



AGENDA MEMORANDUM

Future Item for the City Council Meeting of August 21, 2012

Action Item for the City Council Meeting of August 28, 2012

DATE: August 2, 2012

TO: Ronald L. Olson, City Manager

THROUGH: Wes Pierson, Assistant City Manager
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An additional Type A Grant to Craft Training Center of the Coastal Bend for expansion of facilities.

CAPTION:

Approving a Business Incentives Agreement between the Corpus Christi Business and Job Development Corporation ("Type A Corporation") and Associated Builders & Contractors Merit Shop Training Program, Inc. dba Craft Training Center of the Coastal Bend ("Craft Training Center") to provide grant amount up to \$750,000 for expansion of Craft's existing facility and authorizing the City Manager or designee to execute a Project Support Agreement with the Type A Board to administer the Craft Training Center Business Incentives Agreement and appropriating \$750,000 from the unreserved fund balance in the No. 1140 Business/Job Development Fund for a business incentive grant from the Type A Corporation to Craft Training Center for expansion of its facility; Changing the FY 2012-2013 operating budget, adopted by Ordinance No. 029565, by increasing proposed expenditures by \$750,000.

PURPOSE:

Grant request from Craft Training Center for an amendment to their \$1,750,000 grant for an additional \$750,000 in funds to complete their expansion of their facilities.

Amend the budget to increase the grant to Craft Training Center from \$1,750,000 to \$2,500,000 from the Unreserved Fund Balance in the No. 1140 Business/Job Development Fund and to appropriate an additional \$750,000 from the Unreserved Fund Balance in the No. 1140 Business/Job Development.

BACKGROUND AND FINDINGS:

On October 17, 2011 Craft Training Center requested a \$2.5 million grant from the Type A Board for expansion of their facilities. The Board voted to give them \$1.75 million but

said that Craft could come back after they had begun construction for additional funding. In a letter dated July 11, 2012 Craft Training Center requested an additional \$750,000 in funding to complete their facility. On July 12, 2012 Craft held their ground breaking for the new facility. They now estimate that the total cost will be \$4.5 to \$4.9 million to build and equip the expanded facility. They are asking for the \$750,000 and the rest, \$2.0 to \$2.4 million, will be made up of industry partners' cash and in-kind donations.

ALTERNATIVES:

The Craft Training Center needs this additional funding to expand to the degree needed to increase their enrollment to increase the number of graduates needed to fill the positions that will become available. The jobs will be filled by employees coming from outside of the Corpus Christi area.

OTHER CONSIDERATIONS:

Craft's original request was for \$2,500,000. Due to budget constraints in the Type A fund, the Board told Craft that they may come back to the Board for addition funding.

CONFORMITY TO CITY POLICY:

This project is in line with the City's stated goal of increasing training opportunities for local residents to obtain jobs in local industries.

EMERGENCY / NON-EMERGENCY:

Non-Emergency

DEPARTMENTAL CLEARANCES:

Type A Board

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

RECOMMENDATION:

Staff recommends approval of a grant for \$1,750,000 for an expansion of training facilities for Craft Training Center help train students for work in area industries.

LIST OF SUPPORTING DOCUMENTS:

Business Incentive Agreement

Ordinance
Certification of Funds