

INFORMAL STAFF REPORT

MEMORANDUM

To: Mayor and Council

From: Margie C. Rose, City Manager

Date: January 16, 2017

Subject: 2016 Annual Report – Corpus Christi Business and Job Development Corporation (Type A Board)

Attached you will find a list of the 2016 activities for the Corpus Christi Business and Job Development Corporation (Type A Board). Type A contains the following funds, which each provide an individual report:

- Arena Fund
- Economic Development Fund
- Affordable Housing Fund
- Seawall Fund

If you should have any questions, feel free to contact me.

MEMORANDUM

TO: Margie Rose, City Manager

THRU: Alyssa M. Barrera, Business Liaison - City Manager's Office

FROM: Eric Jaramillo, General Manager

DATE: January 4, 2017

RE: Type A Annual Report – 2016

The following is a listing of the awards made by the Type A Board during the calendar year 2016. The Board provided funding through both the Marketing/Co-Promotion Fund and the Arena Capital Improvements Fund.

ARENA MARKETING/CO-PROMOTION FUND:

Subsidies against Arena rent expenses; necessary to secure the following events for the Arena and City of Corpus Christi.

<u>Live Nation Concerts</u> Lil Wayne – January 24, 2016	\$25,000
<u>Texas Skills USA</u> April 2016 Convention & April 2017 Convention	\$50,000
<u>ABG Promotions & Rocks Discount Vitamins</u> Katt Williams – May 21, 2016	\$25,000
<u>Eric Ryan Promotions</u> Lee Brice – July 15, 2016	\$25,000
<u>National Artists Corporation</u> I love the 90's – July 28, 2016	\$30,000
<u>Live Nation Concerts</u> Kevin Hart – August 4, 2016	\$25,000
<u>Corpus Christi IceRays</u> 2016-2017 Hockey Season	\$100,000

<u>Rodeo Corpus Christi</u> Concert Series – April 2017	\$30,000
<u>Cheer America Holiday Championship</u> December 11, 2016	\$10,000
<u>Texas Youth Football Association</u> Cheer Competition – November 11, 2016	\$15,000
<u>Nations Best</u> Regional Cheer Competition – January 21-22, 2017	\$25,000
<u>MAC Cosmetics</u> MAC Selena World Premier – September 30, 2016	\$20,000
<u>Live Nation Concerts</u> Elton John – October 8, 2016	\$25,000
<u>R Entertainment</u> Kenny Rogers – October 26, 2016	\$25,000
<u>Paragon Presents</u> Dolly Parton – December 2, 2016	\$30,000
Total Funds Awarded:	\$460,000

ARENA CAPITAL IMPROVEMENTS FUND:

For the fiscal year 2016, the Type A Board approved annual amount of \$200,000 for Arena Capital Improvement Projects. During the calendar year 2016, the following items were purchased or are being purchased in conjunction with those projects:

- | | |
|--|----------|
| • Air Handlers | \$ 8,629 |
| • Chiller Repairs / Overhaul Chiller#2 | \$85,775 |
| • Cooling Towers | \$45,596 |
| • Adjustable Frequency Drive | \$60,000 |

Total Funds for Capital Improvements: \$200,000

Additional Type A Funds due to emergency need:

- | | |
|--|-----------|
| • Ice Plant of | \$100,000 |
| • Security Project Upgrade
(metal detectors, security cameras, dock gate) | \$176,500 |

Total approved Type A Funds \$476,500.



Memorandum

To: Margie Rose, City Manager
From: Mike Culbertson, Chief Operating Officer
Date: January 4, 2017
Subject: Type A Annual Report from the City Manager

The following is a listing of the actions for the Type A Board for fiscal year 2016.

There was a minor amendment to the Type A guidelines to allow internships under the job training portion of the guidelines. This will allow larger companies to participate that will use only those job skills that have been supported by Type A grant funds such as aviation and process technology. The Board can expand this in the future.

Projects approved and executed this year:

Sitel \$ 500,000
They are an international call center. They will invest up to \$1.5 million and create 500 new jobs with total annual wages of \$10,940,800

Texas A&M University – Corpus Christi \$2,000,000
The University plans to add industrial and civil engineering degrees. They will use the grant money to construct and/or refurbish laboratory space in support of these two new degree fields.

Renewed:

LiftFund Loan Buy-Down \$ 250,000
A loan buy-down program that is highly successful in helping small businesses get funding when they cannot get bank financing. They loaned 47 companies almost \$800,000 and created 32 new jobs.

SCORE Small Business Counseling \$ 52,600
SCORE is entering into their fourth year of providing counseling services to small businesses by one-on-one counseling, seminars, and email. They handled over 4,000 cases in 2016.

Del Mar College (SBDC) PTAC \$ 48,490
Part of the Small Business Development Center (SBDC), the Procurement Technical Assistance Center (PTAC) will hire a full time person to help small businesses compete for government supply contracts. In 2016 they helped 264 small businesses.

Del Mar College Intern \$ 150,000
The intern program helps students find part time jobs in their major area of study. This gives students training and experience and helps small businesses see and hopefully hire these interns. With the change

to the City's fiscal year end it became necessary to end the agreement in December 2017 to correspond to the end of a semester. They placed 93 interns in 35 small businesses and created 24 full-time jobs.

Texas A&M University – Corpus Christi Intern

\$ 150,000

The intern program helps students find part time jobs in their major area of study. This gives students training and experience and helps small businesses see and hopefully hire these interns. With the change to the City's fiscal year end it became necessary to end the agreement in December 2017 to correspond to the end of a semester. They placed 88 interns in 30 companies and created 7 full-time jobs.

In force:

Corpus Christi Cold Storage, LLC

\$ 265,000

Cold Storage will invest in improvements and equipment up to \$1,500,000. This will keep the only cold storage facility in the region open. They were in compliance for 2016.

QSROnline.com

\$ 129,500

QSROnline is a software developer in the city. They plan to add jobs for an expansion nationally. They were in compliance for 2016.

M&G Resins

\$3,000,000

M&G Resins is an Italian chemical manufacturing plant moving into the Port's inner harbor. They will invest at least \$750 million and create 225 new jobs. They have started construction and should be complete in 2017.

Sam Kane Beef Processors

\$3,000,000

Sam Kane is a beef processing plant that was awarded a grant of \$3 million to retain 739 employees and create 100 new jobs. Sam Kane is a city fixture and was in danger of closing its doors. An amendment was signed in 2015 to pay the rest of the incentive payment in 2015 which was completed. They still have to go through compliance and if they do not perform there will be a claw back of the incentive.

MotorGlobe

\$ 125,000

MotorGlobe is a company that is web based and selects the best in class auto dealership in the area. They will have their national headquarters in Corpus Christi. They expect to create 50 new jobs with an average salary of \$50,000/year. They have been delayed and did not receive their first three incentive payment due to non-performance. This money was de-obligated and returned to the Type A fund.

Majek Boats

\$ 360,000

A local boat manufacturing company, Majek will receive a grant of up to \$150,000 for new investment and the creation of jobs. They were also awarded \$210,000 for the improvement of Saluki Drive, the road that runs in front of their property. The final cost of the road was \$180,379.43. Upon completion of the road improvement the City took possession of Saluki Drive. Majek was in compliance for their two years and have received a total of \$60,000. They were in compliance and received \$30,000 in 2016. They have one more year on the agreement.

Kanon Services

\$ 120,000

Kanon is an oil field service company. They had agreed to invest \$1,750,000 and retain 4 jobs and create 8 jobs. Through 2014 they invested \$2,194,553 million and had created 47 jobs. They have received their first three payments for a total of \$72,000 but were not eligible for payment in 2016.

HEB Grocery

\$ 850,000

HEB bakery will retain 388 jobs. The grant will reimbursement them to repair McCampbell Street outside of their property. The estimate on the street came back higher and the Board increased their grant from \$850,000 to \$1,100,000. They are in compliance and have received \$660,000 of their grant. They are completing reconstruction of the street in 2017.

Completed Projects:

Commercial Metals Company (CMC)

\$ 132,600

CMC, a metal recycling company is opening another location on Highway 44. They invested \$23,184,875.34, exceeding the \$20 million they estimated and they created 18 jobs and retained 39 jobs.

Oneta Company

\$ 300,000

Oneta is comprised of Pepsi bottler, Everest Water, and Sunrise Vending. They have invested over \$6.6 million and retained 84 jobs and created 71 new jobs with an average salary of \$41,388 exceeding their estimate of investment, number of jobs, and average salary of \$30,935 per job.


Texas A&M University – Corpus Christi Research Labs

\$1,000,000

TAMU-CC signed the agreement in late December and the agreement is to the Corporation for signature. This will enable TAMU-CC to build world class labs to attract world class researchers to the University and to bring their grants with them. They hired and maintained 17 new research faculty, 47 graduate students, 30 undergraduate students, and four technicians for total wages of \$3,136,197.52. They have worked on 6 laboratories and have received outside research grants of \$2,178,796. They used the entire grant.



MEMORANDUM

To: Margie C. Rose, City Manager
Thru: Alyssa M. Barrera, Business Liaison
From: Rudy Bentancourt, Housing and Community Development Director 
Date: January 5, 2017
Subject: 2016 Affordable Housing Annual Report / Homebuyer Assistance Program

Corpus Christi Business and Job Development Corporation

2016 Affordable Housing Annual Report

Housing and Community Development (HCD)

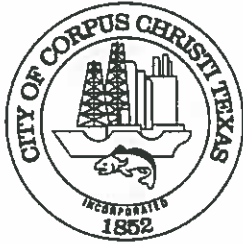
In 2016, the Corpus Christi Business and Job Development Corporation (TYPE A Board) continued to provide funding for the Homebuyer Assistance Program. The purpose of the program is to provide low to moderate income eligible households with up to \$10,000 in the form of a deferred forgivable loan for down payment assistance towards an existing pre-owned, or new construction home within the city limits of Corpus Christi, with a maximum sales price of \$162,000.

During fiscal year 15-16, the program funded and assisted 20 households with deferred forgivable loans totaling \$200,000 to assist them with the down payment of an affordable home. A homebuyer is eligible for the Homebuyer Assistance Program if they meet the low and moderate income limits for household size as established by the U.S. Department of Housing and Urban Development.

FAMILY SIZE	1	2	3	4	5	6	7	8
ANNUAL INCOME	32,550	37,200	41,850	46,500	50,250	53,950	57,700	61,400

Revised 6/6/2016* Income limits are established by HUD and subject to change without notice

At the end of the fiscal year, an agreement between the Corpus Christi Business and Job Development Corporation and the City of Corpus Christi was executed to continue the implementation and promotion of the Homebuyer Assistance Program. \$100,000 was allocated in the agreement to assist eligible households in fiscal year 16-17 and \$7,500 to reimburse the City for staff time.



DATE: January 11, 2017

TO: Margie Rose, City Manager

FROM: J.H. Edmonds, P.E., Director of Engineering Services
JeffreyE@cctexas.com
(361) 826-3500

UPDATE

Engineering Services Annual Project Updates - 2016

1. Salt Flats Levee Project/ FEMA Mapping:

Project History:

- 2012 through 2014 - City submitted FEMA Certification Guidance Document report and began an assessment of the impact of FEMA's new FIRM maps.
- 2015 - Staff revised the engineer's scope to better adapt a strategy to support identifying existing deficiencies, corrective actions and validation of the FEMA FIRM maps in lieu of "certifying" the systems. This is a result of the changes from the FEMA moving from the Provisional Accreditation Levy (PAL) to the Levy Accreditation Mapping Procedure (LAMP).
 - June 2015 - Type A Board approved HDR MSA contract.
 - July 2015 - engineer contract approved by City Council.
 - August 2015 meeting with FEMA to discuss the LAMP and several task orders were negotiated. (See Task Orders Below)

Task Orders (Current Status):

1. Update and Finalize Phase 2A Report (Complete Date)
2. LLPT Participation/Flood Protection System Vulnerabilities Identification (Complete Date)
3. Salt Flat Levee 2D Hydraulic Model (90% Complete)
4. Conceptual Design of Improvements for Salt Flat Levee (75% Complete)
5. Preliminary Design of Improvements for Museum Floodwall Replacement (75% Complete)

2016 Progress:

- Task Order #2 was conducted with the consultant and was completed.
- A workshop was conducted with City, AE, and engineer, on January 17th, 2016.
- Task Order's No. 4 and 5 was developed by the engineer. The SOW of the Task Order #5 is to develop preliminary design of Museum Floodwall Replacement.
- The HDR Vulnerabilities Assessment was reviewed at the March Type A Board meeting.
- The City authorized Task Orders No. 3-5 and the HDR Vulnerabilities assessment was finalized and the Engineering Department is worked on the CIP Budget.

- The City requested a proposal from geotechnical engineer to provide geotechnical testing.
- A geotechnical investigation is underway and the overall completion of task orders 3-5 is 90, 75, and 75% complete respectively.
- Task Order No. 3 has been completed and the hydraulic model has been sent to FEMA for comments.
- Task Order No. 4 Salt Flats Preliminary Design Memo was submitted in December 2016
- Task Order No. 5 Museum Floodwall Preliminary Design draft design memo was submitted to City for Review.
- The City issued a RFQ to select consultants for 6 Type A Projects (See bullet 5 for additional information).

2. Barge Dock Project:

Project History:

- August 2012 - contract with LJA (formerly RVE) for **\$309,870.00**, defined scope as a forensic assessment of the barge dock and the adjacent sloped seawall in order to pursue improvements identified in the 2012 CIP. The scope also included collaboration with the Barge Dock stakeholders to determine if the Barge Dock should continue to function as designed or if additional uses should be considered. The future CIP Funds identified at that time totaled **\$8,350,000**. The first phase of the assessment has been completed by LJA and they are requesting to move forward with the Wave Load Analysis and Structural Stability Analysis.
- 2015 -it was recommended that the deficiencies be corrected and the major alterations be deferred to allow for more critical flood protection upgrades.
- In August, Engineering Services initiated discussions with the engineering consultant, LJA, to develop a scope of work for repairs to address deficiencies identified during the condition assessment.

2016 Progress:

- A proposal was requested and received from LJA for fees with the recommended improvements required to sustain the structure in its current use.
- A final condition assessment report was prepared by LJA.
- The City received a proposal, which was approved, from the consultant and negotiations were finalized for the design phase services to make repairs to the barge dock.
- The preliminary submittal and OPCC (Opinion of Probable Construction Cost) was received in September.
- Review meeting was held in October.
- Consultant has prepared 100% drawings and construction documents (December 2016)

3. McGee Beach Renourishment/ Boat Basin Dredging Project:

Project History:

- This project includes data collection, final design, permitting, and construction of beach nourishment for 1,800 feet of beach. The GLO will manage the project and contract with a professional service provider (HDR) to prepare the construction plans. The City will

enter into an agreement with the TGLO to provide matching funds for the design and construction of the project. Based on discussions with Cameron Perry with HDR, the beach does not currently require nourishment and the nourishment of North Beach is moving forward separately.

- 2014 - funding was approved and the Coastal Erosion Planning and Response Act Project Cooperation Agreement (PCA) would allow for the Texas General Land Office (GLO) to develop a design for the nourishment of McGee Beach.
- 2015 - the City staff met with GLO and the design consultant to discuss reducing beach re-nourishment demands in an effort to reduce cost and improve beach conditions. Based on the evaluations McGee Beach re-nourishment can be deferred and North Beach is scheduled for re-nourishment this year.
- August of 2015, Engineering Services staff met with GLO's consultant about planning and permitting. The City may assume responsibility for this project from GLO and link it with other area project needs such as the boat basin dredging and breakwater repairs.
- September of 2015, Engineering Services will bring a proposal to expand the scope of this project or to create a new project for the breakwater repairs.
- A meeting was held during the month of September 2015 with Cameron Perry of HDR Engineering to formulate a new dredging and beach renourishment project.

2016 Progress:

- After consulting with HDR in February, it was recommended that a feasibility study be conducted prior to initiating the design phase.
- The engineer's proposal for the feasibility study was reviewed by Engineering Services in March, and the contract was presented to the Type A Board during the May meeting.
- Type A Board approved the contract at the June meeting.
- A kick-off meeting was held on September 19, 2016 for the study phase.
- Field work was completed and recommendations have been prepared.
- Final report has been reviewed.

4. McGee Beach – Breakwater Safety Improvements

Project History:

- In 2009, HDR prepared a report recommending repairs and improvements to the Breakwater. The scope as we know it based on this study and includes removing the portion of the breakwater and replacing it with a 6' wide walkway over stone and repairing the damaged portions of rest of the walkway.
- The Breakwater structure provides wave dissipation reducing wear and tear on the sea wall and protects the Marina facilities. This structure includes a concrete cap that allows citizens to walk and fish from it. Since 2009, the deterioration has continued such that the structure is experiencing minor failures and presents potential safety risks to travel to and from the structure. Parks and Recreation continues to provide maintenance, however the deterioration is beyond economical maintenance capabilities.
- Engineering Services recommends approval for major repairs to the structure for approximately **\$1.8 Million**. Engineering Services developed preliminary plans that phases the improvements to restore the safety and structural integrity. This may also

include minor improvements to enhance the use of the structure by tourists and for fishing purposes. These improvements will help fortify the seawall against wave attacks by preventing failure of the breakwater and excessive erosion of McGee Beach. The proposed improvements consist of demolishing the existing elevated walkway and constructing a new breakwater and walkway in its place. The total costs associated with these repairs/improvements was estimated at \$1,769,875 in 2009. For the Breakwater at McGee Beach the Seawall Maintenance Capital Improvement Plan Budget shows:

- \$730,000 for 2019/2020
- \$3,570,000 for 2020/2021
- \$3,000,000 for 2021/2022
- The deteriorated concrete stairs to the breakwater structure were repaired by Parks and Recreation in June of 2015.

2016 Progress:

- Engineering services received a proposal from HDR to update the 2009 study of the breakwater. The goal is to obtain an updated work scope based on the current condition of the breakwater and current pricing for the repairs/upgrades.
- The proposed AE agreement was presented to City Council in February 2016 to approve \$19,000 to update the report with a more detailed scope and fee.
- The City received the draft ELR on March 30th, 2016 and met with the consultant to review the draft on April 20th, 2016. The review comments were provided to the consultant and were incorporated into a final report will be presented to the Type A Board at the May meeting.
- A presentation of the findings was made to the Type A Board at the June meeting. Repair recommendations were added to the CIP (Capital Improvement Program).
- Approved in CIP.
- The City issued a RFQ to select consultants for 6 Type A Projects (See bullet 5 below). The City has received RFQ submittals and is currently reviewing them.

5. Projects Currently Under RFQ (Posted in November 2016)

A major RFQ packet was issued for the following Seawall Fund Projects:

- Seawall Capital Repairs
 - The Corpus Christi Seawall was originally constructed from 1939 to 1942. With the initiation of the Seawall Maintenance sales and use tax, a major project was completed in 2007 to address advanced levels of deterioration of the Seawall system. That project was completed for a cost of \$43.4 million. The funding levels programmed in the CIP are anticipated to address routine maintenance issues. A subsequent major reconstruction is shown to occur after the expiration of the current one-eighth cent sales and use tax. This project will assess the seawall and develop the maintenance repair activities and develop & prioritize.
- Salt Flats Levee Improvements
 - The Salt Flats Levee System (originally referred to as the Backwater Levee) is an integral component of the downtown flood protection system. The levee requires improvements and maintenance to ensure that the system will function as originally

designed. The levee is susceptible to various model of failure. Additional Study is underway and improvements are planned that would be sufficient to be certified by FEMA as a freeboard deficient reach. This means that although the system would not afford the level of protection required to be prevent overtopping in a 100-year event, it would not be vulnerable to catastrophic failure. There has been a complete preliminary study that initiates the proposed.

- Repair on Marina Breakwater at McGee Beach
 - Proposed improvements consist of demolishing the existing elevated walkway and constructing a new breakwater and walkway in its place. The existing rock breakwater and walkway will be repaired and raised. These improvements will help fortify the seawall against wave attack by preventing failure of the breakwater and excessive erosion of McGee Beach. Construct and place rock ballast (smaller stones) to fill gaps between larger stone and provide a base for the new concrete cap. Build new cap wider (assumed here to be 2 ft. wider) and higher (assumed here to be 1 ft. higher) than original.
- McGee Beach Nourishment/Boat Basin Dredging
 - The proposed improvements consist of nourishing McGee Beach in order to improve potential storm damage reduction at the seawall. A wider beach will help the seawall survive a storm of longer duration or greater intensity. Sand may be trucked in from upland sources, such as quarries near the Nueces River, or dredged from the marina or bay. This project would address beach nourishment as well as shoaling issues in the marina.
- Science and History Museum Flood Wall
 - This project is to construct a new floodwall (or a coastal structure) that would follow a “hypotenuse” alignment between the existing Promenade and the USACE Bulkhead. The project would also backfill the triangle to make it function more like a coastal structure. This would also provide additional land area for future use.
- Kinney and Power Street Pump Station Improvements
 - The downtown flood protection system relies on two pump stations, Power Street Pump Station and the Kinney Street Pump Station, to service this drainage basin during a significant storm event. Previous design and studies for Downtown Drainage projects included a new storm water concrete interceptor box with new inlets that was constructed in 2007 along Water Street to allow transfer of flows between the two stations, and replacement of the Kinney Street pump station in 2009. Preliminary studies indicate that a third pump station is required to meet the 100-year event. This project evaluates the requirements and capacity to determine the feasibility of interim solutions to maximize the capacity at the Power Street Pump Station before adding the major investment of the third pump station. The project should include 2D modeling to better define the demands to enhance the reliability and capacity of the downtown storm water pumping system.

6. Completed Projects

- **Miradores Project**