



City of San Antonio

Agenda Memorandum

File Number:16-3658

Agenda Item Number: 31.

Agenda Date: 6/30/2016

In Control: City Council A Session

DEPARTMENT: Economic Development Department

DEPARTMENT HEAD: Rene Dominguez

COUNCIL DISTRICTS IMPACTED: District 1

SUBJECT:

An Ordinance authorizing the San Antonio Economic Development Corporation ("SAEDC") to undertake an economic development project with Parlevel Systems, Inc. ("Parlevel") in the amount of \$100,000; as such authorization is required by the SAEDC Investment Guidelines.

SUMMARY:

Staff, upon the request of SAEDC, is requesting City Council action to authorize SAEDC to undertake an economic development project through a contractual agreement with Parlevel in an amount of \$100,000 to retain and expand the company's jobs and business activities in San Antonio.

BACKGROUND INFORMATION:

Parlevel is a local startup technology company and successful graduate of the 2013 Techstars Cloud accelerator program in San Antonio. The company was founded in 2012 by UTSA graduate, entrepreneur and CEO, Luis Gonzalez, and offers software and hardware platforms for food and beverage sellers, distributors, and manufacturers in the \$30 billion-a-year vending industry.

Parlevel headquarters and business operations are located in downtown San Antonio, and the company currently employs over 30 people with plans to double its workforce in the next 2-3 years. In just 18 months of full operations, Parlevel has sold 26,000 of its unique platform connections to 160 vending companies. Parlevel is projecting over \$6 million in sales and revenues this year.

On November 21, 2013, Council authorized the SAEDC Board to receive initial funding of \$500,000 through a Chapter 380 Economic Development Grant Agreement with the City to establish an SAEDC Investment Fund (“the Fund”). The Funds were made available for investment in economic development projects evaluated and approved in accordance with the SAEDC Investment Guidelines. The Investment Guidelines require City Council approval for economic development projects exceeding \$50,000.

In accordance with its Investment Guidelines, SAEDC is requesting authority from the City Council to help ensure Parlevel remains and expands in San Antonio. Through this investment, the SAEDC intends to enter into an Economic Development Agreement (EDA) with Parlevel requiring Parlevel to retain its headquarters and business operations in San Antonio for at least three years, maintain at least 30 jobs, and add 10 jobs for a total of 40 jobs by December 2017.

This project demonstrates the City’s support for assisting successful local startup companies to both remain and grow in San Antonio. It also shows support for promoting local entrepreneurial development and the retention of talent in the Targeted Industry of Information Technology (IT).

ISSUE:

The SAEDC Investment Guidelines require City Council authorization to undertake economic development projects with an investment over \$50,000.00.

ALTERNATIVES:

Council could choose not to approve this Ordinance; which could affect the company remaining and expanding in San Antonio, and would not align with the City’s commitment to retain and expand promising startup companies in the Targeted Industry of IT.

FISCAL IMPACT:

This ordinance authorizes SAEDC to undertake an economic development project with Parlevel Systems, Inc. in an amount of \$100,000. Funds in the amount of \$500,000 are available in the Economic Development Incentive Fund from a previously approved and appropriated agreement by City Ordinance, 2013-11-21-0816 to be expended by the SAEDC to undertake economic development projects. This item does not impact the FY 2016 budget.

RECOMMENDATION:

Staff recommends approval of an Ordinance authorizing the SAEDC to undertake an economic development project with Parlevel in an amount of \$100,000.00. Such authorization is required by the SAEDC Investment Guidelines.