



ECONOMIC DEVELOPMENT

Economic Development Incentive Guidelines Agenda Items #19 & 20

**Brenda Hicks-Sorensen, Director, Economic
Development Department**

City Council A Session – December 1, 2022



Economic
Incentives
Guidelines

Chapter 312

Chapter 380

Revised Recommendations for Requirements

REQUIREMENT CRITERIA	CURRENT GUIDELINES	NEW CHAPTER 312 TAX ABATEMENT REQUIREMENTS	NEW CHAPTER 380 REBATE REQUIREMENTS
Number of Jobs/ Capital Investment	50 jobs or \$10 Million	50 jobs and \$10 Million	
Wages	100% meet Living Wage (\$13.34) 70% meet All industry Wage (\$18.25)	100% meet \$17.50 minimum 90% meet \$20.54 (80% of Median Household Income)	
Partnership Opportunities	15% of estimated abatement value on at least two partnership options over 5 years	10% of estimated abatement/rebate on: <ul style="list-style-type: none"> • Wraparound support options for term of agreement • Certified SMWVBE utilization for all construction costs (hard & soft) 10% reduction of abatement/rebate if requirement not met	
Workforce Development & Hiring	Engage in preferential interview and hiring from the City's workforce development programs Best effort to hire 25% from San Antonio	Ready to Work Program participation negotiated with company based on needs. Encourage pledge.	

Wraparound Support Requirements

All abatement and rebate recipients must dedicate **10%** of their total award value into a dedicated spending account. Funds must be used on: training, transit, or childcare needs of the firm's employees.

Talent Base

Key elements to developing a strong workforce and meeting employment needs are **training and retaining talent**. To this end, employers can participate in or support the following:

- Ready to Work (Work-Based Learning)
- Paid Internships or Apprenticeships
- TXFAME/TX FAST
- DOD SkillBridge Program
- Justice-Involved Employee Support
- Internal, customized training resulting in industry-recognized credentials
- Internet and IT equipment training
- Career coaching for transitioning employees

Childcare

A dual-generation workforce opportunity where the youngest community members receive quality, reliable, early childhood education while allowing parents to establish stable careers. Such efforts can be supported by:

- Providing onsite childcare
- Providing childcare vouchers, subsidies, or reimbursements for Quality Childcare facilities (TRS or other nationally accredited center)
- Purchasing slots at a childcare facility
- Partnering with Workforce Solutions Alamo for expertise in childcare support mechanisms






Transportation

Affordable, reliable, and safe modes of transportation improves San Antonio's Workforce's access to employment, education, training, and other services. To support these efforts an employer can:

- Provide or subsidize VIA passes
- Incentivize alternative modes of transportation (i.e. walking, bikes, scooters, carpools, vanpools)

Application of Abatement or Rebate Matrix

Example Tax Abatement or Rebate: Project A

	 Hourly Wage		 Capital Investment		 No. of Jobs Created		 Base Tax Abatement/Rebate %		 Exceptional Enhancements
Tier 1	\$20.54	AND	\$10M	AND	50		20%		
Tier 2	\$25.00	OR	\$25M	OR	200		30%		
Tier 3	\$30.00	OR	\$50M	OR	400		40%		+ 10% Regional Center
Tier 4	\$35.00	OR	\$100M	OR	600		50%		+10% Targeted Industry
Tier 5	\$40.00	OR	\$150M	OR	800		60%		+ 10% Equity Matrix
★ Tier 6	\$45.00	OR	\$250M	OR	1000		70%		

Project A would qualify for **Tier 3**:

- **40%** base tax abatement or rebate
- **+10%** enhancement for targeted industry
- **50% total abatement or rebate**
- Recommended length for up to **5 years**.



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EDIF Grants & Loans

Strategic Target Industry per Job Grant Requirements

- 100% of jobs require the city median income of \$25.67/hr
- 90% of jobs require 150% of the median income (\$80,100 or \$38.50/hr)
- The table reflects the maximum level of EDIF Grants available to a qualifying business based on the required minimum salaries for net new full-time permanent jobs.
- All jobs must be filled and maintained for a minimum of 3 years in order to qualify.

Minimum Annual Wage Rate	Maximum Amount per New Position
\$80,100 – 88,109	\$1,000
\$88,110 – 98,789	\$1,500
\$98,790 – 104,129	\$2,000
\$104,130+	\$2,500

Process & Compliance

City Council must approve all incentive agreements (per State Law)

Accessible and transparent policy

Objective expectations and commitments

Competitive and timely process

No incentive prior to performance



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