



## AGENDA MEMORANDUM

Action Item for the Corpus Christi Business and Job Development Corporation Meeting  
September 16, 2019

**DATE:** August 22, 2019

**TO:** President and Honorable Board Members,  
Corpus Christi Business and Job Development Corporation

**FROM:** Matt Blasy, General Manager, American Bank Center  
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### Arena Marketing/Co-Promotion Fund Request – Corpus Christi IceRays

#### **CAPTION:**

Motion authorizing the expenditure of \$100,000 from American Bank Center Fiscal Year 2018-2019 Arena Marketing/ Co-Promotion Fund to offset increasing operating costs of Corpus Christi IceRays for their 2019-2020 season.

#### **PURPOSE:**

SMG/American Bank Center is requesting a total of \$100,000 from the Arena Marketing/Co-Promotion Fund to assist the IceRays in offsetting operating costs for the 2019-2020 season.

#### **BACKGROUND AND FINDINGS:**

The objective of the American Bank Center Arena Marketing/Co-Promotion Fund is to provide funding to the American Bank Center Arena to offset event related expenses incurred for the purpose of attracting business to the Arena such as: tenant leases, conventions, and other events and business opportunities. The purpose of this memo is related to the sports-related tenant part of our business.

For the last ten (10) hockey seasons, the Type A Board has provided funding to offset rent-expense related to the hockey games.

Season	Amount Awarded
2009-2010	\$50,000
2010-2011	\$100,000
2011-2012	\$100,000
2012-2013	\$100,000
2013-2014	\$100,000
2014-2015	\$100,000
2015-2016	\$100,000

Season	Amount Awarded
2016-2017	\$100,000
2017-2018	\$100,000
2018-2019	\$150,000

This financial assistance has been critical in retaining the IceRays as a tenant of the American Bank Center and as a team that calls Corpus Christi “home”. In exchange for this financial assistance, the IceRays provide a ticket voucher-distribution program. This program provides increased attendance for a customer base who would not ordinarily have access to the games and/or they may use the tickets to produce a significant and positive impact in the community.

The IceRays organization has consistently proven to be a valued tenant and a respected member of the community. Within the community, the IceRays organization consistently generates significant levels of charitable contributions, creates new jobs, mentors students and provides scholarship funding.

The Type A Board has historically funded rent-rebates at a rate of \$100,000 per season (spread over twenty-eight (28) games from September – April). Each year the IceRays receive \$100,000 in Marketing/Co-Promotion Funds as a subsidy for rental space at the Arena. In 2018, SMG increased the IceRays’ rent for the first time in nine seasons, and the Type A Board agreed to provide an additional \$50,000 in Marketing/Co-Promotion funds to offset the increase. The approach for the upcoming season is to provide the standard funding amount of \$100,000, as well as to make necessary adjustments to the game day set-up to reduce direct costs associated with operating the games (i.e. staffing).

During the 2018-2019 Season, the IceRays provided the Type A Board with the following:

**Advertising:**

- 3’ x 8’ Arena banner with Type A Logo
- Type A Logo on team website
- Type A Logo on game advertisement

**Additional Information regarding the IceRays:**

- Main Tenant at American Bank Center (28 nights)
- The IceRays averaged 2,273 fans per game totaling 77,187 last season
- 900 + Hotel Rooms (visiting teams, referees, league officials and supervisors, parents and fans/booster clubs)
- Visiting teams, referees, league officials, parents, etc. eat in local restaurants and purchase gas, goods and rent vehicles.
- 10 Full-Time Employees
- 12 Part-Time Employees
- 5 Internships
- 100 + employees per night at the American Bank Center between (including parking, box office, ushers/ticket takers, security, changeover crew, emergency medical team, cleanup crew, concessionaire, video board operators, announcer, ice crew, etc.).

The IceRays donate each year in excess of \$100,000 in cash, merchandise, and tickets to different charities in the community. During the 2018-2019 season, ticket vouchers worth \$706,783 were given to the following groups and organizations – with \$122,804 of the vouchers actually reseeded. In addition, \$32,663 in cash was donated to the organizations.

- American Heart Association
- Boy Scouts of America South Texas Council
- CASA
- Communities in School
- First Friday
- Gulf Coast Humane Society
- Keep Aransas Pass Beautiful
- Lady Rebels
- Ronald McDonald House
- Spohn Cancer Center
- The Purple Door (Women's Shelter)
- Tuloso Midway
- USO Of South Texas
- USS Lexington

The IceRays' players, staff, and mascot completed over 1,859 community hours this past season volunteering at events and schools. (This year the players attended Gloria Hicks Elementary about once or twice a week (depending on their schedule) to help with after-school tutoring in reading.)

The IceRays have events that take place during home games including specialty nights such as Stars and Stripes night to honor military personnel and all first responders in the area; Boy Scout and Girl Scout nights which gives scouts the opportunity to earn badges; and School Day events for middle schoolers that is in conjunction with MD Anderson to educate the students on anti-smoking. After all weekend games, the IceRays have post-game skating which gives the public the opportunity to get skate with the players.

### **Specialty Games**

- Air Force Induction Night
- Blood Drive
- Boy Scout Night
- CASA Night
- City / County Night (City and County Employee Appreciation Game)
- Childhood Cancer Night Benefiting, Blossoming Hope for Childhood Cancer
- Girl Scout Night
- Great American Smoke Out Game
- Navy Day (USO & Lexington)
- Pack the House for Charity Benefiting, Ronald McDonald House
- Pet Night Benefiting Gulf Coast Humane Society
- Pink in the Rink
- Skate Events
- Stars and Stripes Night (Military, Law Enforcement, and First Responders)
- (2) Grades for Blades Games – School Incentive Program
- Teacher Appreciation Game
- Teddy Bear Toss Night (Toys Donated to Women's Shelter, Salvation Army, Ronald McDonald House and Driscoll Hospital)

- Texas Skills Night
- The Purple Door (Women's Shelter) Nights

#### **Non-Game Event**

- Golf Tournament: Annual Golf Tournament to benefit Communities in School

#### **ALTERNATIVES:**

An alternative could be to require the IceRays to cover the \$100,000 in expenses. Given their existing financial loss annually, however, there is a possibility that the team could cease operation because of the increased costs.

A second alternative could be to reduce the rent by \$100,000 to ensure the team does not incur additional expenses. This would result in the American Bank Center's operating budget subsidizing the hockey operation and would result in a negative impact on the financials.

#### **FINANCIAL IMPACT:**

The Fiscal Year 2018-2019 budget for the Type A Arena Fund included a transfer of \$650,000 to the Visitor's Facility Fund for Arena Marketing/Co-Promotion. As of August 31, 2019, \$280,000 of the \$650,000 has been encumbered – leaving \$370,000 available. This agenda item would encumber \$100,000 of the available balance.

It should also be noted that the Ice Rays currently generate a net profit for the American Bank Center's financials.

#### **Funding Detail:**

Fund: 4710 Visitor Facility  
 Organization/Activity: 13615 Arena Marketing/Co-Promotion  
 Mission Element: 734 Tourism  
 Project # (CIP Only): N/A  
 Account: 530500 Printing Advertising & PR

#### **RECOMMENDATION:**

Staff recommends approval of this item.

#### **LIST OF SUPPORTING DOCUMENTS:**

N/A