



## AGENDA MEMORANDUM

First Reading Ordinance the City Council Meeting of May 27, 2014  
Second Reading Ordinance for the City Council Meeting of June 10, 2014

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**DATE:** April 24, 2014  
**TO:** Ronald L. Olson, City Manager  
**THROUGH:** Wes Pierson, Assistant City Manager  
**FROM:** Mike Culbertson  
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Type A Grant for the Del Mar College Foundation Process and Instrumentation \$1,390,071

### **CAPTION:**

Approving a Business Incentive Agreement between the Corpus Christi Business and Job Development Corporation ("Type A Corporation") and Del Mar College Foundation ("Del Mar") to provide a grant of up to \$1,390,071, to expand Del Mar College's Process and Instrumentation Technology Program by purchasing a Process Technology Base Unit and Glycol Distillation Unit with ancillary equipment/software and a Process Control Learning System and authorizing the City Manager, or designee, to execute a Business Incentive Project Service Agreement with the Type A Corporation regarding implementation and administration of the Del Mar Business Incentive Agreement; and appropriating \$1,390,071 from the unreserved fund balance in the No. 1140 Business/Job Development Fund for said business incentive grant from the Type A Corporation to Del Mar and changing the FY 2013-2014 operating budget, adopted by Ordinance No. 029915, by increasing proposed expenditures by \$1,390,071.

### **PURPOSE:**

Provide a grant from the Type A fund to the Del Mar College Foundation to purchase Process and Instrumentation Technology equipment for expansion of that curriculum. This equipment will be used to provide needed training for process and instrument technicians as industries that rely on these processes continue to invest and locate in the Coastal Bend Region.

### **BACKGROUND AND FINDINGS:**

The Del Mar College Process and Instrumentation Technology programs propose to address the community's growing need for technicians in process, instrumentation, industrial automation, process control, safety and related fields by adding state-of-the-art instructional equipment and faculty/instructors to increase the number of graduates as well as the level and scope of training.

With the influx of heavy industry into the Coastal Bend, the need for trained process and related technicians is growing exponentially. The curriculum in Process and Instrumentation

Technology is designed to prepare graduates to work in the petrochemical and other heavy industries. Upon full implementation the project will increase the delivery of credit, continuing education programs, and corporate services. During the 2012 academic year 111 students declared Process Technology as their major and 51 received certificates or degrees. With the proposed expansion of curriculums and addition of the state-of-the-art training units, the College will be able to increase enrollment and awards in Process Technology, Instrumentation and related industrial operations to over 500 annually within five years.

The local demand for college educated and highly trained technicians is immediate and expected to grow by over 39% within a few years. The University of Texas Center at San Antonio for Community and Business Research reports a total of 12,982 new jobs in Nueces and San Patricio Counties during 2011-2012 due to expansion of the Eagle Ford Shale oil and gas production. These jobs are projected to continue to grow over the coming years as they transition from the production to processing of natural gas is developed. The CCREDC reports that over \$3.2 Billion in direct investment has been announced by existing and new employers in the region and an additional \$17 Billion is under development and yet to be publicly announced.

The College is seeking assistance to purchase a state-of-art Process Technology Base Unit and Glycol Distillation Unit with ancillary equipment/software and a Process Control Learning System to respond to the growing demand. The equipment needs total \$1,390,071 with set-up achievable within one year. These systems are recognized as the best in the industry and meet the diverse needs of the developing workforce.

**ALTERNATIVES:**

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

**OTHER CONSIDERATIONS:**

None

**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:**

NON-EMERGENCY

**DEPARTMENTAL CLEARANCES:**

None

**FINANCIAL IMPACT:**

Operating       Revenue       Capital       Not applicable

<b>Fiscal Year: 2013-2014</b>	<b>Project to Date Expenditures (CIP only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Line Item Budget				
Encumbered / Expended Amount				
This item		1,390,071		1,390,071
BALANCE		1,390,071		1,390,071

Fund: Type A Fund

**RECOMMENDATION:**

Operating under the supplemental contract, CCREDC presents this item. This item was not presented to our Board for approval and we make no recommendation.

**LIST OF SUPPORTING DOCUMENTS:**

Proposal – DMC Foundation