



AGENDA MEMORANDUM

Corpus Christi Business and Job Development Corporation for
December 9, 2019

DATE: November 20, 2019

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

THROUGH: Peter Zanoni, City Manager

FROM: Keith Selman, Assistant City Manager
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Motion authorizing a project in an amount not to exceed \$2,000,000 for improvements to Whataburger Field for a leveraged funding project that will provide a total of \$3,000,000 via a 2:1 match with the Type A and the Hooks; For every \$1 spent by the Hooks, the Type A will contribute \$2 not to exceed \$2,000,000

CAPTION:

Motion authorizing a project in an amount not to exceed \$2,000,000 for improvements to Whataburger Field for a leveraged funding project that will provide a total of \$3,000,000 via a 2:1 match with the Type A and the Hooks; For every \$1 spent by the Hooks, the Type A will contribute \$2 not to exceed \$2,000,000.

SUMMARY:

The purpose of this item is to approve an expenditure amount not to exceed \$2,000,000 for Whataburger Field improvements. The Hooks have identified 78 capital improvement projects (reference FY 2020 Project Workplan) that need to be completed today, this approval would help with a fraction of them.

BACKGROUND AND FINDINGS:

The Corpus Christi Business and Job Development Corporation on September 30, 2003, agreed to incur debt to be funded by the one-eighth of one percent sales tax for the construction of the baseball stadium by the City.

In April 2004, the voters of Corpus Christi authorized by election a bond in the amount of \$24,565,000 towards the construction, operation, and maintenance of a baseball stadium in the convention center/port area. This debt was refunded in January 2014 and retired in 2017.

Following the approval of the election bond in 2004, the City of Corpus Christi signed a fifteen (15) year lease agreement with the Hooks. In 2013, the base agreement was amended from fifteen (15) years to thirty (30) years. As part of the agreement, the City pays insurance on the baseball stadium, while the Hooks make corresponding rent payments to the City. The annual rent increases by \$10,000 every five (5) years of the

term. For FY 2020, the rent increases to \$80,000.

Table 1. Hooks and City Expenses

Fiscal Year	Hooks		City of Corpus Christi		
	Capital Expenditures	Annual Rent	Contribution via Type A funds	Contribution via HOT funds	Property Insurance
2020	\$1,000,000	\$80,000	\$2,000,000	\$0	\$67,100
2019	\$966,415	\$70,000		\$175,000	\$70,670
2018	\$617,924	\$70,000		\$175,000	\$65,434
2017	\$519,247	\$70,000		\$175,000	\$65,529
2016	\$645,518	\$70,000		\$175,000	\$81,647
2015	\$554,993	\$70,000		\$175,000	\$109,167
2014	\$711,866	\$60,000		\$175,000	
2013	\$299,237	\$60,000		N/A	
2012	\$27,168	\$60,000		N/A	
2011	\$3,022	\$60,000		N/A	
2010	\$16,823	\$60,000		N/A	
2009	\$26,925	\$50,000		N/A	
2008	\$190,763	\$50,000		N/A	
2007	\$349,375	\$50,000		N/A	
2006	\$67,520	\$50,000		N/A	
2005	\$894,217	\$50,000		N/A	
TOTAL	\$ 6,891,013	\$980,000	\$2,000,000	\$1,050,000	\$459,547

Hooks total expenses total \$7,871,013. City expenses after the initial building investment of \$24M has been \$1,509,547.

The current contract stipulates a 2:1 match for maintenance, capital repair work, enhancements, and upgrades, in an amount not to exceed \$175,000 annually which is funded via Hotel Occupancy Tax Fund.

Table 2. Hooks Projects seeking approval for Type A Funding

Projects	Description	Est. Cost
Treatment of corroded "I" Beams in the facility	Repair I-Beams that have corrosion from salt air on concourse	\$ 150,000.00
Refurbish or replace sound system	Outdated, failing sound system complete overhaul	\$ 475,000.00
New Outfield video wall and production system	Replace & upgrade video production system and Video Board Outfield Wall	\$ 995,000.00
Ballpark WiFi Replacement	Ballpark WiFi Replacement through DavCo	\$ 120,000.00
Concourse Box Suite Hospitality Areas	New concourse suites for increased fan experience	\$ 50,000.00
Replace Aramark Concessions Equipment	Replace/Repair Multiple Concession Walk-Ins, Fryers/Holding	\$ 210,000.00
	Cabinets/Merchandisers, other equipment	
Total Type A Fund Investment for FY 2020:		\$ 2,000,000.00

ALTERNATIVES:

The alternative is not approving the expenditure and to continue with the current agreement to provide the Hooks with \$175,000 via Hotel Occupancy Tax fund. The Hooks have detailed 78 capital improvements projects, which they will have to find alternative funding.

FINANCIAL IMPACT:

Funding for this project will be from Fund 1140 Business and Job Development Fund, the funding source of the baseball stadium construction. The unreserved fund balance is currently \$11,165,777.

Funding Detail:

Fund:	1140 Business and Job Development
Organization/Activity:	13836 Baseball Stadium
Mission Element:	N/A
Project # (CIP Only):	N/A
Account:	Unreserved fund balance

RECOMMENDATION:

Staff recommends approving the motion to contribute an amount not to exceed \$2,000,000 for Whataburger Field improvements for a leveraged funding project that will provide a total of \$3,000,000 via a 2:1 match with the Type A and the Hooks; For every \$1 spent by the Hooks, the Type A will contribute \$2 not to exceed \$2,000,000.

LIST OF SUPPORTING DOCUMENTS:

FY 2020 Project Workplan