



AGENDA MEMORANDUM
for the City Council Meeting of July 10, 2012

DATE: June 4, 2012
TO: Ronald L. Olson, City Manager
THROUGH: Toby Futrell, Interim Assistant City Manager
FROM: Mike Culbertson
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Ordinance appropriating a Type A grant to Majek Boatworks, Inc. and Turner-Majek Real Estate, LLC.

CAPTION:

- A. Ordinance appropriating \$360,000 from the unreserved fund balance in the No. 1140 Business/Job Development Fund for a business incentive grant from the Corpus Christi Business and Job Development Corporation ("Type A Corporation") to Majek Boatworks, Inc. and Turner-Majek Real Estate, LLC ("Majek") for building improvements and new equipment for an expansion of their boat manufacturing facility in Corpus Christi and the creation and retention of jobs; Changing the FY 2011-2012 operating budget, adopted by Ordinance No. 029155, by increasing proposed expenditures by \$360,000; and declaring an emergency
- B. Resolution approving a Business Incentive Agreement for the creation and retention of jobs between the Corpus Christi Business and Job Development Corporation and Majek Boatworks, Inc. ("Majek") and Turner-Majek Real Estate, LLC ("Turner-Majek LLC"), which provides a grant of up to \$150,000, for expansion of their existing manufacturing facilities within the city of Corpus Christi, in which Majek and Turner-Majek LLC will invest at least \$1,050,000 in building improvements, furniture, fixtures, and equipment and will retain at least 24 current full-time jobs with an average annual salary of at least \$24,300 over a five year period and the creation and maintenance of additional full-time jobs with an average annual salary of at least \$24,300 over a five year period; approving a grant to Majek and Turner-Majek LLC of up to \$210,000 for the improvement of Saluki Street reserve to a dedicated city street constructed to the Rodd Field Public Improvement District street standards, and authorizing the City Manager, or designee, to execute a Business Incentive Project Support Agreement with the Corpus Christi Business and Job Development Corporation regarding implementation and administration of the Majek and Turner-Majek LLC Business Incentive Agreement for the creation and retention of jobs

PURPOSE:

To provide a grant from the Type A fund to incentivize Majek to expand their boat manufacturing facility and to retain and create full-time jobs

BACKGROUND AND FINDINGS:

Majek Boatworks is a well known national boat manufacturer that is located in Corpus Christi. They are a family business with a market on the Gulf coast and they are expanding their territory to Florida. Due to this expansion and the uptick in the economy their orders have increased to more than what their current facility can handle. They plan to invest \$1,050,000 in furniture, fixtures, and equipment at their Corpus Christi facility and retain 24 jobs and create up to 26 new jobs with an annual average salary of \$24,300. On November 29, 2010 the Type A Board approved a grant to Majek Boatworks, Inc. and on May 21, 2012 approved an amendment.

ALTERNATIVES:

The company is not eligible for any additional incentives.

OTHER CONSIDERATIONS:

Majek would increase their foot print in our community and Corpus Christi will continue to be the home of a successful Gulf coast boat manufacturer.

CONFORMITY TO CITY POLICY:

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

EMERGENCY / NON-EMERGENCY:

Non-emergency.

DEPARTMENTAL CLEARANCES:

Type A Board

FINANCIAL IMPACT:

- Operating Revenue Capital Not applicable

Fiscal Year: 2011-2012	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget				
Encumbered / Expended Amount				
This item			360,000	360,000
BALANCE			360,000	360,000

Fund(s): Type A Fund

Comments:

RECOMMENDATION:

Staff recommends that the City Council authorize the City Manager to enter into a five year Type A agreement with Majek Boatworks, Inc. for \$360,000 over a five year period.

LIST OF SUPPORTING DOCUMENTS:

Ordinance for Majek Boatworks, Inc.
Business Incentive Agreement