

## Alice considers building multipurpose convention center amid Eagle Ford boom

By Mark Collette

Originally published 03:00 a.m., November 2, 2011

Updated 05:07 a.m., November 2, 2011

ALICE — For a city that always has lived and died by the oil field, life is good right now.

Flush with cash generated from sales and hotel occupancy taxes — all bringing in money associated with the oil and gas boom — the town is planning something most South Texas cities couldn't contemplate even a few years ago: paying for a new event center without dipping into reserves and without taking on debt.

In the past two fiscal years, Alice set aside more than \$4 million in seed money for the project, envisioned as a multipurpose convention center and natatorium. It has committed \$70,000 to an assessment to determine the type and scale of facilities the community wants.

This phase included a town hall meeting Tuesday night, dominated by the community's swimmers, including swim team coaches and student athletes lamenting the practice time lost on hourlong bus rides to and from Corpus Christi, site of the nearest pool that serves their training needs

Years from now, Alice swimmers may not draw a connection between the convenience of a modern, hometown pool and the heavy oil field trucks that lumber to and from town with loads of sand, water and drilling equipment. But to project planners and city leaders, that connection is everything.

Alice sits just south of the Eagle Ford Shale, a 400-mile long underground rock formation in Central and South Texas unleashing ancient stores of natural gas and crude oil with new technology called hydraulic fracturing. In the past two years, oil field service companies have expanded their Alice facilities, brought hundreds of jobs and filled up every hotel room in Alice, prompting more to be built.

"If Eagle Ford Shale was not in play to the level it is, there would still be a need (for a multipurpose center), but it would not be as big," City Manager Ray De Los Santos said. "There would still be funding available, but it would not be as much."

For the fiscal year ending Sept. 30, Alice budgeted \$650,000 a month in sales tax revenue. Only one month came in under \$1 million, giving the city a \$6 million surplus.

The event center project was being considered even before the Eagle Ford boom started in earnest in 2009. But the facility almost surely will be larger than what was

initially imagined because the city can afford it, and because it anticipates the demand will be there to support it for years to come.

Oil boom and bust cycles notoriously are unpredictable and, at least in the past, short-lived on the boom end. But with Eagle Ford, analysts are expecting a ramp-up in production to last as long as 10 years, with production remaining steady at least another decade.

"This has changed the model for communities in South Texas because they have a long-term horizon where they can plan for capital improvements," said John Michael, project engineer for Naismith Engineering. Naismith is conducting the needs assessment in Alice and has contracts with governments throughout the region.

Michael said there has been a dearth of new swimming pools in South Texas in the past 30 to 40 years because the last bust cycle drained the financial resources of communities and they never fully recovered.

De Los Santos said Alice isn't taking Eagle Ford longevity for granted. Other South Texas cities have struggled with keeping convention centers and similar venues afloat. Last fiscal year, the American Bank Center convention center and Selena Auditorium in Corpus Christi posted a \$1.3 million loss. And in Aransas Pass, the convention center has become a political football as officials try to figure out how to make it profitable.

It's unclear how much the Alice multipurpose center would cost, where it will be built or exactly what it will entail. Project planners want to spend more time gathering input before making decisions.

The \$70,000 study includes market analysis, financial projections, economic impact analysis, and aquatic and convention center complex conceptual analysis, De Los Santos said.

The general vision is a campuslike setting with meeting facilities, room for a privately-developed hotel, walking trails in a parklike area, and, of course, the pool.

Swim team coaches, members and athletes told the planners Tuesday that the city, with only one six-lane municipal pool that's at least 30 years old, sorely needs a facility ready for competition, for family relaxation and for general health in a community suffering high obesity rates.

The town has a nonprofit swim group of more than 100 participants in the summer, and its school swim teams regularly compete at the state level.

Alice High School's senior class president, Horacio Rangel, said he rides two hours on the bus every day to keep up his swim training, but the bus isn't the best environment for homework. He recently dropped to No. 22 in academic ranking in his senior class.

"I'd be top 20," he said, "if I had more time to study."



© 2012 Scripps Newspaper Group — Online