



**AGENDA MEMORANDUM**  
Corpus Christi Business and Job Development Corporation  
Meeting April 20, 2020

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**DATE:** April 1, 2020

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

**THROUGH:** Peter Zaroni, City Manager  
Keith Selman, Assistant City Manager  
Jermel Stevenson, Director of Parks and Recreation

**FROM:** Esther Velazquez, Assistant to the Director  
Parks and Recreation Department  
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Matt Blasy, General Manager, American Bank Center  
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<b>Update - Repurposing Arena Funds from Capital to Operating</b>
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**STAFF PRESENTER:**

<b><u>Name</u></b>	<b><u>Title/Position</u></b>	<b><u>Department</u></b>
Esther Velazquez	Assistant to Director	Parks and Recreation

**OUTSIDE PRESENTER:**

<b><u>Name</u></b>	<b><u>Title/Position</u></b>	<b><u>Organization</u></b>
Matt Blasy	General Manager	American Bank Center

**ISSUE:**

ASM Global/American Bank Center requires up to a \$1,000,000 from the Fiscal Year 2020 funds approved for Arena capital improvement projects to offset operating costs for remainder of this fiscal year.

**BACKGROUND:**

Given the unprecedented times with a complete industry shutdown for several months, ASM Global is taking immediate action to mitigate spending with its existing operation as well as long term with its oversight of capital improvement projects at the American Bank Center.

ASM Global recognizes the long-term effect that COVID-19 is going to have on the local

economy and its impact on the tax revenue to financially support the American Bank Center. As a result, all non-essential Capital Improvement Projects are on a 'freeze' in an effort to reduce spending.

In taking this approach, an estimated \$1.4 million of approved Capital Improvement funds will not be spent this fiscal year.

While continued improvements are necessary to effectively manage the facility, the Capital items currently not in progress are not considered essential to the operation at this time and they can be addressed in future years.

ASM Global, with City Manager approval, will be repurposing up to \$1,000,000 to cover operating expenses. The priority within the operating expense is retaining essential Full-Time employees and their salaries and wages. While still employed with limited events, the focus of the staff would be event planning, completing projects around the Arena while making continued improvements to standard operating procedures, and additional development and training.

Without the ability to cover salaries and benefits, ASM Global will be forced to lay off a 15-20 employees and re-hire to fill those positions when business resumes. This could have a major impact on operating events effectively when business picks up again which could have a short-term effect on event management and long-term effects on financials and securing future business.

There would be no financial impact to the FY2020 Arena budget. The repurposing of funds will not increase spending as the dollars were appropriated for Capital Improvement projects. This action involves a budget transfer from Org 13610 Arena Capital to Org 13625 Arena Operations within the Visitor Facility Fund 4710.

**LIST OF SUPPORTING DOCUMENTS:**

None