



AGENDA MEMORANDUM

Corpus Christi Business and Job Development Meeting November 12, 2018

DATE: October 17, 2018

TO: President and Honorable Board Members,
Corpus Christi Business and Job Development Corporation

THROUGH: Keith Selman, Interim City Manager

FROM: Mike Culbertson
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Discussion and Possible Action on Sam Kane Beef Claw Back Payment

CAPTION:

Discussion on the Sam Kane Beef claw back of Type A grant and possible action.

Potential motion language: Motion to support Sam Kane Beef Processors, LLC (Kane Beef) in its effort to continue operating during the pendency of its receivership by extending the deadline for re-payment of \$175,200 under the Corporation's agreement with Kane Beef until February 12, 2019.

PURPOSE:

Discuss the implications of the Kane Beef receivership and the possibility of allowing additional time for the claw back payment.

BACKGROUND AND FINDINGS:

Sam Kane Beef Processors has been put into receivership. The appointed receiver, retired Judge Richard S. Schmidt has asked that the Board delay the request for claw back to enable Kane Beef to get the necessary funding without defaulting on the payment. After the Board's action at its October 15, 2018 meeting, City staff learned that the receivership order includes a stay on debt collection proceedings, similar to the rules of bankruptcy. City staff sent a letter to the receiver informing him of the Board's action and inviting him to attend the November meeting.

ALTERNATIVES:

None.

OTHER CONSIDERATIONS:

None.

CONFORMITY TO CITY POLICY:

This project is consistent with the City's stated goals of promoting economic development and helping small businesses thrive in Corpus Christi.

EMERGENCY / NON-EMERGENCY:

Non-Emergency

DEPARTMENTAL CLEARANCES:**FINANCIAL IMPACT:**

☐ Operating ☒ Revenue ☐ Capital ☐ Not applicable

Fiscal Year: 2018-2019	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget		5,934,380.87		5,934,380.87
Encumbered / Expended Amount		5,934,380.87		5,934,380.87
This item		(175,200)		(175,200)
BALANCE		175,200		175,200

Fund: 1140 Business Job Development (Type A)

Notes: Org 15010 Major Business Incentive Projects

RECOMMENDATION:

EDC Staff recommends delaying request for claw back by 90 days. The claw back will be due February 12, 2019.

LIST OF SUPPORTING DOCUMENTS:

Sam Kane Beef Processors Compliance Packet
Letter to Sam Kane Receiver