</b>	<b>16,100</b>	<b>15,600</b>	<b>15,500</b>	<b>15,400</b>	<b>15,200</b>
<b>Educational and Health Services</b>	<b>31,100</b>	<b>31,000</b>	<b>30,200</b>	<b>29,700</b>	<b>33,200</b>	<b>32,100</b>
<b>Leisure and Hospitality</b>	<b>25,800</b>	<b>25,800</b>	<b>25,000</b>	<b>23,700</b>	<b>22,000</b>	<b>21,100</b>
<b>Other Services</b>	<b>8,300</b>	<b>8,300</b>	<b>8,200</b>	<b>7,800</b>	<b>7,200</b>	<b>7,000</b>
<b>Government</b>	<b>33,600</b>	<b>33,800</b>	<b>33,700</b>	<b>33,900</b>	<b>33,300</b>	<b>34,200</b>

# EDC Goals and Results



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- 1,000+ Direct New “Economic Driver” Jobs Annually - **1,008**
- Overall New Direct Payroll: **\$68.7 M** (\$68,149 avg.)
- \$1.0 Billion Capital Expenditures (“CapEx”) **\$15.3 B**
- 150+BRE Visits/Company Interviews & semi-annual BRE reports **165**
- Recognition in National EDC Rankings/Best Places:
  - *Business Facilities Top 10 Export Cities*
  - *Wallethub.com - 27<sup>th</sup> Fastest Growing City in the nation,*
  - *Caller.com - 9<sup>th</sup> in the nation for exports*

**Adler-Montcalm**

**QSR Online**

**Tex-Isle**

**Castleton**

**Oxy Petroleum**

**Cheniere**

**Gravity Mid-Steam**

**C.C. Cold Storage**

**Govind**

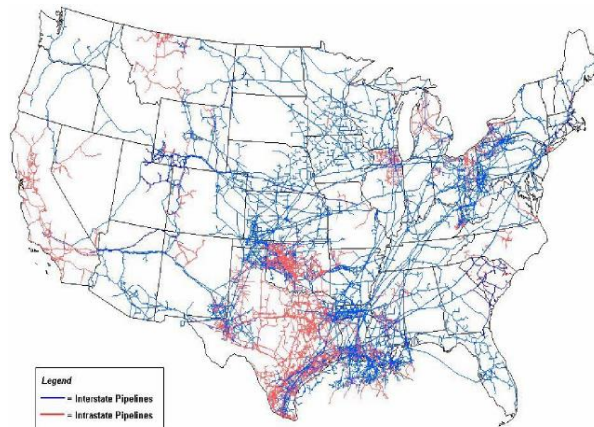
**OxyChem**

# 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

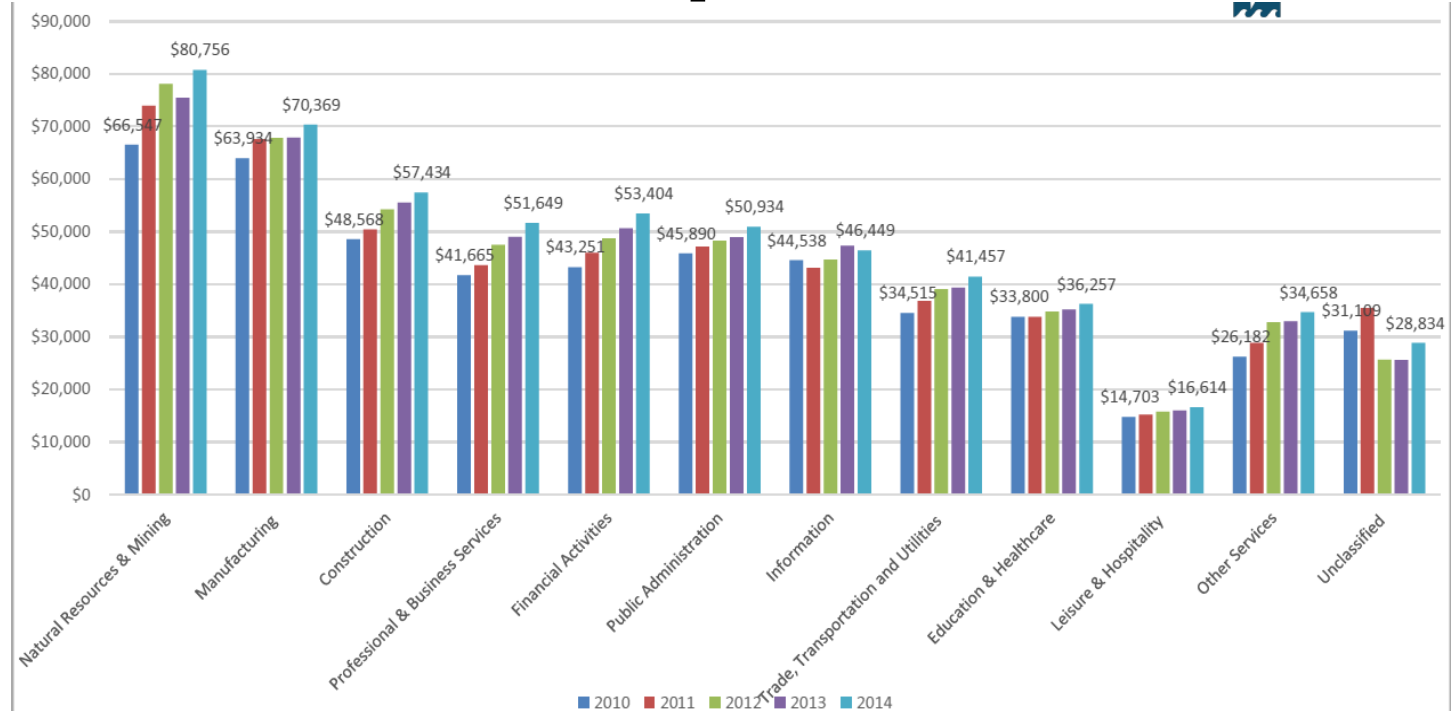
# Average Annual Wages

(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 December 2015						Previous Monthly Data November 2015				Year Ago December 2014			
		Labor Force	Employment	Unemployment	Rate	M±	Y±	Labor Force	Employment	Unemployment	Rate	Labor Force	Employment	Unemployment	Rate
United States	Nation	157,833,000	149,929,000	7,904,000	5.0	0.0	-0.6	157,367,000	149,444,000	7,924,000	5.0	156,129,000	147,442,000	8,688,000	5.6
Texas	State	13,097,113	12,486,860	610,253	4.7	0.1	0.1	13,070,635	12,472,249	598,386	4.6	13,171,837	12,570,050	601,787	4.6
Corpus Christi	MSA	211,884	200,826	11,058	5.2	-0.2	0.7	212,876	201,345	11,531	5.4	212,766	203,130	9,636	4.5
Coastal Bend	WDA	274,373	258,962	15,411	5.6	-0.3	1.1	276,339	260,170	16,169	5.9	278,610	266,180	12,430	4.5
Aransas	County	10,128	9,597	531	5.2	-0.2	0.3	10,181	9,633	548	5.4	10,227	9,729	498	4.9
Bee	County	10,042	9,394	648	6.5	-0.4	1.7	10,066	9,373	693	6.9	10,679	10,162	517	4.8
Brooks	County	2,639	2,376	263	10.0	-0.4	3.8	2,636	2,361	275	10.4	2,655	2,490	165	6.2
Duval	County	5,279	4,800	479	9.1	-0.3	4.4	5,427	4,917	510	9.4	5,559	5,298	261	4.7
Jim Wells	County	19,685	18,004	1,681	8.5	-0.5	4.3	20,083	18,280	1,803	9.0	20,201	19,362	839	4.2
Kenedy	County	316	309	7	2.2	-0.6	-0.2	324	315	9	2.8	340	332	8	2.4
Kleberg	County	14,506	13,659	847	5.8	-0.4	1.5	14,558	13,661	897	6.2	15,254	14,593	661	4.3
Live Oak	County	5,757	5,517	240	4.2	0.0	1.2	5,961	5,713	248	4.2	6,398	6,209	189	3.0
McMullen	County	985	968	17	1.7	0.1	-0.1	1,046	1,029	17	1.6	1,192	1,170	22	1.8
Nueces	County	170,596	162,129	8,467	5.0	-0.2	0.7	171,417	162,568	8,849	5.2	171,259	163,938	7,321	4.3
Refugio	County	3,280	3,109	171	5.2	-0.3	1.5	3,362	3,176	186	5.5	3,566	3,434	132	3.7
San Patricio	County	31,160	29,100	2,060	6.6	-0.2	0.8	31,278	29,144	2,134	6.8	31,280	29,463	1,817	5.8

# Key Economic Indicators



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## *Monitoring:*

### Oil Prices:

Dec 31, 2014      \$ 59.29/bbl.

Dec 31, 2015      \$ 37.62/bbl.

(WTC [www.oil.com](http://www.oil.com))

### Natural Gas Prices:

\$3.14 mm btu

\$2.11 mm btu

(Henry Hub [www.eia.gov](http://www.eia.gov))

## **Rig Count:** ([www.bakerhughes.com/rigcount](http://www.bakerhughes.com/rigcount))

December 31, 2014      852

December 31, 2015      319

## **Unemployment:**

December 2014      4.3%

December 2015      5.2%



# 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:*

*Projects in Pipeline:*

23

*Potential CapEx:*

\$4.775 billion

*Potential Jobs:*

2,867

*Potential Payroll:*

\$172.8 million/year

*Recruiting Missions: 2*

*Existing Industry Visits: 15*

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# EDC Economic Return

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- Estimated Ad Valorem Revenue for the City of Corpus Christi (net of any incentives)

**Over 10 years**                      **\$14, 687,985**

**Over 20 years**                    **\$35,322,510**

**Over 30 years**                   **\$50,538,960**

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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.
- The United States has become the swing producer and therefore has a greater impact on pricing
- 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***

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