



Corpus Christi
REGIONAL ECONOMIC
DEVELOPMENT CORPORATION

May 2016 Economic Update

Iain Vasey

Corpus Christi MSA

Employment by Sector



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Employment by Sector Corpus Christi MSA	Mar. 16	% Change	Mar. 15	% Change 2013-2016	Mar. 13
Total Nonagricultural	198,000	0.0%	198,000	4.3%	189,800
Mining, Logging, & Const.	24,500	-14.0%	28,500	0.4%	24,400
Manufacturing	9,000	-7.2%	9,700	-7.2%	9,700
Trade, Transportation and Utilities	36,400	1.4%	35,900	9.0%	33,400
Information	2,000	-4.8%	2,100	-4.8%	2,100
Financial Activities	8,600	1.2%	8,500	10.3%	7,800
Professional and Business Services	17,300	13.1%	15,300	5.5%	16,400
Educational and Health Services	30,900	2.3%	30,200	3.0%	30,000
Leisure and Hospitality	27,100	5.0%	25,800	11.1%	24,400
Other Services	8,100	-2.4%	8,300	5.2%	7,700
Government	34,100	1.2%	33,700	0.6%	33,900

YTD EDC Goals and Results



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- 1,000+ Direct New “Economic Driver” Jobs Annually - **250**
 - Overall New Direct Payroll: **\$8.1 M**
 - Capital Expenditures (“CapEx”) **\$100 M**
 - 150+BRE Visits/Company Interviews & semi-annual BRE reports **45**
 - Rankings: Southern Business & Development Magazine
“Best Large Local Economic Development Agencies” (April 2016)
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Key Economic Indicators



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Oil Prices:

Apr. 2015 \$ 51.63/bbl.
Apr. 2016 \$ 39.72/bbl. (WTI)
(WTC www.oil.com)

Natural Gas Prices:

\$ 2.25 mm btu
\$ 1.99 mm btu
(Henry Hub www.eia.gov)

U.S. Rig Count:

(www.bakerhughes.com/rigcount)

April 2014	894
April 2015	545
April 2016	443

Eagle Ford Shale Rig Count

(www.EagleFordShale.com)

April 2014	221
March 2015	153
April 2016	40

Unemployment:

March 2015	4.7%	March 2016	5.6%
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2016 Economic Outlook Watch List



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- **Continued uncertainty** in crude oil & energy markets impacting Texas
 - **No consensus** on pricing stability or predictable global demand
 - Analysts predict huge range \$20-60/bbl for the next two years
 - Dependent on **Saudi production** – competition for market share with US shale, other international producers
 - The US has become the swing producer – greater price influence
 - **Geopolitical factors:** Middle East conflict, Saudi Arabia maintaining 10.2 m/bpd production (US at 9m/bpd – double what it was in 2008)
 - South & Latin America – **Uncertain demand, fluctuating currency values**, potential recessions in S American countries, esp. Brazil
 - **Crude Export Legislation** - Corpus Christi , 1st Port to export crude
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2016 Key Economic Indicators



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- Ratio between Natural Gas and Crude Oil prices (7:1 ratio)
 - Low oil/gasoline prices are considered good for US, but generally bad for Texas – especially in oilfield production areas, starting to impact Midstream
 - Corpus Christi MSA somewhat insulated, due to chemical sector growth, throughput at Port, construction of new industrial facilities which is projected to continue for next 5+ years
 - Impact being felt in industrial commodities (iron, steel, aluminum) and drilling services, pipe, fabricated metal equipment, offshore services
 - **\$2-5 Billion in new industrial investment in Corpus Christi MSA**
 - **Economic Diversification: Not like the 1980s oil market**
 - **Key words for 2016: *Ethane & Liquefaction, Pipeline Infrastructure***
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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>	20
<i>Potential CapEx:</i>	\$2.896 billion
<i>Potential Jobs:</i>	2,142
<i>Potential Payroll:</i>	\$585.6 million/year

Recruiting Missions: 5

Existing Industry Visits: 45

Business Retention & Expansion



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Synchronist

- Data collection software to manage and analyze BRE program
 - 36 visits as of mid April
 - Partnered with TAMUCC Dr. Lee to survey businesses (94)
 - Main Issues to date
 - Availability of skilled labor
 - Retain young professionals
 - Roads and infrastructure
 - Positive Outlook (2016)
 - 73% expect business activity to remain steady or increase
 - 74% plan to hire or maintain current workforce
 - 40% will make some investment
 - Only 9% foresee some type of cut in investment
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Qualified Sites Development



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- Launch of CCREDC Qualified Sites Program in FY 2016
 - 100+ acres
 - Surveys: phase I, wetlands, infrastructure, pipeline identification, title
 - Asking Price Negotiated Upfront with MOU with owner
 - Preliminary Environmental and Engineering Due Diligence Completed on Site and Marketed Globally to Site Selector firms
 - Strategic Corridors include Highway 44 and Airport Sites
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Sales Tax Renewal



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- The CCREDC Board passed a resolution on April 14, 2016 that it supports the following positions; related to the 1/8 cent Sales Tax issue:
 - Minimum of 50% of the total funds for Economic Development
 - Up to \$500,000 to affordable housing programs
 - Balance of funds to arterial/collector streets
 - The EDC supports the continuance of the sales tax for 20 years, maintaining a review/recommendation panel, supports a Type B structure, and appropriate protection mechanisms to ensure funds for economic development are maintained.
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