



## AGENDA MEMORANDUM

Future Item for the City Council Meeting of September 26, 2017

Action Item for the City Council Meeting of October 10, 2017

**DATE:** September 4, 2017  
**TO:** Margie Rose, City Manager  
**FROM:** Mike Culbertson  
(361) 882-7448  
mculbertson@ccredc.com

### Small Business Agreement for LiftFund, Inc.

#### **CAPTION:**

Resolution to approve the Small Business Incentives Agreement between the Corpus Christi Business and Job Development Corporation and LiftFund, Inc. (LiftFund) to provide a grant up to \$250,000 for their loan buy-down program to assist small business.

#### **PURPOSE:**

Approve a Type A Grant for LiftFund for their loan buy-down program for fiscal year 2018

#### **BACKGROUND AND FINDINGS:**

LiftFund, Inc. supports small and start-up companies with a loan interest buy-down program when traditional financing is not available. Type A has provided funding since 2004. LiftFund has loaned over \$7 million of their own funds and has assisted over 250 small businesses in the city since the inception of this program.

The Board of Directors of the Corpus Christi Regional Economic Development Corporation recommended approval during their July 13, 2017 meeting. The Type A Board approved the grant at their September 18, 2017 meeting.

The current agreement will buy down the interest to 5.5%. LiftFund asked that the interest could be bought down to 0% for those businesses that take out loans to deal with Hurricane Harvey damage.

#### **ALTERNATIVES:**

Enlist local banks to lend to small businesses. However to qualify for this program, small businesses must have been turned down for a bank loan. Additionally local banks already participate in the Small Business Administration (SBA) loan program.

#### **OTHER CONSIDERATIONS:**

By helping small businesses the City is increasing the economic development and growing

future jobs.

**CONFORMITY TO CITY POLICY:**

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

**EMERGENCY / NON-EMERGENCY:**

Non-Emergency

**DEPARTMENTAL CLEARANCES:**

Legal

**FINANCIAL IMPACT:**

Operating       Revenue       Capital       Not applicable

<b>Fiscal Year: 2017-2018</b>	<b>Project to Date Expenditures (CIP only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Line Item Budget		250,000		250,000
Encumbered / Expended Amount				
This item		250,000		250,000
BALANCE		0		0

Fund: 1140 Type A Small Projects

**Comments:** This item was approved in the Type A Small Business budget

**RECOMMENDATION:**

Staff recommends approval of an agreement for LiftFund for \$250,000for the fiscal year 2018.

**LIST OF SUPPORTING DOCUMENTS:**

Resolution  
Agreement