



AGENDA MEMORANDUM

First Reading Ordinance the City Council Meeting of April 28, 2015
Second Reading Ordinance for the City Council Meeting of May 12, 2015

DATE: April 8, 2015
TO: Ronald L. Olson, City Manager
FROM: Emily Martinez
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Type A Grant for Govind Development, LCC Located at 9359 IH 37

CAPTION:

Approving a Business Incentive Agreement between the Corpus Christi Business and Job Development Corporation ("Type A Corporation") and Govind Development, LLC ("Govind") to provide a grant of up to \$908,000, for the creation and retention of jobs 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 Govind Business Incentive Agreement for the creation and retention of jobs; and appropriating \$908,000 from the unreserved fund balance in the No. 1140 Business/Job Development Fund for said business incentive grant from the Type A Corporation to Govind; and changing the FY 2014-2015 operating budget, adopted by Ordinance No. 030294, by increasing expenditures by \$908,000.

PURPOSE:

Govind will invest in their engineering facility and create and retain jobs in Corpus Christi. They will invest \$1,000,000 and create 44 full-time jobs and retain 162 full-time jobs with an annual payroll of \$21,800,000.

BACKGROUND AND FINDINGS:

Govind Development is a full service, multidiscipline engineering firm headquartered in Corpus Christi, Texas at 9510 Leopard Street with offices in Houston, Texas and India. The company's customer base is comprised of national corporations headquartered throughout the country and foreign based companies located throughout the Far East and Africa. Govind Development has been expanding its base of operations in Corpus Christi and is projected to almost double its' annual payroll by 2015 from \$12.9 million in 2012. The 18,000 square foot facility was purchased in December 2012 and underwent redevelopment with the investment of approximately \$2 million. Due to the growth of the company an additional 6,000 square feet is planned for the existing facility to accommodate an additional 44 full time employees. They currently have 162 jobs.

ALTERNATIVES:

The company is not eligible for any other incentives.

OTHER CONSIDERATIONS:

Govind has been a fixture in this community. This grant will be used to invest in their facility and the creation and retention of jobs.

CONFORMITY TO CITY POLICY:

This project is consistent with the City’s stated goals of promoting economic development and incentivizing business to expand and thrive in Corpus Christi.

EMERGENCY / NON-EMERGENCY:

Non-emergency

DEPARTMENTAL CLEARANCES:

Engineering

FINANCIAL IMPACT:

Operating Revenue Capital Not applicable

Fiscal Year: 2014-2015	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget		908,000		908,000
Encumbered / Expended Amount				
This item		908,000		908,000
BALANCE		0		0

Fund: Type A 1140

RECOMMENDATION:

Staff recommends approval of the Type A Grant to Govind in the amount of \$908,000 for improvements to their engineering facility and the creation and retention of jobs.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
Type A Agreement
Project Service Agreement