



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

DATE: May 8, 2012
TO: Ronald L. Olson, City Manager
THROUGH: Toby Futrell, Interim Assistant City Manager
FROM: Mike Culbertson, C.C. Regional Economic Development Corporation
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Type A Grant for the Del Mar College Foundation Truck Training for \$750,000.

CAPTION:

- A) Ordinance appropriating \$750,000 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 Del Mar College Foundation ("Del Mar Foundation"), for the purchase of six (6) truck driving simulators to expand Del Mar College's existing Transportation Training Program; Changing the FY 2011-2012 operating budget, adopted by Ordinance No. 029155, by increasing proposed expenditures by \$750,000; 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 Del Mar College Foundation ("Del Mar Foundation"), which provides a grant of up to \$750,000, for the purchase of six (6) truck driving simulators to expand Del Mar College's existing Transportation Training Program, 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 Del Mar Foundation Business Incentive Agreement for the creation and retention of jobs

PURPOSE:

To provide a grant from the Type A fund to Del Mar College Foundation to purchase six truck driving simulators to increase their output of Commercial Drivers to satisfy the growing need for CDL drivers in Corpus Christi.

BACKGROUND AND FINDINGS:

Del Mar College currently has a Transportation Training program that graduates between 250 and 300 students annually with an annual capacity of 312 students. This expansion will

increase the student capacity to 1,056 graduates per year. The expansion includes acquisition of one or two additional tractor-trailer truck and six driving simulators incorporated into three customized mobile classroom units with two simulators each. The Eagle Ford Shale and the growth of economic activity in our area have increased the need for CDL drivers. The Del Mar College Foundation will purchase the six simulators and receive a matching gift of \$2,000,000. The Type A Board approved this grant on March 19, 2012.

ALTERNATIVES:

This is the only incentive that this project is eligible for.

OTHER CONSIDERATIONS:

Not applicable.

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:

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		750,000		750,000
BALANCE		750,000		750,000

Fund(s): Type A Fund

Comments: None

RECOMMENDATION:

Staff recommends approval of this grant to the Del Mar College Foundation for purchasing truck simulators in the amount of \$750,000.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
Type A Agreement