

Request for Ingleside Economic Development for the City of Ingleside, Texas

Subject: *Consideration and action for the Retail Coach Project to market and recruit retail developers to Ingleside.*

Submitted By: *Jim Gray, City Manager*

For The Agenda Of: *October 30, 2013*

Attachments:

- 1. Excerpt of City Council meeting – September 24, 2013*
- 2. City of Ingleside Funding Request*

Summary Statement:

Retail Coach will be working with staff and other data sources to gather economic data over a five month time frame. Then for another twelve months, will coach staff on how to continue collecting and using the data; as well as, making contacts with retail and restaurant businesses on our behalf.

Recommended Action: *Council has requested that IDC assist in funding. Staff recommends approving \$13,500.*

**CITY OF INGLESIDE
MINUTES
CITY COUNCIL MEETING
SEPTEMBER 24, 2013**

(Excerpt)

9. Presentation and possible action of a Retail Economic Development Plan.

City Manager Jim Gray introduced Aaron Farmer of “The Retail Coach” to the Council. Mr. Farmer gave an overview of how his company has access to data to determine where the public is actually making their purchases when they pay by check/debit/credit cards and he predicts that about \$50-Million or more is leaving the City on an annual basis. They also have access to what is called a license plate analysis data. Similar cities they have helped have been Deer Park and Angleton. They have been successful in bringing various name brand stores as well as expanding some stores (like HEB) with certain communities. Mr. Farmer spent all day in Ingleside talking with residents and store managers as well as watching the traffic flow in and out of the community. He feels Ingleside would benefit from additional retail and restaurants.

Mr. Gray explained the staff does not have access to the data or the site selectors that this group has access to. Council Member Kemp stated the City and the Chamber of Commerce have tried for years to get a larger HEB and been unsuccessful and most retail stores don’t last long. Council Member Wilson stated she is very familiar with both Deer Park and Angleton communities which have had an increase in retail and restaurant businesses recently. Deer Park is majority Industry, just like Ingleside and their HEB is doubling its size. If this company is the reason, that is amazing. Council Member Vaden agreed Ingleside does not have the economic development resources available to meet/greet with the name brand individuals. This is a good use of funds and we could use their expertise to expand our community.

Mr. Farmer stated they would be working with staff and other data sources to gather data over about five months time frame, then for another twelve months they would coach the staff how to use the data and the whole time they would be making contact with retail and restaurant businesses on our behalf. After some discussion Mr. Farmer stated he would agree to stay on until they are successful in bringing a new business to Ingleside.

Mayor Perkins made a motion authorizing the agreement with “The Retail Coach” in the amount of \$27,000 to be paid from Council Reserve Funds and seek reimbursement from Ingleside Development Corporation and was seconded by Council Member Wilson. The motion was approved with Mayor Perkins and Council Members Wilson, Tucker, Schack, and Vaden voting aye; and Council Members Kemp and Pierce voting no.

**Ingleside Economic Improvement Corporation
4B Sales Tax Funding Request
Guidelines and Procedures**

Ingleside Development Corporation

Both the Ingleside Development Corporation Board of Directors (IDC) and the Ingleside City Council must approve expenditures of 4B funding. Before a project may be considered and awarded funds, the attached application must be completed and submitted to:

Ingleside Development Corporation
c/o City of Ingleside
2671 San Angelo
Ingleside, Texas 78362
361.776.2517

All actions of the IDC are subject to the Development Corporation Act of 1979, article 5190.6 Vernon's Civil Statutes, Section 4B. The IDC is a legal entity with statutory authority to spend economic development sales tax dollars. The Corporation is city-chartered and governed by a city-appointed board of directors. The IDC is a 4B Corporation and may fund "projects" focused on the creation of "primary jobs" and/or to provide an economic benefit to the City of Ingleside, as well as "Quality of Life" projects. Application approvals are subject to funding availability.

Types of Projects

The Ingleside Development Corporation will consider applications for:

1. **Direct contributions to business development;** projects should include support of retention, expansion, or recruitment, resulting in public economic benefit, and economic and demographic analyses used for policy development.
2. **Quality of Life** projects; projects which are owned by the City of Ingleside upon completion; or, where funding is requested for the construction of private (which includes non-profit) development projects, but only if the resulting facility is accessible or open to the public; both such Quality of Life projects indirectly result in economic benefits.
3. **Participation in Public Infrastructure;** necessary to facilitate private development, resulting in public economic benefit.

Guidelines and Procedures

Business Development and Participation in Public Infrastructure Projects

Application

The City of Ingleside will accept applications for projects at any time. Applications will not be considered until complete. Applicants must be available to present projects at an Ingleside Development Corporation board meeting. City owned improvements will be included in the Capital Improvement Plan. Eligible projects can be projects within the city limits of Ingleside. Applicants may be businesses, individuals, or the City of Ingleside.

Initial Response

Applications will be accepted by the Director of Economic Development for the City of Ingleside.

Upon review of the application and support documents, the Director will forward the application to the Ingleside Development Corporation. The Director will then notify the applicant of the next available Ingleside Development Corporation board meeting for a project presentation.

The Ingleside Development Corporation may direct a public hearing to be scheduled and a funding agreement to be drafted. The IDC and the Ingleside City Council must both approve the funding agreement. Public infrastructure improvement projects will be placed in the Capital Improvements Plan, and when complete, the project is owned by the City of Ingleside. In the case of a Quality of Life project, it is a publicly available private project, which will provide access or service on a non-discriminatory basis.

The Ingleside Development Corporation's annual budget is presented to the IDC members during July each year. Upon review and approval, the IDC recommends the budget to city council for approval in August or September.

*Specific criteria for the economic impact analysis may be described in a separate economic development incentive policy.

The Ingleside Development Corporation meets quarterly at the Ingleside City Hall, Council Chambers, 2671 San Angelo, Ingleside, Texas. For additional information visit the City's website at www.inglesidetx.gov or call 361.776.2517.

**APPLICATION FOR 4B SALES TAX FUNDS
CITY OF INGLESIDE
INGLESIDE DEVELOPMENT CORPORATION**

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**Ingleside Development Corporation
c/o City of Ingleside
2671 San Angelo
Ingleside, Texas 78362
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APPLICATION

SECTION 1 – DEFINITIONS

Clawback- That provision in a Funding Agreement, which states how and to what extent any incentive payments from public funds, must be repaid if the stated Performance Standards are not met.

Current Payroll- The company's total expenditure for all employees for the month immediately preceding this application multiplied by 12.

Employee Benefit- Incentives offered to employees and paid for by the employer such as health care coverage, vacation, etc. If an employee pays 30% of the cost, or more, it should not be considered a "benefit" for purposes of this application.

Full Time Job- The employment of a person for a minimum of 35 hours per week and offering that person all those benefits adopted by company policy for Full Time Employees. Major stockholders or immediate family members should not be included in this number when considering "New Full-Time Jobs Created."

Hourly Wage- The gross amount paid to the employee for each hour worked not including the Employer's portion of FICA or FWH. Benefits should not be included in this figure, but should be listed separately under the compensation per employee section of the application.

Part-Time Job- A person working less than 35 hours per week. Major stockholders or immediate family members should not be included in this category when completing the application under New Part-Time Jobs Created.

Funding Agreement- a written document designed to protect the interest of local taxpayers by putting a businesses' job creation or capital investment commitments in writing and by linking the payment of any financial incentive to the business fulfilling its written commitments (i.e. clawbacks).

Public Capital Project- Improvements owned and maintained by the City of Ingleside included in the Capital Improvement Plan and funded by the capital budget.

SECTION II - APPLICANT INFORMATION

Submittal Date: 10/30/13

Company Name/Organization: CITY OF INGLESIDE

Address (Street/City/State/Zip): 2671 SAN ANGELO ST. INGLESIDE, TX 78362

Phone: (361) 776-2517 Fax: (361) 775-0109

Name of Company/Organization Contact on this project: JIM GRAY, CITY MANAGER

Contact Address (if different from above):

_____ Phone _____

_____ Fax _____

City

State

Zip Code

Type of Business Structure:

Corporation

Partnership

Sole Proprietorship

Gov't

Year Business Started: Year 1951 Location INGLESIDE, TX

Current Employment: Permanent Full-Time N/A

Permanent Part-Time N/A

Average Production Wage N/A

Full-Time Employees receive the following benefits:

Financial Information: Five Years Annual Financials

Attached WWW.INGLESIDETX.GOV

Include: Statement of profit and loss; Balance sheet; Cash Flow Statement; IRS reporting forms, Proforma

Annual Sales for Corporation / Company \$ ~10MM

This Facility \$ _____

Local Sales Tax paid annually \$ N/A

Current Payroll \$ ~4.0MM

Has the Company ever filed for bankruptcy protection under Chapter 7 or Chapter 11 of the Bankruptcy Statutes? No Yes Details:

SECTION III- PROJECT INFORMATION

This application is for a:

Business Development ()

- Expansion of Existing Facility () or
- New Construction ()
- Other (X)

Quality of Life Improvement ()

- Parks, Open Space ()
- Other (X)

Capital Improvements for Public Infrastructure

- Utilities ()
- Roadways ()
- Other (X)

The proposed improvements are to be located within the following taxing district (s): City of Ingleside (X) San Patricio County (X) Ingleside ISD (X)

SECTION IV - PROJECT DESCRIPTION

Please attach a statement on company letterhead and signed by an officer of the company (1) fully explaining the nature and scope of the project; (2) describing the proposed site and existing improvements, if any; (3) describing all proposed improvements; and (4) providing a list of eligible improvements; (5) provide a list of major, fixed equipment along with manufacturer specifications and cost quote from the manufacturer.

Should this project be approved, the Ingleside Development Corporation may require performance criteria as a part of the funding agreement, in addition to this application. The funding agreement is between the Ingleside Development Corporation and the City of Ingleside. Said funding agreement will outline project costs, timelines, other information may be necessary to carry out the project in an efficient manner.

SECTION V – ECONOMIC IMPACT INFORMATION

Part A- Project Investment in Improvements

Total \$13,500
Sq. Footage of New Building (s) _____
Size of Parking _____
Other _____

Part B- Project Investment in Fixed Equipment

(New)\$ _____
Manufacturer of Equipment _____
Anticipated Useful Life of Equipment _____
Purchase Price \$ _____ Installation Cost \$ _____
Anticipated Delivery time from Date of Order _____

Part C- Permanent Employment Estimates- (do not include owners, stockholders or their dependants)

Anticipated Number of New Full-Time Employees as a result of this project _____
Anticipated Number within 12 months of Completion of this project _____
Anticipated Number within 24 months of Completion of this project _____
Typical Job Descriptions or Job Titles _____

Anticipated starting salaries of these employees: (avg.) \$ _____/hour

Part D- Permanent Part-Time Employment Estimates-

(do not include owners, stockholders or their dependents)
Anticipated Number of New Part-Time Employees as a result of this project _____
Anticipated Number within 12 months of Completion of this project _____
Anticipated Number within 24 months of Completion of this project _____
Typical Job Descriptions or Job Titles of these employees: _____

Anticipated starting salaries of these employees: (avg.) \$ _____ / hour

Part E- Payroll Impact

Within 12 months of Project Completion _____ Within 24 months of Project Completion _____

\$ _____ \$ _____

FTE X Avg. Wage X 40 hrs X 52 wks PTE X Avg. Wage X 20 hrs X 52 wks

Section VI – OTHER

If the scope of your project request is not addressed above, please outline your request here: RETAIL COACH IS A RETAIL CONSULTING, MARKET RESEARCH AND DEVELOPMENT FIRM THAT PROVIDES EXPERTISE TO DEVELOP AND DELIVER HIGH IMPACT RECRUITMENT STRATEGIES THAT THE CITY OF INGLESIDE WOULD LIKE TO UTILIZE TO TARGET RETAILERS AND RESTAURANTS WHO MEET THE COMMUNITIES NEEDS.

SECTION VII- OTHER ASSISTANCE

Has the Company applied for any State or Federal assistance on this project? No () Yes ()

Describe:

Has the Company applied for loans in any other format? No () Yes ()

Describe:

“I hereby certify that CITY OF INGLESIDE does not presently, nor will at any time in the future, employ an undocumented worker “.

“To the best of my knowledge, the above information is an accurate description of the proposed project details.”

JIM GRAY

Printed name

10/23/13
Date

CITY MANAGER

Title

Signature

Your project will be considered by the Ingleside Development Corporation Board, and if deemed to meet all criteria, and voted so by this body, will then be forwarded on to the Ingleside City Council for consideration.

For additional information visit the City's website at www.inglesidetx.gov or call 361.776.2517