



City of San Antonio

Agenda Memorandum

File Number:18-4677

Agenda Item Number: 23.

Agenda Date: 8/30/2018

In Control: City Council A Session

DEPARTMENT: Economic Development

DEPARTMENT HEAD: Rene Dominguez

COUNCIL DISTRICTS IMPACTED: 8

SUBJECT:

City Council consideration for 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 within City bounds to be designated as a Texas Enterprise Zone (TEZ) Project 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 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:

Charter Communications, Inc. ("Charter") is a leading broadband communications company and the second largest cable operator in the United States. Charter provides a full range of advanced broadband services, including Spectrum TV, video entertainment programming, Spectrum Internet access, and Spectrum Voice. Spectrum Business similarly provides scalable, tailored, and cost-effective broadband communications solutions to business organizations, such as business-to-business Internet access, data networking, business telephone, video and music entertainment services, and wireless backhaul. Charter's advertising sales and production services are sold under the Spectrum Reach brand. The company is headquartered in Stamford,

Connecticut.

In Texas, Charter employs nearly 12,000 people, including over 2,700 in San Antonio. Charter recently leased a location for their new customer and accounts service center, where they plan to place approximately 750 employees, with an aggregate average wage of approximately \$37,000/year plus benefits, within the next two years.

Of the 750, there are 188 jobs with an average annual wage that exceeds the 2017 Bexar County average annual wage; these jobs will qualify for refunds under the TEZ Program.

The Charter project site at 12238 Silicon Drive is located in an Enterprise Zone, meaning that the company must monitor employment to ensure that 25% of new or replacement personnel certified for benefit are residents of an enterprise zone, veterans, or economically disadvantaged as required during the Texas Enterprise Program 5-year 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 for Charter is approved by the state, Bexar County will have 7 additional Enterprise Project designations for the remainder of this state biennium, ending on August 31, 2019.

In order to nominate Charter 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 Charter 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 through the adoption of a Resolution by City Council.

The Bexar County Commissioners Court will review the Charter Communications TEZ nomination for approval on August 24, 2018. 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 Charter project area, is required, in order for Bexar County to nominate Charter 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 Charter's 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 Charter project area as a TEZ Project.