



City of San Antonio

Agenda Memorandum

File Number: 19-3814

Agenda Item Number: 3.

Agenda Date: 5/15/2019

In Control: City Council B Session

DEPARTMENT: Economic Development

DEPARTMENT HEAD: Rene Dominguez

COUNCIL DISTRICTS IMPACTED: City-Wide

SUBJECT:

State of the Port briefing by the Port Authority of San Antonio

SUMMARY:

Jim Perschbach, President and CEO of Port San Antonio, will give a presentation on economic activity to include strategic direction, recent accomplishments, and ongoing partnership initiatives.

BACKGROUND INFORMATION:

As the single-largest commercial/industrial property in Bexar County, the Port Authority of San Antonio (Port) is redeveloping the former Kelly Air Force Base as a multi-use complex, elevating it to its highest potential and creating conditions for increases in quality jobs and economic growth. Since the closure of Kelly Air Force Base in 2001, the Port's redevelopment efforts at the 1,900-acre major industrial and technology platform have attracted over 80 organizations including employers in aerospace, logistics, cybersecurity, and government/military sectors. Companies at the Port directly employ an estimated 13,000 workers, generating an annual economic impact of over \$5 billion. As a hub for aerospace, the Port is also home to various aerospace giants including Boeing, Standard Aero, ST Aerospace, and Chromalloy, which altogether generate \$1.5 billion in economic activity annually.

As one of the SA Tomorrow Regional Centers, the Port is an area of focus for economic development and growth, and a strategic asset and partner for the City. The Port continues to work with its customers and public sector partners to retain and expand its current customer base and attract complementary industries in order to add to the business activity and employment at the site.

ISSUE:

In April 2017, City Council approved a grant of \$1.5 million to support the infrastructure improvements at the Port associated with Project Tech, a new multi-building complex designed to support cybersecurity and other advanced technology operations. Project Tech will enable the expansion of cybersecurity operations and personnel while growing a campus environment that supports close collaboration between high-ranking experts in target industries located at the Port, including aerospace and advanced manufacturing. The first building in this complex opened in May 2018, and progress towards additional buildings continues.

The City continues to support the Port meet critical infrastructure needs, including reconstruction of Quintana Road from McKenna to Hubert Harmon Avenue, which began in October of 2018 with completion expected by winter of 2020. The City's partnership extends to participation on the Port Board of Directors and support for various programs and initiatives. Most recently, the City supported an exhibition booth at MRO Americas, a high profile aviation maintenance, repair and overhaul trade show. This exhibition was designed to showcase aerospace and economic development in San Antonio and included participation from companies with a presence in the city.

Future plans for the Port include a proposed Innovation Center that will include a technology arena/conference center, museum, industry showplace, co-working space, and various amenities under one roof. The Innovation Center will be housed in an existing 130,000 sq. ft. building located on the Northeast corner of Billy Mitchell Blvd. and 36th St. and will provide a platform to facilitate collaboration between information technology stakeholders and showcase technologies developed in San Antonio.

The purpose of this briefing is to provide an overview of recent activities at the Port as well as the strategic direction, recent accomplishments, and ongoing partnership initiatives at the Port.

ALTERNATIVES:

This is a briefing item only.

FISCAL IMPACT:

This is a briefing item only.

RECOMMENDATION:

This item is for briefing purposes only and requires no action.