



# City of San Antonio

## Agenda Memorandum

**File Number:** 17-2037

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**Agenda Item Number:** 11.

**Agenda Date:** 4/13/2017

**In Control:** City Council A Session

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**DEPARTMENT:** Economic Development

**DEPARTMENT HEAD:** Rene Dominguez

**COUNCIL DISTRICTS IMPACTED:** Council District 4

### **SUBJECT:**

A funding agreement for a site development project with the Port Authority of San Antonio (Port SA).

### **SUMMARY:**

An ordinance authorizing a funding agreement in an amount not to exceed \$1,539,960 for a site development project with the Port Authority of San Antonio (Port SA), located in Council District 4. City Council approved this project as part of the FY 2016 Budget, and it is included in the FY 2017-2022 Capital Improvements Program Budget.

### **BACKGROUND INFORMATION:**

In addition to a strong aerospace industry presence, Port SA is presently home to over 1,000 cybersecurity workers. Given the exponential growth in cybersecurity and related technologies, Port SA seeks to meet the increasing demand for facilities to accommodate local cybersecurity operations. Furthermore, the Headquarters of the 24th Air Force (Cyber Command) has been based at Port SA since 2008. As a result, several private-sector cyber companies have established offices at Port SA as contractors to the 24th Air Force, in addition to pursuing private-sector enterprises.

The proposed building is a site development project that will expand San Antonio's cybersecurity and IT industries, two of the City's Targeted Industries. Port SA plans to build the new 90,000 square foot Project Tech building to support cybersecurity and technology operations. Port SA proposes a project for which the City will allocate capital improvement funds of \$1,539,960 for the design and construction of site development items necessary for the office building project, including: (1) major utility lines (i.e., water mains, sanitary sewer mains, electrical primary lines, etc.) that will be extended from their existing locations to the building project boundaries; (2) site preparation including clearing and stripping, grading, building pad excavation and soil

preparation, select fill, pavement base and spoil haul-off; and (3) on-site utilities including domestic water, fire water, sanitary sewer, and storm drainage.

Port SA officials obtained approval for the project from its 11-member Board of Directors on January 25, 2017. It is estimated that at full capacity, 400 new high-wage and high-skilled jobs could be created at the new facility at a total estimated capital investment of \$15M.

City Council approved this project as a part of the FY 2016 Budget, and it is included in the FY 2017-2022 Capital Improvements Program Budget.

**ISSUE:**

In order to permit capital improvements funding of \$1,539,960, a funding agreement between the City and Port SA to govern and monitor the use of these funds is needed.

**ALTERNATIVES:**

City Council could choose not to grant authorization which would adversely affect the completion of the project and potentially impact the recruitment and retention of tenants and investment at Port SA.

**FISCAL IMPACT:**

This ordinance authorizes a funding agreement with Port SA to fund one-time capital improvement expenditure in an amount not to exceed \$1,539,960. City Council approved this project as part of the FY 2016 Budget, and it is included in the FY 2017-2022 Capital Improvements Program Budget.

**RECOMMENDATION:**

Staff recommends approval of an ordinance authorizing a funding agreement for a site development project with the Port Authority of San Antonio (Port SA), located in Council District 4, for a capital project in an amount not to exceed \$1,539,960.