



AGENDA MEMORANDUM

First Reading Ordinance for the City Council Meeting January 21, 2020
Second Reading Ordinance for the City Council Meeting January 28, 2020

DATE: December 23, 2019
TO: Peter Zaroni, City Manager
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Amendment to Whataburger Field agreement
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CAPTION:

Ordinance approving the Second Amended and Restated Stadium Lease Agreement with Corpus Christi Baseball Club, LP; appropriating funds in the amount of \$2,000,000.00 from the Business and Job Development Fund to match a \$1,000,000 allocation by Corpus Christi Baseball Club, LP, for improvements to Whataburger Field; and amending the operating and capital budget.

SUMMARY:

The purpose of this item is to amend the agreement to establish a \$3M investment in replacement and stadium improvements for FY 2020 to the facility. It should be noted that all purchases of fixtures and capital improvements shall be purchased by Lessee as purchasing agents for the City, such purchases shall be in the name of the City and owned by the City.

BACKGROUND AND FINDINGS:

In 2014, an economic impact analysis showed an annual impact of Whataburger Field of \$19,000,000. The updated study for this year showed the impact to have increased by 9% to \$20,680,000.

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 annual rent increases to \$80,000. It should be noted that all purchases of fixtures and capital improvements shall be purchased by Lessee as purchasing agents for the City, such purchases shall be in the name of the City and owned by the City.

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.

On December 9, 2019, the Corpus Christi Business and Job Development Corporation approved \$2M towards capital improvements to the baseball stadium.

The amendments are:

1. 2:1 match with the Type A and the Hooks for FY 2020; For every \$1 spent by the Hooks, the Type A will contribute \$2 not to exceed \$2,000,000
2. Use of the "Nights at the Cotton Club" meeting room three times a year, as scheduling allows
3. Access to a suite free of charge throughout the entire term of this lease
4. Provide \$500 food voucher for use in the City suite during one half of the home games each year

ALTERNATIVES:

To not approve this amendment and expenditure the City's annual contribution will

remain at \$175K and capital needs will be postponed.

Approving this item will free up \$175k budgeted from Hotel Occupancy Tax funds.

FISCAL 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:	13826 Baseball Stadium
Mission Element:	N/A
Project # (CIP Only):	N/A
Account:	Unreserved fund balance

RECOMMENDATION:

Staff recommends approving the ordinance to amend the lease agreement and to allocate \$2M in funds for capital improvements for FY 2020 to Whataburger Field.

LIST OF SUPPORTING DOCUMENTS:

Amended lease agreement
FY2020 Project list
2014 Economic Impact Study
2020 Economic Impact Study