



DATE: August 6, 2021

TO: President and Honorable Board Members,
Corpus Christi B Corporation

THROUGH: Peter Zanoni, City Manager

FROM: Randy Almaguer, Senior Management Analyst
randya@cctexas.com
361-826-3956

Approving an Amendment to the Corpus Christi B Corporation Guidelines & Criteria for Granting Business Incentives

CAPTION:

Motion to approve an amendment to the Corpus Christi B (Type B) Corporation Guidelines and Criteria for Granting Business Incentives.

SUMMARY:

The motion approving an amendment to the Type B Corporation Guidelines and Criteria for Granting Business Incentives will help facilitate the application process in an efficient manner consistent with the City's goals of promoting economic development in Corpus Christ.

BACKGROUND AND FINDINGS:

City staff and the CCREDC are constantly looking at ways to improve guiding documents that will ensure necessary steps are in place to bring the best projects forward to the Type B Corporation. The proposed changes will be to the following sections.

Section 2. Mission & Goals

- (c) The role of the Corporation in carrying out this mission and goals is to review and approve applications for business incentives, recognizing that the Corpus Christi Regional Economic Development Corporation exists for the purpose of organizing, coordinating and leading the City's economic development efforts. CCREDC shall be responsible for accepting and processing all Type B incentive applications and forwarding to the Board and Corporation with recommendations for action. When applications are received, CCREDC will provide a courtesy copy to the Mayor, the Mayoral appointee to the CCREDC Board of Directors, and the City Manager. All completed applications filed with CCREDC that meet the qualifying standards of the Type B Program, ~~and~~ provided that funds allocated and budgeted funds are available, will be forwarded-presented to the Type B Board along with a recommendation on course of action at an appropriate meeting

following the review of the CCREDC Board. CCREDC will provide a monthly report to the Board of any application that was deemed ineligible and the reason.

Section 12. Application

- (a) Written Application. Any present or potential Owner or sponsor may request business incentives by filing an authorized and signed application with the President of the CCREDC, who will provide a courtesy copy to the Mayor, the Mayoral appointee to the CCREDC Board of Directors, the City Manager and appropriate City staff.
- (c) Feasibility/Economic Impact Study. After receipt of a completed application, the President of the CCREDC shall cause to be performed an economic impact report. This report may be completed by CCREDC (or its consultant) using established accepted economic impact models such as IMPLAN, RIMS II, EMSI, or similar model. This study shall include, but not be limited to, an estimate of the economic effect of incentives, including job creation, employment enhancement and capital investment. Once completed, the study and the application will be forwarded to the Board for review **and discussion** before consideration of any Agreement. The costs and expenses of the feasibility/economic impact study shall be borne by the Economic Development Corporation. The economic impact report should clearly identify the direct and indirect economic impact of each project.
- (d) No Business Incentives if Construction or Program has commenced. No business incentive Agreement shall be approved if the application was filed after the commencement of any construction, alteration or installation of improvements related to the proposed Facility Modernization, Expansion or New Facility. Similarly, no business incentive Agreement shall be approved for any program if the application was filed after the program has been establishment established or program activity has commenced.
- (e) Financial Information. The applicant shall provide to the Corporation, or the Corporation's appointed agent, the last three years of financial statements—company and/or personal financial statements for review and evaluation to assess the financial strength of the applicant. After receipt of the financial statements, the President of the CCREDC may cause a financial review to be performed. Upon completion, any negative findings from the financial review will be forwarded to the City Manager and the Board for review **and discussion** before consideration of an Agreement. The applicant will be allowed to address, and explain in writing, any negative findings before the Corporation takes action on an Agreement.

Section 13. Approval

Remove (b) in its entirety.

~~(b) Project Agreement Required. Each Agreement shall also include and be accompanied by a separate Project Agreement executed between the Corporation and the City.~~

ALTERNATIVES:

The Type B Corporation could choose not to approve the guidelines or recommend changes to the guidelines.

FINANCIAL IMPACT:

There is no financial impact.

Funding Detail:

Fund: N/A
Organization/Activity: N/A
Mission Element: N/A
Project # (CIP Only): N/A
Account: N/A

RECOMMENDATION:

Staff recommends approval of the Type B Guidelines.

LIST OF SUPPORTING DOCUMENTS:

Type B Guidelines - Redline