



AGENDA MEMORANDUM

Corpus Christi B Corporation Meeting of January 20, 2020

DATE: January 7, 2020

TO: President and Honorable Board Members,
Corpus Christi B Corporation

FROM: Mike Culbertson, COO, CCREDC
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Grant for LiftFund

CAPTION:

Motion authorizing a business incentive agreement with LiftFund in the amount of \$100,000 for the Dream Fund, a revolving loan fund for small businesses within the city limits of Corpus Christi with funding available from the Corpus Christi B Corporation Fund 1145.

SUMMARY:

The company is requesting the grant to create a Dream Fund.

BACKGROUND AND FINDINGS:

LiftFund is requesting \$100,000 grant that will be used exclusively as loan funds for small businesses within the city limits of Corpus Christi. This will be a revolving fund that will last for many years. If there is a default in this fund, LiftFund will contribute funds to get it back to the \$100,000. In the event that this program is successful, consideration will be given to budgeting a similar amount in future years.

Funding in the amount of \$100,000 is being requested for the Dream Makers Fund for a permanent revolving loan fund in the City to have positive economic impact on small businesses. LiftFund, Inc. supports small and start-up companies with a loan interest buy-down program when traditional financing is not available. Type A has provided funding since 2004. Type A funds are used to pay part of the interest payments on a loan. This can lower the loan interest rate as much as 5%. A loan of 12% (not atypical in today's financing environment) can be paid down to 7% using Type A funds. On a \$10,000 loan this can save the small business \$842. This makes the loan payments manageable for small businesses. LiftFund has loaned \$9,587,804 of their own funds and has assisted over 592 small businesses in the city since the inception of this program. Since 2015, small businesses helped by LiftFund have retained 288 jobs and created 224 new jobs. In 2018, LiftFund has made loans to 18 different businesses. These

businesses have created 18 new jobs and retained 60 jobs.

ALTERNATIVES:

The Board may choose to modify or keep the stated requirements.

FINANCIAL IMPACT:

This item will use \$100,000 of the Type B funds allocated for economic development.

Funding Detail:

Fund:	1145
Organization/Activity:	15020
Mission Element:	
Project # (CIP Only):	
Account:	530000

RECOMMENDATION:

Staff recommends approval of a grant of \$100,000 to LiftFund for their Dream Fund to loan to small businesses.

LIST OF SUPPORTING DOCUMENTS:

Agreement