



AGENDA MEMORANDUM

Corpus Christi Business and Job Development Meeting April 16, 2018

DATE: April 9, 2018

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

THROUGH: Margie C. Rose, City Manager

FROM: Mike Culbertson
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Discussion of Guidelines

CAPTION:

Discussion of guidelines and criteria for granting business incentives.

PURPOSE:

Determine what the Board would want to see in the incentive policies.

BACKGROUND AND FINDINGS:

The Corpus Christi Business and Job Development Corporation Guidelines and Criteria for Granting Business Incentives have been in place since the Type A Corporation first formed. These guidelines provide criteria for the expenditure of economic development funds within the parameters set by the State statute and the City's 2002 ordinance. They have been amended three times since they were first adopted.

The Type B statute has more options available for grants than the Type A sales tax. The following is an excerpt for the State's guidelines on Type A and Type B corporations:

Type B corporations may assist with the following projects, provided the following projects create or retain a primary job:

1. Type B corporations may provide land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements that are for the creation or retention of primary jobs; and that are found by the board of directors to be required or suitable for the development, retention, or expansion of:

1. manufacturing and industrial facilities;
2. research and development facilities,
3. military facilities, including closed or realigned military bases;
4. transportation facilities, including airports, hangars, railports, rail switching facilities, maintenance and repair facilities, cargo facilities, related infrastructure located on or

- adjacent to an airport or railport facility, marine ports, inland ports, mass commuting facilities, and parking facilities;
 - 5. sewage or solid waste disposal facilities;
 - 6. recycling facilities;
 - 7. air or water pollution control facilities
 - 8. distribution centers
 - 9. small warehouse facilities capable of serving as decentralized storage and distribution centers;
 - 10. primary job training facilities for use by institutions of higher education; and
 - 11. regional or national corporate headquarters facilities
2. Type B corporations may provide land, buildings, equipment, facilities, and improvements found by the board of directors to promote or develop new or expanded business enterprises that create or retain primary jobs, including a project to provide:
- 1. Public safety facilities
 - 2. streets and roads;
 - 3. drainage and related improvements;
 - 4. demolition of existing structures;
 - 5. general municipally owned improvements; and
 - 6. any improvements or facilities that are related to a project described by this subsection; and any other project that the board of directors in its discretion determines promotes or develops new or expanded business enterprises that create or retain primary jobs.

The following Type B projects are not required to create or retain primary jobs:

- 1. job training classes
- 2. certain targeted infrastructure projects necessary to promote or develop new or expanded business enterprises, limited to streets and roads, rail spurs, water and sewer utilities, and electric utilities, gas utilities, drainage, site improvements, and related improvements, telecommunications and Internet improvements, and beach remediation along the Gulf of Mexico;
- 3. land, buildings, equipment, facilities, improvements, and expenditures required or
- 4. suitable for use for a career center if the area to be benefited by the career center is not located within the taxing jurisdiction of a junior college district;
- 5. projects consisting of professional and amateur (including children's) sports, athletic, entertainment, tourist, convention, and public park purposes and events;
- 6. affordable housing projects;
- 7. water supply facilities projects, with the requisite voter approval;³⁴
- 8. water conservation programs, with the requisite voter approval;³⁵
- 9. development, improvement, expansion, or maintenance of facilities relating to the operation of commuter rail, light rail, or motor buses;³⁶ and
- 10. development or expansion of airport or railport facilities, including hangars, maintenance and repair facilities, cargo facilities, and related infrastructure located on or adjacent to an airport or railport facility, if the project is undertaken by a Type B corporation and enters into a development agreement with an entity who acquires a leasehold or other possessory interest from the Type B corporation and is authorized to sublease the entity's interest for other authorized projects; and is approved by city council by resolution.

Laredo has a Type B and they accept applications only on community improvement projects. They take applications only twice a year and the applicants must be 501 (c)(3) or (c)(6) corporations with at least 20% matching funds. Sugar Land for example has this program. They take applications at the first of the year and grant up to 50% for improvements such as way finding signage, home owners associations requests for frontage improvements. The requirements are that it must be on public land, that it can only be for 50% of the total, the

project cannot have commenced. Other guidelines are very general and consist of only a page or two.

ALTERNATIVES:

None

OTHER CONSIDERATIONS:

CONFORMITY TO CITY POLICY:

This project is consistent with the City's stated goals of promoting economic development in Corpus Christi.

EMERGENCY / NON-EMERGENCY:

Non-Emergency

DEPARTMENTAL CLEARANCES:

Legal

FINANCIAL IMPACT:

☐ Operating ☐ Revenue ☐ Capital ☒ Not applicable

Fiscal Year: 2018-2019	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget				
Encumbered / Expended Amount				
This item				
BALANCE				

Fund: Type A

RECOMMENDATION:

LIST OF SUPPORTING DOCUMENTS: