



## **AGENDA MEMORANDUM**

Corpus Christi Business and Job Development Meeting April 21, 2014

**DATE:** March 27, 2014

**TO:** President and Honorable Board Members,  
Corpus Christi Business and Job Development Corporation

**THROUGH:** Ronald L. Olson, City Manager

**FROM:** Mike Culbertson  
(361) 882-7448  
mculbertson@ccredc.com

De-Obligate funds from MotorGlobe

### **CAPTION:**

Motion to de-obligate \$25,000 from MotorGlobe to the Type A Fund 1140 for 2014

### **PURPOSE:**

De-obligate funds from large project and return to the Type A fund 1140.

### **BACKGROUND AND FINDINGS:**

The Board passed the 2014 budget on June 17, 2013 that included \$125,000 for MotorGlobe.

In March 2014 the company was not in compliance with the first year requirements of the agreement and was not eligible for the first payment of \$25,000. This payment cannot be earned later in the agreement and should be de-obligated.

### **ALTERNATIVES:**

None.

### **OTHER CONSIDERATIONS:**

This will allow the Board to use this \$25,000 for other projects.

### **CONFORMITY TO CITY POLICY:**

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

### **EMERGENCY / NON-EMERGENCY:**

Non-Emergency

**DEPARTMENTAL CLEARANCES:****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		25,000		25,000
Encumbered / Expended Amount				
This item		(25,000)		(25,000)
BALANCE		0		0

Fund: Type A

**RECOMMENDATION:**

Staff recommends de-obligating the \$25,000 from MotorGlobe Large Project budget and return it to fund 1140 for fiscal year 2014.

**LIST OF SUPPORTING DOCUMENTS:**

Compliance Letter MotorGlobe 2013

January 10, 2014

Corpus Christi Business and Job Development Corporation  
1201 Leopard Street  
Corpus Christi, TX 78401

Re: MotorGlobe



Dear Mr. Tamez:

Per the agreement with and between the Corpus Christi Business and Job Development Corporation and Little Boeing Blue (MotorGlobe), I have received and reviewed the information provided by MotorGlobe and find the company has not met its obligations under the agreement and have not earned their first incentive installment.

Under the agreement CMC had to meet or exceed the following benchmarks for the incentive payment.

<b>Employment:</b>	<b><u>Contracted Amount</u></b>	<b><u>Actual Amount</u></b>
Created	50	0
<b>Gross Annual Payroll:</b>	<b><u>Contracted Amount</u></b>	<b><u>Actual Amount</u></b>
	\$2,500,000	\$ 0
<b>Average Annual Salary:</b>	<b><u>Contracted Amount</u></b>	<b><u>Actual Amount</u></b>
	\$50,000	\$ 0

Best Regards,

  
Mike Culbertson  
Vice President