



AGENDA MEMORANDUM

Action Item for the City Council Meeting of September 8, 2020

DATE: July 21, 2020
TO: Peter Zanoni, City Manager
FROM: Mike Culbertson
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Type A Grant for LiftFund

CAPTION:

Motion approving a Small Business Incentives Agreement between the Corpus Christi Business and Job Development Corporation and LiftFund to provide grant up to \$150,000 for their loan buy-down program to assist small businesses

PURPOSE:

This agenda item will provide a grant from the Type A fund to the LiftFund Loan Buy Down program to assist small businesses. The Type A grant for LiftFund runs from January 1, 2021 through December 31, 2021.

BACKGROUND AND FINDINGS:

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. 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 made loans to 18 different businesses. These businesses have created 18 new jobs and retained 60 jobs. LiftFund uses this incentive on all loans made within the city limits. Without this incentive, the number of loans helping small businesses would be greatly reduced.

The agreement can be renewed for one additional term. The Type A Board approved this grant during their August 17, 2020 meeting.

This is LiftFund's performance over the last four years.

Year	Grant	Loans	Clients	Retained	Created
2016	\$ 248,739	\$ 948,123	55	79	147
2017	158,827	507,663	35	107	37
2018	110,047	384,016	26	71	20
2019	123,679	406,356	21	58	41
Total	\$ 672,266	\$ 2,365,183	143	334	251

ALTERNATIVES:

The City Council may choose to not fund this grant or to fund it at a lower amount.

FINANCIAL IMPACT:

This item will use \$150,000 of the \$903,500 budgeted for the Type A small business assistance program funds

Funding Detail:

Fund: 1140
Organization/Activity: 15020
Mission Element:
Project # **(CIP Only)**:
Account: 530000

RECOMMENDATION:

Staff recommends approval of an agreement for LiftFund for \$150,000.

LIST OF SUPPORTING DOCUMENTS:

Agreement – LiftFund, Inc.