



Council Presentation  
February 12, 2019



## A REGIONAL SPORTS COMPLEX for CORPUS CHRISTI



In an effort to **build sports related tourism** and **increase the city's hotel occupancy and sales tax revenue**, the City of Corpus Christi is entering into a public/private partnership with SQH Sports & Entertainment, Inc. to lease approximately **203 acres of land**.

In the City of Corpus Christi, SQH Sports & Entertainment, Inc. will:

- Build a **\$30 million** tournament-quality, multi-sport complex
- Host **multi-day, multi-sport** regional, state, national tournaments/events
- **Attract 200,000-300,000 unique visitors annually**
- Build a public extension of **Oso Parkway** estimated **\$2,842,000**
- Build a public **hike and bike trail** estimated **\$847,000**

This complex **will not** add to the city's operating expense or tax burden.



## KEY CHANGES SINCE LAST PRESENTATION

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- **\$50,000 annual rent** for additional acreage
  - Public extension of Oso Parkway (estimated \$2,842,000) to be constructed by SQH **(no cost to City of Corpus Christi)**
  - Public hike and bike trail (estimated \$847,000) to be constructed by SQH **(no cost to City of Corpus Christi)**
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## TEXAS COMMUNITIES CURRENTLY DEVELOPING SPORTS COMPLEXES



Abilene	122,225		\$1,670,000 <b>budget</b>	\$1.00 a year lease	Abilene Reporter News
Cameron	5,523		\$5,650,000 <b>bond</b>	Update current fields	tdtnews.com
Carrollton	135,710		\$4,250,000 <b>bond</b>	Sports complex improve	Bond election guide
Del Rio	36,006		\$20,000,000 <b>bond</b>	35K sqft gym + fields	delrionewsherald.com
Denton	133,808	part	\$120,000,000 <b>bond</b>	Soccer complex	dentonrc.com
El Paso	683,577	part	\$245,000,000 <b>bond</b>	1 <sup>st</sup> stage sports complex	City website
McAllen	142,212		\$15,000,000 <b>bond</b>	5 year delay	themonitor.com
New Braunfels	79,152		\$15,000,000 <b>bond</b>	2019 sports complex	City website
Pearland	113,570		\$6,500,000 <b>budget</b>	Construction of complex	chron.com
Pflugerville	63,359		\$11,000,000 <b>bond</b>	1 <sup>st</sup> stage complex	CI impact Newspaper
Portland	16,618		\$25,200,000 <b>bond</b>	Sports complex fields	caller.com



## SQH SPORTS & ENTERTAINMENT, INC.

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The leadership team at SQH translate their 90 years of experience in theme park marketing, tour and travel, food and beverage, and events services into a concept that leverages a public/private partnership to meet the needs of Corpus Christi, Texas.



## SPORTS COMPLEX - SQH INVESTMENT



	<b>TOTAL</b>
Complex & Infrastructure Improvements to Land	\$ 29,750,000
Public Extension of Oso Parkway Construction	\$ 2,841,649
Public Hike & Bike Trail Construction	\$ 847,430
<b>Total SQH Investment</b>	<b>\$ 33,439,079</b>

### SPORTS ELEMENTS

**80,000 sq ft fieldhouse hosting 6 full-size basketball courts that convert to 12 volleyball courts and a cheer competition area**

- 12 baseball/softball diamonds
- 11 outdoor fields for soccer, lacrosse, flag football
- 10 sand volleyball courts
- children's outdoor play area
- concessions stands at fields and fieldhouse
- 5,000 sq ft restaurant
- outdoor picnic area
- offices for admission and administration



## SPORTS COMPLEX GENERATION OF TAX REVENUE



	<b>Construction Period</b>	<b>First 5 Years of Operation</b>	<b>TOTAL</b>
	<b>(construction materials)</b>	<b>(sales tax &amp; hotel occupancy tax)</b>	
City of Corpus Christi	\$ 180,628	\$ 12,781,339	\$ 12,961,967
Corpus Christi Crime Control District	\$ 16,421	\$ 370,996	\$ 387,417
Corpus Christi MTA	\$ 65,683	\$ 1,483,986	\$ 1,549,669
<b>Tax Revenue Generated for Corpus Christi, Texas</b>	<b>\$ 262,732</b>	<b>\$ 14,636,321</b>	<b>\$ 14,899,053</b>

January 2018

*A Preliminary Examination of the Impacts of Developing A Sports Complex and a Retail/Entertainment Complex*

Prepared by: Land + Leisure, LLC

2716 Downing Drive

Plano, TX 75023



# JOBS AND ECONOMIC IMPACT



	Construction Period <i>(One-Time)</i>	First 5 Years of Operation <i>(Ongoing)</i>	TOTAL
Employment - Direct	119	80	199
Employment - Indirect & Induced	92	14	106
<b>Total Jobs (full and part-time)</b>	<b>211</b>	<b>94</b>	<b>305</b>
Worker's Earnings - Direct	\$ 9,916,803	\$ 6,639,433	\$ 16,556,236
Worker's Earnings - Indirect & Induced	\$ 7,735,415	\$ 2,774,863	\$ 10,510,278
<b>Total Worker's Earning (full and part-time)</b>	<b>\$ 17,652,218</b>	<b>\$ 9,414,296</b>	<b>\$ 27,066,514</b>

*January 2018*  
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## SQH ADDITIONAL CONSIDERATIONS (BEYOND HOTEL OCCUPANCY AND SALES TAX GENERATIONS)



	<b>TOTAL LEASED ACREAGE</b>	<b>ADDITIONAL ANNUAL RENTS</b>
Acreage - Sports Elements (fields, fieldhouse, concessions, play area, etc.)	67.69	\$ 1.00
Acreage - Undevelopable Floodway (option to lease)	30.22	\$ -
Acreage - Commercial Improvements (complementary sports-related)	105.39	\$ 50,000
<b>Total Leased Acreage - City of Corpus Christi</b>	<b>203.30</b>	<b>\$ 50,001</b>

- **Relocate the City's Solid Waste Dept. operations** to another site designated by the City
- **Pay annual rent of \$50,000** on acreage beyond original 68-acre lease agreement
- **Construct \$3.689M in public improvements** (Oso Parkway extension and hike & bike trail) at no cost to City
- **Pay all real and personal property taxes** levied on the premises and improvements



# REGIONAL SPORTS COMPLEX SUMMARY



## SQH Sports & Entertainment, Inc. Investment:

Complex & Infrastructure Improvements to Land	\$ 29,750,000
Public Extension of Oso Parkway Construction	\$ 2,841,649
Public Hike & Bike Trail Construction	\$ 847,430
	<u>\$ 33,439,079</u>

\$3,689,089 over 40 years = \$92,277 per year of public improvements paid for by SQH

## Tax Revenue & Impact of Jobs (Construction & First 5 Years of Operations):

Sales & Hotel Occupancy Tax Revenue Generated for Corpus Christi	\$ 14,899,053
Jobs – Direct, Indirect & Induced	305
Worker's Earnings – Direct, Indirect & Induced	\$ 27,066,514

## Additional Considerations Provide by SQH Sports & Entertainment, Inc.:

- Pay annual rent of **\$50,000** on acreage beyond original 68-acre lease agreement
- Relocate the City's Solid Waste Dept. operations to another site designated by the City
- Construct Oso Parkway extension and hike/bike trail (\$3.689M) at no cost to City
- Pay all real and personal property taxes levied on the premises and improvements

\$50,000 per year = \$2,000,000 over 40 years paid to City by SQH



## HOW DOES THE CITY OF CORPUS CHRISTI BENEFIT FROM A REGIONAL SPORTS COMPLEX?



- Unique, world-class regional youth sports complex
- **\$33.4M** private investment in new infrastructure
- **\$50,000** per year lease payment
- **\$3.689M** in public improvements (road/trail at zero cost to taxpayers) = \$92,227 per year for 40 years
- 305 Direct, Indirect and Induced Jobs\*
- \$27,066,514 Direct, Indirect and Induced Worker's Earnings\*
- **200,000 to 300,000 out-of-town visitors annually at zero marketing investment by City of Corpus Christi**
- Resulting in multi-million annual sales tax and hotel occupancy tax revenue with:
  - ✓ Zero municipal bonds requirement
  - ✓ Zero taxpayer burden
  - ✓ Zero taxpayer risk

\* Construction plus first five years operation



## MILESTONES (PROPOSED LEASE AGREEMENT)



- **D + 60 days** / SQH to inspect property (soil samples, etc.) and sign “Notice of Election” to continue
- **D + 6 months** / SQH demonstrate utility planned approved
- **D + 12 months** / SQH demonstrate project funding secured
- **D + 13 months** / SQH complete final project design
- **D + 18 months** / SQH begin construction
- **D + 36 months** / SQH complete construction
- **D + 38 months** / SQH commence operation of major components

*D = Effective Date of Lease Agreement*



# CORPUS CHRISTI REGIONAL SPORTS COMPLEX



**A site once designated  
as a solid waste landfill  
can become the sports  
and entertainment  
jewel of the Coastal  
Bend.**

