

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL



Requestor: Robert Schneeman, Economic Development Coordinator, Economic Development, 325.653.7197

Meeting Date: September 6, 2016

Item type: Consent Item

Caption:

Consider ratifying a resolution by COSADC approving an economic development (BREP) incentive to CalTech Software Systems Inc. in the amount of \$603,050, and authorizing the Board President to negotiate and execute a performance agreement (R. Pena)

Summary/History:

CalTech Software Systems Inc., located at 940 Arroyo Street, San Angelo, is a business enterprise engaged in computer systems design, consulting, and support services. The company has determined that over the next several years they will be hiring between 15 and 100 new employees at a starting salary of at least \$30,000 per year plus benefits and performance bonuses and also will be investing a minimum of \$100,000 in capital investment.

CalTech is headquartered in San Angelo and currently employs 38 full time employees, 2 part time employees and 1 Intern.

The proposed incentives in the attached draft agreement are as follows:

Development Fee Rebates \$ 600.00

Annual Tax Grants (see agreement page 9) \$ 1,950.00

Sales & Use Tax \$ 500.0

Job Creation Grant (\$5,000 per FTE) \$500,000

Job Training Grant (\$1,000 per employee satisfactorily Completing each course) \$100,000

Total \$603,050

The above proposed incentives are based on the company fully meeting all performance requirements including full job creation and retention.

COSADC unanimously approved (5-0) this item at their meeting of August 24, 2016.

Financial Impact:

Requires Budget Amendment of \$603,050 from FY2016-2017 Future Projects Account.

Other Information/Recommendation:

Attachments:

1. CalTech Agreement

5a2_CALTECH EDA(2).pdf

Presentation:

Approvals/Reviews:

Robert Schneeman

Created/Initiated

Roland Pena

Approved

Theresa James

Approved

Anthony Wilson

Approved

Tina Carriger

Approved

Theresa James

Approved

Becky Dunn

Approved

Bryan Kendrick

Final Approval