

# ECONOMIC DEVELOPMENT



## **Amendments to Chapter 380 Economic Development Program Agreements**

December 15, 2016

**Rene Dominguez, Director, Economic Development Department**

# BACKGROUND – ITEM A

## Item A - Oracle America, Inc.

The Oracle logo consists of the word "ORACLE" in white, uppercase, sans-serif font, set against a red rectangular background. A registered trademark symbol (®) is located at the top right of the word.

- Global provider of enterprise software and computer hardware products and services
- \$37 billion in revenue in 2016 and employs over 136,000 people worldwide
- On May 15, 2014, City Council approved an Economic Development Grant Agreement to secure their new operations center in San Antonio, contingent on the company creating 200 jobs earning annual salaries of at least \$70,000.

# BACKGROUND – ITEM B

## Item B - Site B Data Services, LLC



- Small business providing data center services.
- Converted existing Frio Street Building into a data center.
- On January 14, 2010, City Council approved a \$200,000 Economic Development Grant and Loan Agreement with Site B, contingent on the company meeting certain job creation, investment and energy usage milestones.

# ISSUE – ITEM A

## Item A – Oracle

Oracle is considering additional expansions to its operations. To meet newly formulated wage thresholds, staff is recommending amending its current agreement contingent on Oracle adding 150 full time jobs for a total of at least 350 full time jobs for at least 10 years.

- The amended grant agreement is based on:
  - \$2,500 grant payment for each job at the project site with wages of at least \$50,000 annually; and
  - \$5,000 grant payment for each new job at the project site with wages of at least \$70,000 annually.
- The agreement retains the original \$1 million approved cap.

# ISSUE – ITEM B

## Item B – Site B

Site B has requested and staff is recommending a loan and grant modification contingent on:

- Creation of at least 5 full time jobs;
- Making a capital investment of at least \$750,000; and
- Using at least 2.4 MW of energy per year from CPS.
- If milestones are not met, the City retains its grant and loan recapture remedies as set forth in the original agreement.

# FISCAL IMPACT - ITEMS A AND B

Items A and B:

- There is no direct fiscal impact to the City as a result of the authorization of the recommended amendments.



# RECOMMENDATION - ITEMS A AND B

- Staff is recommending City Council authorize:

- **Item A – Oracle**

- First Amendment to a Chapter 380 Economic Development Program Grant Agreement.



- **Item B – Site B**

- First Amendment to a Chapter 380 Economic Development Program Grant and Loan Agreement.



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