



## **AGENDA MEMORANDUM**

Action Item for the City Council Meeting of January 14, 2020

**DATE:** December 26, 2019

**TO:** Peter Zaroni, City Manager

**FROM:** Arlene Medrano, Business Liaison  
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**Amendment No. 1 to the Agreement between the Corpus Christi Business and Job Development Corporation (Type A Board) and the City of Corpus Christi for a total amount of \$125,000 for economic development services provided to the Type A Board**

### **CAPTION:**

Motion authorizing Amendment No. 1 to the Agreement between the Corpus Christi Business and Job Development Corporation (Type A Board) and the City of Corpus Christi for a total amount of \$125,000 for economic development services provided to the Type A Board by the Corpus Christi Regional Economic Development Corporation (CCREDC) and renewing annually with funding available through the FY 2020 Type A Economic Development Funds.

### **SUMMARY:**

The purpose of this item is to approve the first amendment to a professional services agreement between the Corpus Christi Business and Job Development Corporation (Type A Board) and the City of Corpus Christi for the management of the Type A Board's Business and Job Development Incentive Program by the Corpus Christi Regional Economic Development Corporation (CCREDC).

### **BACKGROUND AND FINDINGS:**

On July 15, 2019, the Type A Board approved the FY 2020 Type A Operating Budget with a \$125,000 line item for funding for this agreement between the Type A Board and the City for management of the Type A Board's economic development incentive programs. The City will provide specific and measurable services for the Type A Board which they (the City) will be reimbursed \$125,000 annually.

The City does contract service to the CCREDC. Those services include the following:

1. Service as the conduit for all primary/base employers interested in local assistance from Type A
2. Preparation of a proposal for each project and include information on the company, industry, markets, and products. Each proposal will document job creation and capital investment numbers for inclusion in the proposal
3. Suggest a proposed deal structure for each project
4. Preparation of an economic and fiscal impact analysis of the project
5. An analysis of the company's financial strength relative to industry standards
6. Development of the necessary performance agreements
7. Annual performance audits (compliance testing) and report of the findings to Type A
8. Preparation of proposals for all small business assistance programs
9. Processing of all invoices for payment

10. Annual budget for small business assistance programs
11. Preparation of proposals for all education and job training skills development projects
12. Annual budget for education and skills development projects

On September 17, 2018, the Type A Board approved an agreement with the City for services covering fiscal year 2019 and included an auto renewal statement. On December 4, 2018, the City Council approved an agreement that should have been identical, but due to a document management error, the incorrect version of the agreement was executed. This version did not include the automatic renewal language.

This Amendment No. 1 provides the corrections to the agreement to match what was approved by the Type A Board on September 17, 2018.

#### **ALTERNATIVES:**

The Type A Board approved an agreement with the City for economic development services on September 17, 2018 that automatically renews annually with budgeted funds. City Council may choose to reject or amend this agreement which would then need to go back to the Type A Board for consideration. However, the CCREDC has submitted an invoice for payment for work completed in the 1<sup>st</sup> quarter of FY2020 and their payment is pending approval of this agreement.

#### **FISCAL IMPACT:**

The FY2020 Budget includes a Business & Job Development Fund, Economic Development Line Item in the amount of \$125,000 for this contract. The Type A Economic Development Fund has an uncommitted fund balance of \$5,031,615.

#### **FUNDING DETAIL:**

|                        |                               |
|------------------------|-------------------------------|
| Fund:                  | 1140 – Type A                 |
| Organization/Activity: | 14700- Economic Development   |
| Mission Element:       | 707- Economic Development     |
| Project # (CIP Only):  | N/A                           |
| Account:               | 530000- Professional Services |

#### **RECOMMENDATION:**

Staff recommends that City Council approve the agreement to allow the CCREDC to continue to contract with the City of Corpus Christi to provide management of incentive programs to the Type A Board.

#### **LIST OF SUPPORTING DOCUMENTS:**

Type A Agreement with City of Corpus Christi– CCREDC Program Management and Funding