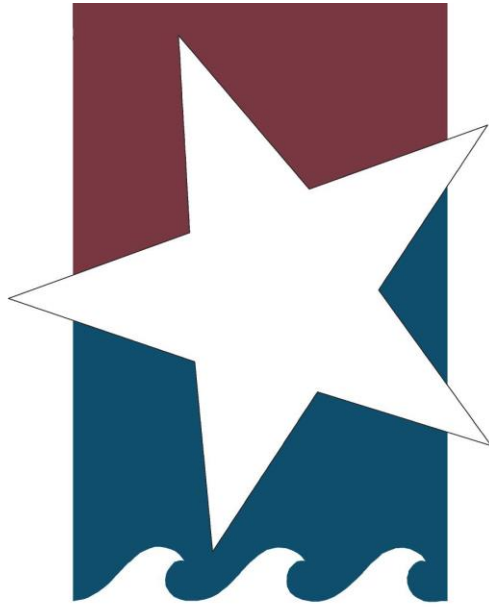


Corpus Christi

REGIONAL ECONOMIC
DEVELOPMENT CORPORATION

City Council Quarterly Report May 2020

**Iain Vasey CEcD
President/CEO**



Corpus Christi

REGIONAL ECONOMIC
DEVELOPMENT CORPORATION

Mission Statement

The mission of the Corpus Christi Regional Economic Development Corporation is to expand and enhance the region's economic base by developing and/or supporting projects that create primary jobs to improve the diversity and size of the local economy.

Employment by Sector for Corpus Christi MSA

Industry	Yearly Change	Mar. 2020	Feb. 2020	Mar. 2019	Mar. 2018	Mar. 2017	Mar. 26
Total Nonfarm	500	194,000	193,900	193,500	193,400	195,100	192,100
Mining, Logging and Construction	-1,200	23,300	23,400	24,500	26,000	27,600	24,300
Manufacturing	200	8,500	8,500	8,300	8,100	8,200	9,000
Trade, Transportation, and Utilities	200	33,000	33,100	32,800	33,100	33,300	34,300
Information	0	1,600	1,600	1,600	1,600	1,800	1,800
Financial Activities	100	8,500	8,400	8,400	8,100	7,800	7,700
Professional and Business Services	300	19,200	19,200	18,900	18,400	16,700	17,000
Education and Health Services	0	32,400	32,500	32,400	31,400	31,400	30,600
Leisure and Hospitality	100	25,800	25,600	25,700	25,500	26,200	25,600
Other Services	200	6,300	6,300	6,100	6,200	6,700	6,800
Government	600	35,400	35,300	34,800	35,000	35,400	35,000

CCREDC Covid-19 Response

- The EDC staff team remains hard at work, principally working remotely, with coverage of the office. All phones and emails are being answered as normal, with no interruptions. We have established an online working group through our software Microsoft Teams, and do daily (often multiple times daily) video calls.
- Implemented cuts in non-essential and non-contractual spending. We have reduced our monthly overhead from around \$150,000+ (over \$1.8M annually) to about \$120,000 a month (less than \$1.4M annually). This is principally around elimination of Marketing, Travel, Trade Shows/Conferences, Site Engineering, and Client/Project Hosting.
- We remain in a strong financial position to be able to sustain operations. These spending restrictions are from an abundance of caution until we see how the economy performs.

Business Attraction & Recruitment

95% of Business Attraction efforts have shifted to
Business Retention efforts

- No indication of any project is being cancelled but this could change with time.
- Construction continues on both Steel Dynamics and Gulf Coast Growth Ventures

Business Attraction & Recruitment

There are still 23 active attraction projects for a total of 4,923 jobs and \$23.9B CapEx.

No prospect visits in March

- Upcoming Trips: ALL CANCELLED FOR REMAINDER OF CCREDC FISCAL YEAR travel and conference fees are being refunded
- MRO (aviation repair with Team Texas),
April 28-30, Dallas
- AIST, (steel), May 1-4, Cleveland

Business Retention & Expansion

- Coastal Bend of Texas Opportunity Zone 2020 (CBTXOZ20)
Postponed – New date TBD
- Working with federal, state and local leadership to measure economic impact of COVID on regional market
- Participated in Synchronist national workgroup to create COVID survey
- Transition CBTXOZ20 Committee to business resources working group for COVID
- Launched Business “touch” program to measure individualized impact and act as conduit for support and resources

Economic Impact Study

- Based on this information, CCREDC worked with the City of Corpus Christi to create a Small Business Loan Program essentially using Type A funds (actually a revenue swap with General Funds as the State has not yet acted to loosen up the tight restrictions on management of Type A-B funds).
- On April 7, the City Council approved a \$2 million transfer to LiftFund to create a small business 0% loan program with 10-day turnarounds to help companies under \$1.5M in revenues who have been impacted. We are working with others such as Sean Strawbridge and the Port to help expand this program.
- Our initial feedback is that the program will be oversubscribed, and we may need additional funds to help small businesses survive. The rapid deployment of funds will be critical as there is uncertainty about the larger Federal (esp. SBA) program's response times.

Economic Impact Study

The CCREDC/Dr. Jim Lee/TAMU-CC Economic Impact Survey resulted in

- 380+ completed responses
- 40% of companies are essentially shut down
- 60% of open businesses were operating at 80% capacity
- The key concern is access to capital, and funds need to be in the hands of businesses within six weeks in order to save the majority of small businesses.
- The results can be found at

<https://infogram.com/1tle1zxvx0zvkyhv82zp7ww99zbozwdwpl2>

Economic Impact Study

- The CCREDC/Dr. Jim Lee/TAMU-CC South Texas COVID-19 Task Force surveys conducted in March and April.

Key Findings:

- Social distancing policy measures deepened the impact of the COVID-19.

Between the two survey periods, business' revenue loss increases from 40% to 50% as its operating capacity decreased from 80% to 64%.

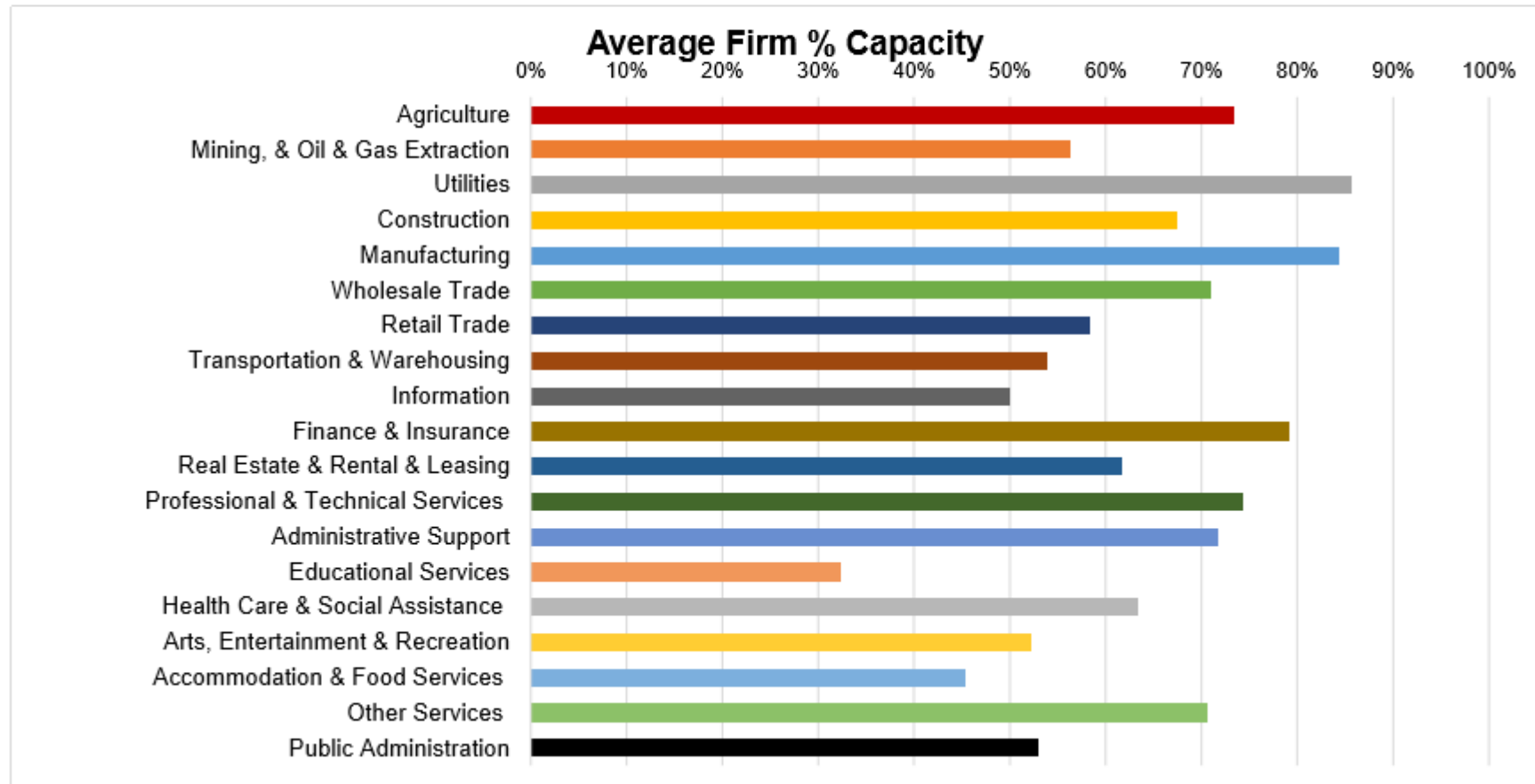
The one-size-fits-all executive orders to close businesses have disproportionately affected certain industries, notably accommodation, restaurants, and retailers other than grocery stores. •

The vast majority of employees in those mostly brick-and-mortar industries cannot work from home amid the stay-at-home orders. • As the industries hit hardest are also key economic drivers of South Texas, much of the regional workforce has been sidelined by the digital divide

2nd Survey

Operating Capacity

According to the first survey conducted in late March, businesses that were open operated at 80% capacity on average. The average operating capacity dropped to 65% two weeks later, according to the second survey. The average operating capacity of operating businesses varied across industries. Due to the statewide executive orders, educational services and accommodation and food services experienced the lowest average capacity levels.

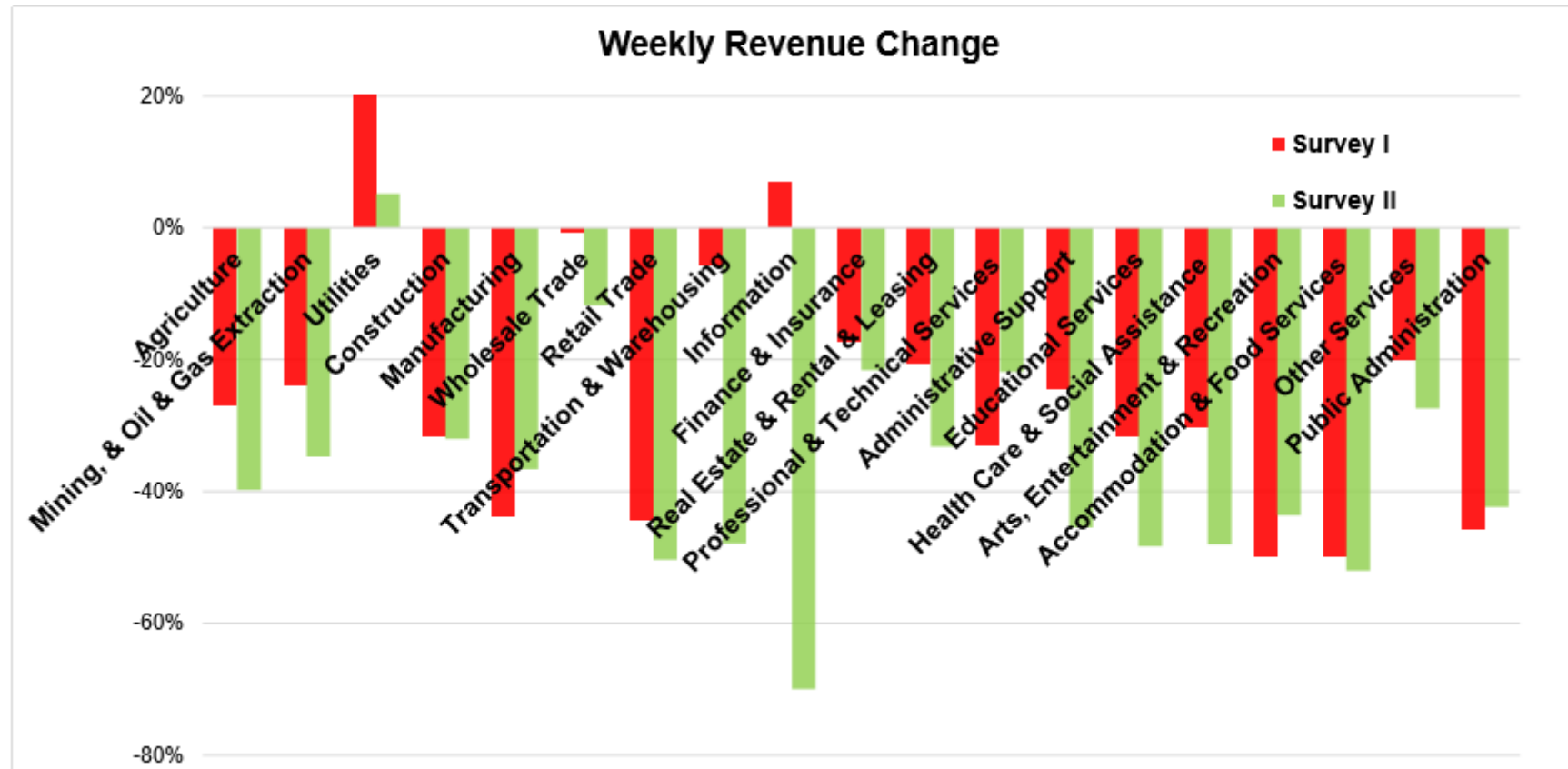


2nd Survey

Revenue Changes

The typical affected business in the region experienced a revenue loss of 40% during the first survey period, and 50% during the second survey period. With the exception of utilities, most broad economic sectors have suffered an overall

Hospitality industries, including entertainment, accommodation and food services, and retailers, reveal disproportionate economic exposure to the pandemic.

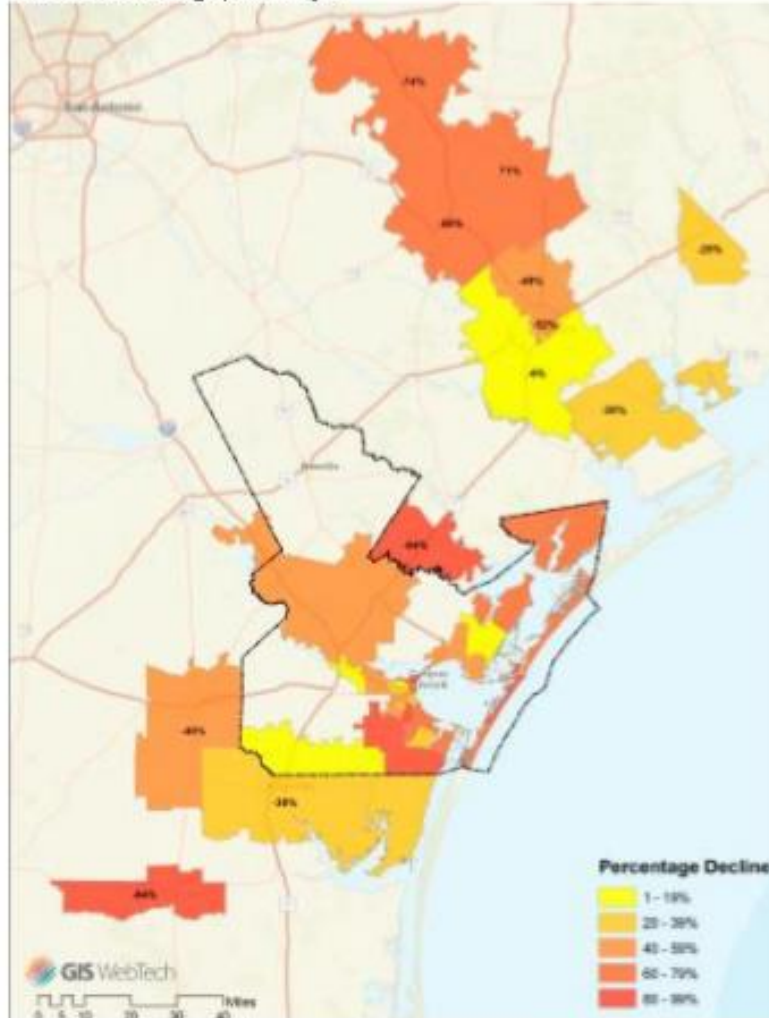


2nd Survey

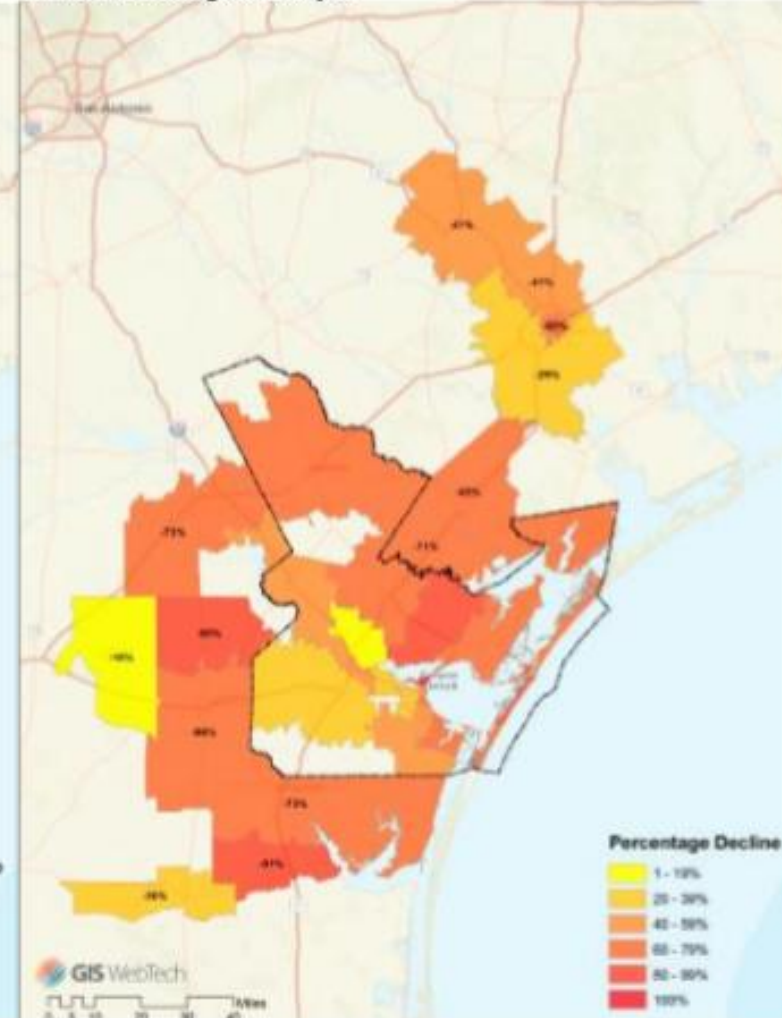
Geographical Dispersion

While business losses accelerated across most ZIP codes during the most recent survey period, rural communities experienced a deeper downturn.

Revenue Change, Survey I



Revenue Change Survey II



Keeping in Touch

- We have converted the main web page (www.ccredc.com) to a landing page for businesses and become a repository for accurate and reliable information to businesses.
- This includes information on the SBA Loans and other Federal Programs to assist businesses, as well as our own summaries and reports on the most important pieces of the legislation for our businesses and for our local governments.
- Every day the EDC staff is calling and talking with business leaders in the community, to assess conditions, provide information, and to gather data in our Synchronist database. This information is aggregated and recommendations are made to relevant governments and business organizations.



Keeping People Informed

- On April 7, we held our first online video conference of investors and stakeholders via Microsoft Teams.
- We successfully had 72 people log onto the call. We had briefings on the SBA-SBDC programs, Port, Economic Impact Survey, and Stock Market.
- Feedback received was that it was very functional and valuable information.

Questions?



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