



City of San Antonio

Agenda Memorandum

File Number:18-3309

Agenda Item Number: 22.

Agenda Date: 5/31/2018

In Control: City Council A Session

DEPARTMENT: Economic Development Department

DEPARTMENT DIRECTOR: Rene Dominguez

COUNCIL DISTRICTS IMPACTED: 1

SUBJECT:

City Council consideration of the adoption of a Resolution: (A) authorizing the City of San Antonio to enter into an Interlocal Agreement with Bexar County to affirm the City's administration authority over a project area in the City to be designated as a Texas Enterprise Zone Project (TEZ) by Bexar County; and (B) approving Bexar County's nomination to the State of Texas of the project area as a TEZ.

SUMMARY:

Staff is requesting City Council to adopt a Resolution authorizing the City to enter into an Interlocal Agreement with Bexar County to affirm: (-1-) the City's administration authority under Section 2303.201 of the Texas Government Code with jurisdiction over a project area to be designated as a TEZ; (-2-) that both Bexar County and the City approve the nomination of the project area as a TEZ; (-3-) the active designation period of the Interlocal Agreement; (-4-) the legal name of the company being considered for the TEZ designation and the street address or metes and bounds of the qualified business site; (-5-) attestation by the City Clerk and the County Clerk as to authorization from each governing body to the Interlocal Agreement. Neither the Interlocal Agreement nor the approval of the nomination by the City has any fiscal impact to the City.

BACKGROUND INFORMATION:

Bexar County desires to nominate TaskUs, Inc. (TaskUs) as a TEZ. Founded in 2008, TaskUs is headquartered in Santa Monica, CA. TaskUs is a cloud-based digital support and customer service company that provides enterprise data management, content moderation, digital transcription, and other digital services for leading tech companies and startups. TaskUs has more than 100 tech startups on its client roster, including Uber, Groupon, Tinder, Periscope, Hootsuite, and Eventbrite. TaskUs has 8,000 employees globally.

In 2017, TaskUs opened a customer service center in San Antonio, where it currently has approximately 440 employees at the Finesilver Building located at 816 Cameron Street in City Council District 1. It is anticipated the Finesilver Building TaskUs location will be the qualified business site in connection with Bexar County's nomination of TaskUs as a TEZ. TaskUs also anticipates adding 450 new jobs at 6660 First Park Ten in City Council District 1, over three years. The First Park Ten TaskUs location will be included in the TaskUs TEZ designation.

ISSUE:

TEZ is an economic development tool for local communities to partner with the State of Texas to promote job creation and significant private investment that will assist economically distressed areas of the state.

Under Section 2303.406 of the Texas Government Code, Bexar County receives an allotment of 9 potential Enterprise Project designations every state biennium. If the TEZ designation is approved by the state for TaskUs, Bexar County will have 8 additional Enterprise Project designations for the remainder of this state biennium, ending on August 31, 2019. The Bexar County Commissioners Court approved the TEZ nomination for TaskUs on May 22, 2018.

In order to nominate TaskUs for designation as a TEZ, Bexar County must enter into an Interlocal Agreement with the City of San Antonio, because the project area is located within the City's jurisdiction. The Interlocal Agreement is intended to approve Bexar County's nomination of TaskUs as a TEZ in Bexar County and the City of San Antonio. The approval of Bexar County's nomination and the Interlocal Agreement between the City and Bexar County must be authorized by the adoption of a Resolution by City Council.

By this Resolution, the City is not making a nomination from its allotment of designations under Section 2303.406 of the Texas Government Code.

ALTERNATIVES:

The Texas Government Code states that the City of San Antonio, as the governing body with jurisdiction of the TaskUs project area, is required, in order for Bexar County to nominate TaskUs as a TEZ, to enter into an Interlocal Agreement to approve the nomination of a TEZ project by Bexar County. City Council could choose not to authorize the Interlocal Agreement, which could impact TaskUs' decision for further expansion and job creation in the City.

FISCAL IMPACT:

There is no fiscal impact to the City of San Antonio.

RECOMMENDATION:

Staff recommends City Council adoption of a Resolution: (A) authorizing the City of San Antonio to enter into an Interlocal Agreement with Bexar County; and (B) approving Bexar County's nomination to the State of Texas of the TaskUs project area as a TEZ Project.