



AGENDA MEMORANDUM
for the City Council Meeting of May 29, 2012

DATE: May 9, 2012
TO: Ronald L. Olson, City Manager
THROUGH: Toby Futrell, Interim Assistant City Manager
FROM: Mike Culbertson, C.C. Economic Development Corporation
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Type A Grant for Little Boeing Blue Inc. dba Motorglobe

CAPTION:

- A) Ordinance appropriating \$125,000 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 Little Boeing Blue, Inc. ("Motorglobe") for building improvements and new equipment for a new headquarters 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 \$125,000; 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 ("Type A Corporation") and Little Boeing Blue, Inc. ("Motorglobe"), which provides a grant of up to \$125,000, for building improvements and new equipment for a new headquarters in Corpus Christi, and the creation and retention of at least 50 full time jobs with an annual average salary of at least \$50,000 over a five year period, and authorizing the City Manager or designee to execute a business incentive project support agreement with the Type A Corporation regarding implementation and administration of the Motorglobe Business Incentive Agreement for the creation and retention of jobs

PURPOSE:

To provide a grant from the Type A fund to incentivize Motorglobe to locate their national headquarters in Corpus Christi.

BACKGROUND AND FINDINGS:

Motorglobe is a subsidiary of Trust Dale. Trust Dale is a company founded by Dale Cardwell a former television reporter. He found when doing stories of companies that there were great companies out there. They investigate companies to see if they meet the high level of quality and customer service. They then pay him to advertise them as best in class. He is expanding this to automobile dealers. They would like to locate their national headquarters here in Corpus Christi. They will create 50 jobs with an annual salary of \$50,000 per employee.

ALTERNATIVES:

The company will not invest enough for a tax abatement. The Type A fund is the only incentive that they are eligible for.

OTHER CONSIDERATIONS:

They are competing internally to set up the headquarters in Corpus Christi instead of Atlanta, Georgia.

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:

EMERGENCY

DEPARTMENTAL CLEARANCES:

Budget
Finance
Legal

FINANCIAL IMPACT:

X 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		125,000		125,000
BALANCE		125,000		125,000

Fund(s): Type A Fund

RECOMMENDATION:

Staff recommends that the City Council authorize the City Manager to enter into a five year Type A agreement with Motorglobe for \$125,000.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
Type A Agreement