

SMALL BUSINESS INCENTIVES AGREEMENT BETWEEN THE CORPUS CHRISTI B CORPORATION AND DEL MAR COLLEGE DISTRICT FOR DEL MAR COLLEGE'S CYBER CENTER

This Small Business Incentives Agreement (“Agreement”) is entered into between the Corpus Christi B Corporation (“Corporation”) and Del Mar College District, a Texas institution of higher learning (“Del Mar”).

WHEREAS, the Texas Legislature in Section 4A of Article 5190.6, Vernon’s Texas Revised Civil Statutes (Development Corporation Act of 1979), now Title 12, Subtitle C1 (Chapters 501 – 507), Texas Local Government Code, empowered local communities with the ability to adopt an optional local sales and use tax as a means of improving the economic health and prosperity of their citizens;

WHEREAS, on November 8, 2016, residents of the City of Corpus Christi, Texas (“City”) passed Proposition 1, Adopt Type B Sales Tax to Replace Expiring Portion of Type A Sales Tax, which authorized the adoption of a sales and use tax to be administered by a Type B Corporation at the rate of one-eighth of one percent to be imposed for 20 years with use of the proceeds for (1) 50% to the promotion and development of new and expanded enterprises to the full extent allowed by Texas law, (2) \$500,000 annually for affordable housing, and (3) the balance of the proceeds for the construction, maintenance and repair of arterial and collector streets and roads;

WHEREAS, the 1/8th cent sales tax authorized by passage of Proposition 1 was subsequently enacted by the City Council and filed with the State Comptroller of Texas, effective April 1, 2018, to be administered by the Corpus Christi B Corporation Board;

WHEREAS, the Corpus Christi B Corporation exists for the purposes of encouraging and assisting entities in the creation of jobs for the citizens of Corpus Christi, Texas;

WHEREAS, the Board of Directors of the Corporation (“Board”), on August 16, 2021, amended the Corporation’s Guidelines and Criteria for Granting Business Incentives (“Type B Guidelines”), which the City Council approved on August 31, 2021;

WHEREAS, Section 501.073 of the Act requires the City Council to approve all programs and expenditures of the Corporation;

WHEREAS, the Board has determined that it is in the best interests of the citizens of Corpus Christi, Texas that small business development funds be provided to Del Mar, through this Agreement with Del Mar, to be used by Del Mar, which seeks to create a Cyber Center within the City to assist companies looking for contracts with existing and potential future large industrial companies in our area;

In consideration of the covenants, promises, and conditions stated in this Agreement, Corporation and Del Mar agree as follows:

1. **Effective Date.** The effective date of this Agreement (“Effective Date”) is the latest date that either party executes this Agreement or the date on which this Agreement is approved by City Council, whichever is later.

2. *Term.* The term of this Agreement is for one year from January 1, 2024, through December 31, 2024.

3. *Performance Requirements and Grants* Del Mar shall, no later than February 15, 2024, begin operation of the Cyber Center, which will provide educational seminars and one-on-one advising to small and mid-size businesses who need assistance with developing and implementing process and procedures to secure the safety of their business information. Del Mar shall create or retain at least one full-time employee for the management of the Cyber Center and shall provide the office space and any other materials needed to operate the Cyber Center and all other office costs, including IT services, maintenance, janitorial, and utilities. Del Mar will provide an annual report detailing the number of businesses participating in training and/or one-on-one advising, the number of Cyber Hygiene Protocols achieved by clients, the number of Cyber Assessments completed by clients, the number of contracts saved or obtained with Cyber Center assistance, and the number of jobs created or retained due to the Cyber Center assistance. The Corporation will pay Del Mar, as a grant, an amount not to exceed \$130,000 for the operation of the Cyber Center. The Corporation will pay the grant to Del Mar as invoices are received. Del Mar will display signage and include reference on its Cyber Center website that states that they are recipients of Type B funding. This signage will be provided to Del Mar by the Corporation and will be displayed in a location that is visible to a visitor to their Center for Economic Development on Staples Street.

4. *Living Wage Requirement.* In order to count as a permanent full-time job under this agreement, the job should provide a “living wage” for the employee. The target living wage under this agreement is that annual amount equal or greater than poverty level for a family of three, established by the U.S. Department of Health and Human Services Poverty Guidelines, divided by 2,080 hours per year for that year.

5. *Health Insurance.* To qualify for this incentive, an employer shall certify that it has offered a health insurance program for its full-time employees during the term of the Agreement.

6. *Warranties.* Del Mar warrants and represents to Corporation the following:

a. Del Mar is a Texas institution of higher learning duly organized, validly existing, and in good standing under the laws of the State of Texas, has all corporate power and authority to carry on its business as presently conducted in Corpus Christi, Texas.

b. Del Mar has the authority to enter into and perform, and will perform, the terms of this Agreement to the best of its ability.

c. Del Mar has timely filed and will timely file all local, State, and Federal tax reports and returns required by laws to be filed and all taxes, assessments, fees, and other governmental charges, including applicable ad valorem taxes, have been timely paid, and will be timely paid, during the term of this Agreement.

d. Del Mar has access to the Texas Development Corporation Act, Title 12, Subtitle C1 (Chapters 501 – 507), Texas Local Government Code, on the State's website, and acknowledges that the funds granted in this Agreement must be utilized solely for purposes authorized under State law and by the terms of this Agreement.

e. The person executing this Agreement on behalf of Del Mar is duly authorized to execute this Agreement on behalf of Del Mar.

f. Del Mar does not and agrees that it will not knowingly employ an undocumented worker. If, after receiving payments under this Agreement, Del Mar is convicted of a violation under 8 U.S.C. Section 1324a(f), Del Mar shall repay the payments received under this Agreement to the City, with interest at the Wall Street Journal Prime Rate, not later than the 120th day after the date Del Mar has been notified of the violation.

7. *Compliance with Laws.* During the Term of this Agreement, Del Mar shall observe and obey all applicable laws, ordinances, regulations, and rules of the Federal, State, county, and city governments.

8. *Non-Discrimination.* Del Mar covenants and agrees that Del Mar will not discriminate nor permit discrimination against any person or group of persons, with regard to employment and the provision of services at, on, or in the Facility, on the grounds of race, religion, national origin, marital status, sex, age, disability, or in any manner prohibited by the laws of the United States or the State of Texas.

9. *Force Majeure.* If the Corporation or Del Mar is prevented, wholly or in part, from fulfilling its obligations under this Agreement by reason of any act of God, unavoidable accident, acts of enemies, fires, floods, governmental restraint or regulation, other causes of force majeure, or by reason of circumstances beyond its control, then the obligations of the Corporation or Del Mar are temporarily suspended during continuation of the force majeure. If either party's obligation is affected by any of the causes of force majeure, the party affected shall promptly notify the other party in writing, giving full particulars of the force majeure as soon as possible after the occurrence of the cause or causes relied upon.

10. *Assignment.* Del Mar may not assign all or any part of its rights, privileges, or duties under this Agreement without the prior written approval of the Corporation and City. Any attempted assignment without approval is void, and constitutes a breach of this Agreement.

11. *Events of Default by Del Mar.* The following events constitute a default of this Agreement by Del Mar:

a. The Corporation or City determines that any representation or warranty on behalf of Del Mar contained in this Agreement or in any financial statement, certificate, report, or opinion submitted to the Corporation in connection with this Agreement was incorrect or misleading in any material respect when made;

b. Del Mar fails to comply with one or more terms of this Agreement.

12. *Notice of Default.* Should the Corporation or City determine that Del Mar is in default according to the terms of this Agreement, the Corporation or City shall notify Del Mar in writing of the event of default and provide 60 days from the date of the notice ("Cure Period") for Del Mar to cure the event of default.

13. *Results of Uncured Default by Del Mar.* After exhausting good faith attempts to address any default during the Cure Period, and taking into account any extenuating circumstances that might have occurred through no fault of Del Mar, as determined by the Board of Directors of the Corporation, the following actions must be taken for any default that remains uncured after the Cure Period.

- a. Del Mar shall immediately repay all funds paid by Corporation to them under this Agreement.
- b. Del Mar shall pay Corporation reasonable attorney fees and costs of court to collect amounts due to Corporation if not immediately repaid upon demand from the Corporation.
- c. Upon payment by Del Mar of all sums due, the Corporation and Del Mar shall have no further obligations to one another under this Agreement.

14. *No Waiver.*

- a. No waiver of any covenant or condition, or the breach of any covenant or condition of this Agreement, constitutes a waiver of any subsequent breach of the covenant or condition of the Agreement.
- b. No waiver of any covenant or condition, or the breach of any covenant or condition of this Agreement, justifies or authorizes the nonobservance on any other occasion of the covenant or condition or any other covenant or condition of this Agreement.
- c. Any waiver or indulgence of Del Mar's default may not be considered an estoppel against the Corporation.
- d. It is expressly understood that if at any time Del Mar is in default in any of its conditions or covenants of this Agreement, the failure on the part of the Corporation to promptly avail itself of the rights and remedies that the Corporation may have, will not be considered a waiver on the part of the Corporation, but Corporation may at any time avail itself of the rights or remedies or elect to terminate this Agreement on account of the default.

15. Del Mar specifically agrees that Corporation shall only be liable to Del Mar for the actual amount of the money grants to be conveyed to Del Mar, and shall not be liable to Del Mar for any actual or consequential damages, direct or indirect, interest, attorney fees, or cost of court for any act of default by Corporation under the terms of this Agreement. Payment by Corporation is strictly limited to those funds so allocated, budgeted, and collected solely during the grant term of

this Agreement. Corporation shall use its best efforts to anticipate economic conditions and to budget accordingly. However, it is further understood and agreed that, should the actual total sales tax revenue collected for any one year be less than the total amount of grants to be paid to all contracting parties with Corporation for that year, then in that event, all contracting parties shall receive only their pro rata share of the available sales tax revenue for that year, less Corporation's customary and usual costs and expenses, as compared to each contracting parties' grant amount for that year, and Corporation shall not be liable to for any deficiency at that time or at any time in the future. In this event, Corporation will provide all supporting documentation, as requested. Payments to be made shall also require a written request from Del Mar to be accompanied by all necessary supporting documentation.

16. The parties mutually agree and understand that funding under this Agreement is subject to annual appropriations by the City Council; that each fiscal year's funding must be included in the budget for that year; and the funding is not effective until approved by the City Council.

17. *Notices.*

- a. Any required written notices shall be sent mailed, certified mail, postage prepaid, addressed as follows:

Del Mar College District:

Del Mar College District
Attn: Lenora Keas
Executive Vice-President and Chief Operating Officer
101 Baldwin Blvd
Corpus Christi, Texas 78404-3897

Corporation:

Corpus Christi B Corporation
Attn.: Executive Director
1201 Leopard Street
Corpus Christi, Texas 78401

- b. A copy of all notices and correspondence must be sent the City at the following address:

City of Corpus Christi
Attn.: City Manager
P.O. Box 9277
Corpus Christi, Texas 78469-9277

- c. Notice is effective upon deposit in the United States mail in the manner provided above.

18. *Incorporation of other documents.* The Type B Guidelines, as amended, are incorporated into this Agreement.

19. *Amendments or Modifications.* No amendments or modifications to this Agreement may be made, nor any provision waived, unless in writing signed by a person duly authorized to sign Agreements on behalf of each party.

20. *Relationship of Parties.* In performing this Agreement, both the Corporation and Del Mar will act in an individual capacity, and not as agents, representatives, employees, employers, partners, joint-venturers, or associates of one another. The employees or agents of either party may not be, nor be construed to be, the employees or agents of the other party for any purpose.

21. *Captions.* The captions in this Agreement are for convenience only and are not a part of this Agreement. The captions do not in any way limit or amplify the terms and provisions of this Agreement.

22. *Severability.*

a. If for any reason, any section, paragraph, subdivision, clause, provision, phrase or word of this Agreement or the application of this Agreement to any person or circumstance is, to any extent, held illegal, invalid, or unenforceable under present or future law or by a final judgment of a court of competent jurisdiction, then the remainder of this Agreement, or the application of the term or provision to persons or circumstances other than those as to which it is held illegal, invalid, or unenforceable, will not be affected by the law or judgment, for it is the definite intent of the parties to this Agreement that every section, paragraph, subdivision, clause, provision, phrase, or word of this Agreement be given full force and effect for its purpose.

b. To the extent that any clause or provision is held illegal, invalid, or unenforceable under present or future law effective during the term of this Agreement, then the remainder of this Agreement is not affected by the law, and in lieu of any illegal, invalid, or unenforceable clause or provision, a clause or provision, as similar in terms to the illegal, invalid, or unenforceable clause or provision as may be possible and be legal, valid, and enforceable, will be added to this Agreement automatically.

23. *Venue.* Venue for any legal action related to this Agreement is in Nueces County, Texas.

24. *Sole Agreement.* This Agreement constitutes the sole Agreement between Corporation and Del Mar. Any prior Agreements, promises, negotiations, or representations, verbal or otherwise, not expressly stated in this Agreement, are of no force and effect.

25. *Survival of terms of Agreement and obligations of parties.* The terms of this Agreement and the obligation of the parties relating to Section 14.a and b shall survive the termination of this Agreement.

APPROVED AS TO FORM: ____ day of _____, 20__.

Aimee Alcorn-Reed
Assistant City Attorney
For City Attorney

Corpus Christi B Corporation

By: _____
Leah Pagan Olivarri
President

Date: _____

Attest:

By: _____
Rebecca Huerta
Assistant Secretary

Del Mar College District

By: _____
Lenora Keas
Executive Vice-President and Chief Operating Officer

Date: _____

THE STATE OF TEXAS §
 §
COUNTY OF NUECES §

This instrument was acknowledged before me on _____, 20__, by Lenora Keas, Executive Vice-President and Chief Operating Officer, Del Mar College District, a political subdivision of the State of Texas, on behalf of the college district.

Notary Public
State of Texas