



AGENDA MEMORANDUM

Future Item for the City Council Meeting of October 13, 2015
Action Item for the City Council Meeting of October 20, 2015

DATE: September 22, 2015
TO: Ronald L. Olson, City Manager
FROM: Mike Culbertson, Chief Operating Officer
Corpus Christi Regional Economic Development Corporation
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Grant for LiftFund, Inc. Loan Buy-Down Program
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CAPTION:

Resolution approving a Small Business Incentives Agreement between the Corpus Christi Business and Job Development Corporation and LiftFund, Inc. (LiftFund) to provide a grant up to \$250,000 for their loan buy-down program to assist small business and authorizing the City Manager, or designee, to execute a Project Support Agreement with the Corpus Christi Business and Job Development Corporation to administer the Small Business Incentives Agreement.

PURPOSE:

The purpose of this item is to award a Business and Job Development Corporation ("Type A") Grant for LiftFund's Loan Buy-Down Program through a Small Business Incentives Agreement ("Agreement") for Fiscal Year 2016.

BACKGROUND AND FINDINGS:

LiftFund, Inc. supports small and start-up companies with a Loan Interest Buy-Down Program when traditional financing is not available. The Program has received Type A Funding since 2004. LiftFund has loaned over \$7 million of their own funds and has assisted over 250 small businesses in the city since the inception of this program. By helping small businesses the City is supporting economic development and growing future jobs.

ALTERNATIVES:

An alternative is to enlist local banks to lend to small businesses; however to qualify for this program, a small business must have been turned down for a bank loan. Additionally local banks already participate in the Small Business Administration (SBA) loan program.

OTHER CONSIDERATIONS:

- Recommended for Approval by the CCREDC Board on August 13, 2015.
- Approved by Type A Board on September 21, 2015.

CONFORMITY TO CITY POLICY:

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

EMERGENCY / NON-EMERGENCY:

Non-Emergency

DEPARTMENTAL CLEARANCES:

Legal

FINANCIAL IMPACT:

☐ Operating ☐ Revenue ☐ Capital ☐ Not applicable

Fiscal Year: 2015-2016	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget		250,000		250,000
Encumbered / Expended Amount				
This item		250,000		250,000
BALANCE		0		0

Fund: Type A Fund

Comments: This item was approved in the Type A Small Business Projects budget for FY 2016.

RECOMMENDATION:

Staff recommends approval of a grant of \$250,000 for LiftFund for the Fiscal Year 2016.

LIST OF SUPPORTING DOCUMENTS:

Resolution & Agreement – LiftFund Buy Down Program