



City of San Antonio

Agenda Memorandum

File Number:16-3329

Agenda Item Number: 4.

Agenda Date: 6/1/2016

In Control: Economic and Human Development Committee

DEPARTMENT: Economic Development

DEPARTMENT HEAD: Rene Dominguez

COUNCIL DISTRICT IMPACTED: City-Wide

SUBJECT: Amendments to the Economic Development Incentive Fund (EDIF) Guidelines

SUMMARY:

The Economic Development Incentive Fund (EDIF) was established in 2004 and provides funding for grants and loans for economic development projects. Every two years, the Economic Development Department (EDD) reviews the EDIF Guidelines and provides recommended updates for City Council's consideration. On June 16, 2016, staff anticipates recommending City Council consider approval of the proposed amendments to the EDIF Guidelines (attached). The proposed amendments align the wage requirements of the EDIF Guidelines and all economic development grant incentives under Chapter 380 connected to job creation and/or retention with those contained in the Tax Abatement Guidelines. Additionally, the proposed amendments expand support for initiatives and projects that achieve the goals outlined in the community's economic development strategic plan, *Forefront SA*, and those outlined in the City's *SA Tomorrow Comprehensive Plan*, with a particular focus on supporting growth in entrepreneurial development.

BACKGROUND INFORMATION:

The EDIF was established by City Council in 2004 to be used to attract new companies and help local companies expand. City Council adopted the current EDIF Guidelines on December 11, 2014. EDIF funds have been used to secure significant job creation projects, examples of which include Toyota, Medtronic, and HOLT Cat. EDIF funds have also been used to support studies and initiatives that promote the City and our targeted industries, including the recent Cybersecurity Strategy Study and the 2016 SXSW Initiative.

The proposed amendments to the EDIF Guidelines align the most recent wage requirements of the Tax Abatement and EDIF Guidelines, and also expand the use of funds to support initiatives and projects that achieve the goals outlined in the community's economic development strategic plan, *Forefront SA*, and the City's *SA Tomorrow Comprehensive Plan*. This includes adding language that approves EDIF use for projects, programs, and initiatives that promote entrepreneurial development, spur innovation, facilitate the commercialization of local technology and intellectual property that grow startup companies in the City's Targeted Industries, and support workforce development initiatives.

ISSUE:

The proposed amendments to the EDIF Guidelines expand support for initiatives and projects that achieve the goals outlined in the community's economic development strategic plan, *Forefront SA*, and those outlined in the City's *SA Tomorrow Comprehensive Plan*, with a particular focus on supporting growth in entrepreneurial development. These amendments will help the City better promote entrepreneurial development, spur innovation, facilitate the commercialization of local technology and intellectual property, and that grow startup companies in the City's Targeted Industries, and support workforce development initiatives.

RECOMMENDATION:

Staff recommends that EHDC recommend City Council adoption and approval of the proposed amendments to the EDIF Guidelines.