



AGENDA MEMORANDUM

Future Item for the City Council Meeting of December 13, 2016
Action Item for the City Council Meeting of December 20, 2016

DATE: November 16, 2016
TO: Margie C. Rose, City Manager
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Approving the revisions to the Type A Business Incentive Guidelines to create provision for Industry Internships

CAPTION:

Resolution adopting Amended Corpus Christi Business and Job Development Corporation Guidelines and Criteria for Granting Business Incentives.

PURPOSE:

Approval of the Type A guidelines as required by the statute

BACKGROUND AND FINDINGS:

The Corpus Christi Business and Job Development Corporation (Type A Board) is charged with determining how the economic sales tax is used to increase economic development in the city. The Board has approved grants to educational institutions to support job training for certain skills such as aviation and process technology. On September 19, 2016 the Type A Board asked staff to determine what would be required to support those job training skills.

The internship programs at Del Mar College and at Texas A&M University – Corpus Christi currently supports small businesses by providing students to work in local businesses in their field of study. This helps the students by getting practical experience and it helps the businesses by paying for some of the wages to get an intern and the businesses can see the quality of students available. The program is intended to train students in local jobs so they will remain here after graduation. The business pay \$7.25/hour and Type A funds pays \$5.00/hour. These programs are administered under the small business assistance part of the Type A Guidelines.

The process technology and the aviation internships are not available in small businesses. The only way to accommodate the larger companies would be to amend the guidelines and add an internship program in the job training section. This section deals with the requirements of a training program must meet to receive a grant. Some of these requirements include:

- job skills must be needed in the region as determined by WorkForce Solutions
- the entity must match the grant in cash
- the grant must be used for construction and/or equipment, not operating expenses

The revisions to the section include:

- adds many of the requirements from the small business internship program
- it removes 50% match and the construction requirement
- it keeps the requirement to be a needed job skill
- applications must still be through a training program to the EDC Board then to the Type A Board
- the agreement will be between the Type A Corporation and the training program

The Board of Directors of Corpus Christi Regional EDC recommended approval of this change to the Type A Board at their November 10th meeting. Type A Board approved the amended guidelines at their November 14, 2016 Board meeting.

ALTERNATIVES:

Council may decide not to alter the Type A guidelines

OTHER CONSIDERATIONS:

Not applicable

CONFORMITY TO CITY POLICY:

This project is consistent with the City's stated goals of promoting economic development and incentivizing business to expand and thrive in Corpus Christi.

EMERGENCY / NON-EMERGENCY:

Non-Emergency

DEPARTMENTAL CLEARANCES:

Corpus Christi Business and Job Development Corporation (Type A Board)

FINANCIAL IMPACT:

☐ Operating ☐ Revenue ☐ Capital ☒ Not applicable

Fiscal Year: 2016-2017	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget				
Encumbered / Expended Amount				
This item				
BALANCE				

RECOMMENDATION:

Staff recommends approval of the revisions to the Type A guidelines.

LIST OF SUPPORTING DOCUMENTS:

Resolution
Draft Guidelines