



AGENDA MEMORANDUM

First Reading Ordinance the City Council Meeting of January 13, 2015
Second Reading Ordinance for the City Council Meeting of January 20, 2015

DATE: November 5, 2014
TO: Ronald L. Olson, City Manager
FROM: Emily Martinez
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Type A Grant for CC Cold Storage, LLC and South Texas Cold Storage, LLC

CAPTION:

Ordinance Approving a Business Incentive Agreement between the Corpus Christi Business and Job Development Corporation ("Type A Corporation") and CC Cold Storage, LLC and South Texas Cold Storage, LLC ("Cold Storage") to provide a grant of up to \$265,000, for the creation of jobs and authorizing the City Manager, or designee, to execute a Business Incentive Project Service Agreement with the Type A Corporation regarding implementation and administration of the Cold Storage Business Incentive Agreement for the creation of jobs; and appropriating \$265,000 from the unreserved fund balance in the No. 1140 Business/Job Development Fund for said business incentive grant from the Type A Corporation to Cold Storage; and changing the FY 2014-2015 operating budget, adopted by Ordinance No. 030294, by increasing expenditures by \$265,000.

PURPOSE:

Cold Storage will invest in their cold storage facility on McBride Lane and create and retain jobs in Corpus Christi. They will invest \$1,500,000 and create five full-time jobs and retain six full-time jobs with an annual payroll of \$399,360.

BACKGROUND AND FINDINGS:

Without a new owner the cold storage facility had been slated for closing. CC Cold Storage and South Texas Cold Storage purchased the building and will upgrade the facility to attract more business. Several major local food companies use this facility. Had it been allowed to close, the closest cold storage facility for Corpus Christi regional vendors would be in the Valley or San Antonio. The Port's cold storage facility was sold and converted into a warehouse.

Cold Storage capital outlays will include refrigeration upgrades that will allow it to service more food products due to the colder temperatures.

ALTERNATIVES:

The company is not eligible for any other incentives.

OTHER CONSIDERATIONS:

Cold Storage has been a fixture in this community. This grant will be used to invest in their facility and the retention and creation of jobs.

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:

Engineering

FINANCIAL IMPACT:

Operating Revenue Capital Not applicable

Fiscal Year: 2014-2015	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget		265,000		265,000
Encumbered / Expended Amount				
This item		265,000		265,000
BALANCE		0		0

Fund: Type A 1140

RECOMMENDATION:

Staff recommends approval of the Type A Grant to Cold Storage in the amount of \$265,000 for improvements to their cold storage facility and the creation and retention of jobs.

LIST OF SUPPORTING DOCUMENTS:

Type A Agreement
Project Service Agreement