



AGENDA MEMORANDUM

First Reading for the City Council Meeting of February 11, 2025
Second Reading for the City Council Meeting of February 18, 2025

DATE: February 4, 2025
TO: Peter Zaroni, City Manager
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Small Business Drought Resiliency Program

CAPTION:

Ordinance approving an agreement between the City of Corpus Christi and the Corpus Christi B Corporation - Type B in the amount of \$2,380,000.00 for funding of arterial and collector streets within the City; approving a 380 Agreement in the amount of \$2,380,000.00 with LiftFund Inc to grant a total of \$2,000,000.00 to small businesses for revenue losses up to \$50,000.00 due to stage 3 water restrictions; and amending the FY 2025 Operating Budget to transfer \$2,380,000.00 from Street Fund to General Fund and appropriating for said 380 Agreement

SUMMARY:

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BACKGROUND AND FINDINGS:

On December 16, 2024, the City of Corpus Christi entered Stage 3 water restrictions when the combined lake levels dropped below 20% capacity. These restrictions impact businesses reliant on outdoor irrigation, such as landscaping and irrigation companies, but have also affected other industries like mobile car washes and nurseries, leading to operational challenges and potential job losses.

To support small businesses struggling due to the ongoing drought, the City's Office of Economic Development is partnering with LiftFund, Inc. to launch the Small Business Drought Resiliency Program. This initiative aims to provide financial relief to businesses experiencing revenue declines and workforce reductions due to water restrictions. A total of \$2,000,000 will be dedicated

for loans and administrative fees to this program, which will provide grants of up to \$50,000 to small businesses. The program is expected to support up to 40 businesses, whose businesses have been adversely affected by the drought.

Program Overview

- The primary goal is job retention for impacted businesses.
- Funds may also be used to diversify business operations to mitigate long-term drought-related risks.
- The program will be administered by LiftFund, which will charge a standard administrative and commitment fee based on a percentage structure.

Eligibility Criteria

Businesses applying for the grant must meet the following requirements:

- Be located within the City of Corpus Christi (address verification available via city map).
- Have been in operation for at least 12 months prior to application submittal
- Be currently operational and able to demonstrate business activity through recent sales deposits.
- Employ at least one full-time employee.
- Show at least a 20% revenue decline compared to the previous year and/or a reduction in operating hours or workforce.
- Be in good standing with the Texas Comptroller's Office, if applicable.
- Businesses must be directly affected by the current drought restrictions.

Grant Awards & Limitations

- Grants of up to \$50,000
- Limited to one grant per physical address within the City of Corpus Christi.
- Businesses with multiple locations may apply separately for each location.

Application & Review Process

- Applications will be processed on a first-come, first-served basis.
- The program will be marketed through social media, email outreach, a dedicated webpage, and press releases.
- Applicants will apply online via LiftFunds portal, with assistance available by phone, email, or in person on designated application days.
- LiftFund will review applications and remove ineligible, duplicate, or incomplete submissions.

Funding & Reporting

- Approved businesses will receive award notifications via DocuSign.
- Funds will be disbursed within 10 business days after the business completes all verification steps.
- LiftFund will provide weekly reports to the City, tracking application progress, approvals, and fund disbursements.
- A final program analysis report will be submitted by July 31, 2025.

This program will provide critical financial relief to small businesses impacted by the City's ongoing water restrictions, helping to stabilize jobs and ensure long-term business sustainability in Corpus Christi.

ALTERNATIVES:

The City Council may choose to fund a lesser amount, modify program criteria, or decline funding the proposed program.

FISCAL IMPACT:

In order to fund this program, the \$2,380,000 already appropriated in the Fiscal Year 2024-2025 operating budget to be transferred to the Street Maintenance Fund (Fund 1041) is recommended to be repurposed for this program. In turn, Type B funds in the amount of \$2,380,000.00 would be appropriated and approved by the Type B Board to be transferred to the Street Maintenance Fund (Fund 1041) to be used for arterial and collector streets, necessary for new and expanded business enterprises. This action does not negatively impact the Street Maintenance Fund.

Funding Detail:

Fund:	1146 -Type B Economic Development
Organization/Activity:	60010 -Transfer to General Fund
Mission Element:	57
Project # (CIP Only):	N/A
Account:	548520- Administrative Service Charges

RECOMMENDATION:

Staff recommend approval of the small business assistance agreement with LiftFund, Inc. and the Type B funding of arterial and collector streets.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
Agreement
PowerPoint Presentation