



Corpus Christi  
REGIONAL ECONOMIC  
DEVELOPMENT CORPORATION

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# **October 31, 2017 Economic Update**

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# Corpus Christi MSA

## Employment by Sector



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	Annual Change	Aug-17	Jul-17	Aug-16	Aug-15	Aug-14	Aug-13
<b>Total Nonagricultural</b>	600	194,600	194,000	189,300	193,500	194,200	187,200
<b>Mining, Logging, &amp; Construction</b>	300	23,000	22,700	21,500	23,900	26,300	24,100
<b>Manufacturing</b>	200	9,100	8,900	8,700	9,400	10,000	9,800
<b>Trade, Transportation, and Utilities</b>	-300	34,600	34,900	34,400	35,800	35,800	34,000
<b>Information</b>	0	1,800	1,800	1,900	2,100	2,100	2,100
<b>Financial Activities</b>	-100	8,100	8,200	7,600	8,500	8,500	7,900
<b>Professional and Business Services</b>	100	18,000	17,900	16,500	17,200	16,300	15,600
<b>Education and Health Services</b>	500	32,400	31,900	31,500	298,700	29,600	29,700
<b>Leisure and Hospitality</b>	-200	27,100	27,300	27,100	27,000	26,000	24,800
<b>Other Services</b>	-100	7,400	7,500	7,300	8,100	8,300	7,800
<b>Government</b>	200	33,100	32,900	32,800	31,700	31,300	31,400

# YTD EDC Goals and Results



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## **Project Wins:**

- ExxonMobil/SABIC: Plastics Facility, 636 jobs, \$90,000 average wage, \$9.5 B investment  
Corpus Christi ETJ
- Envirotech Carriers: medical waste facility, 20 new jobs, \$50,000 average wage, \$500k investment
- SWC Group: call center, 75 jobs, \$24,000 average wage, \$1 million investment
- Permico Energia, fractionation plant, and NGL pipeline network, 100 jobs

## **Activities:**

- Prospect Visits this Quarter: 6 (3 locally and 3 in Taiwan)
- Upcoming site visits: 2
- Upcoming recruitment missions: 4
- Type A projects in process: 0

## **Project Pipeline:**

- ✓ YTD: 4 “Wins”, 756 Jobs
  - ✓ 2 Class A Projects (high probability) – 30 jobs
  - ✓ 3 Class B Projects (in competitive negotiations) – 4,700 jobs
  - ✓ 19 Class C Projects (early in process/low probability) – 2,070 jobs
  - ✓ 24 Total projects representing a potential of \$ 26.35 B CapEx
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# Key Economic Indicators



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## Oil Prices (WTI):

Sep 2016      \$45.88/bbl.

Sep 2017      \$51.85/bbl.

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

## Natural Gas Prices:

\$2.82 mm btu

\$2.90 mm btu

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

## U.S. Rig Count:

([www.bakerhughes.com/rigcount](http://www.bakerhughes.com/rigcount))

Sep 2014      1,931

Sep 2015      838

Sep 2016      522

**Sep 2017      940**

## Eagle Ford Shale Rig Count:

([www.EagleFordShale.com](http://www.EagleFordShale.com))

Sep 2014      207

Sep 2015      85

Sep 2016      36

**Sep 2017      68**

## Unemployment:

Aug 2016      6.2%

Aug 2017      5.8%

## Employment:

Aug 2016      189,300

Aug 2017      194,600

# Business Retention/Expansion

## Q3 2017

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BRE Visits YTD – 95 (fiscal year Aug.1)

- 41% Business Growth or Sales Increase
  - 86% Positive Business Climate
  - 49% Infrastructure (i.e. Roads)
  - 31% Labor Supply Inadequate
  - 36% Challenges recruiting skilled labor
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# Making the Business Case for Corpus Christi

Target Industry Analysis for Corpus Christi Regional Economic Development Corporation



# Target Industries

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June 2016 CCREDC completed a Target Industry Analysis that compared us to peer cities and identified skills that are currently in the workforce that would translate into another industry sector. Opposition research, site selector focused.

The study came back with four areas of focus:

1. **Specialty Steel Production (Electric Arc Furnaces)**
  2. **Shale Oil/Natural Gas/Pipeline Industry/NGL Production**
  3. **Aircraft Manufacturing and Unmanned Aerial Systems**
  4. **Small Business & Entrepreneurship Development**
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# Why do Target Business Recruitment



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## **Specialty Steel Production**

- Large sites available with access to rail and deep water
- Availability of raw materials (HBI) and power (natural gas)
- Supply chain gap between voestalpine, TPCO, and other steel users in the energy sector

## **Shale Oil / Natural Gas / Pipeline Industry / NGL Production**

- Closest Port to Eagle Ford Shale & Permian Basin
  - Home to 5 refineries, plus two ethane producers and two splitter plants
  - Pipeline infrastructure already in place and more being built
  - Large sites available with Class I railroads and deep water ports
  - World scale availability of ethane and other NGL's
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# Why do Target Business Recruitment

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## Aircraft Manufacturing & Unmanned Aerial Systems

- a. Labor availability (10,100 specialized, 34,652 translatable)
  - b. Market/supplier proximity
  - c. Transportation network
  - d. Local knowledge
  - e. Utility cost and reliability
  - f. Strong growth forecast (national, state. local)
  - g. Real estate costs
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# Why do Target Business Recruitment

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## Entrepreneurship & Small Business Development

- a. Texas A&M University (opened Coastal Bend Innovation Center in 2008)
  - b. Del Mar Small Business Development Center
  - c. Transportation network
  - d. Local knowledge
  - e. Utility cost and reliability
  - f. Real estate availability
  - g. Real estate costs
  - h. Geekdom Concept / Feasibility
-



## GEEKDOM STATS

5

YEARS  
IN OPERATION

1,400<sup>+</sup>

CURRENT  
MEMBERS

500<sup>+</sup>

CURRENT COMMUNITY  
COMPANIES

8,000<sup>+</sup>

MEETINGS HELD  
IN 2016

500<sup>+</sup>

EVENTS HELD  
PER YEAR

40<sup>+</sup>

TOURS GIVEN  
PER MONTH

1.74M

CUPS OF COFFEE  
CONSUMED SINCE INCEPTION

40,924

SQUARE FEET OF OFFICE  
AND EVENT SPACE



## ECONOMIC IMPACT

**\$74.3M**

IN CAPITAL HAS BEEN RAISED BY  
COMMUNITY COMPANIES OVER A  
5-YEAR PERIOD

OVER THE SAME 5-YEAR PERIOD,  
SAN ANTONIO INVESTORS HAVE  
GIVEN



**\$6.2M**



IN FUNDING TO COMPANIES BASED  
OUTSIDE OF SAN ANTONIO AND  
NATIONALLY

**5**

THERE HAVE BEEN 5  
COMMUNITY COMPANIES  
THAT WERE ACQUIRED

**12**



COMMUNITY  
COMPANIES HAVE  
FILED 12 PATENTS

**\$35.7M**

COMBINED PROJECTED REVENUE  
GENERATED IN 2016 BY COMMUNITY  
COMPANIES

TOTAL REVENUE RANGING FROM LESS THAN \$50K TO MORE THAN \$1M



- GREATER THAN \$1M
- \$750K - \$1M
- \$500K - \$750K
- \$250K - \$500K
- \$150K - \$250K
- \$50K - \$150K
- LESS THAN \$50K



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# Questions

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