



# City of San Antonio

## Agenda Memorandum

**File Number:**

---

**Agenda Item Number:** 19

**Agenda Date:** August 18, 2022

**In Control:** City Council A Session

---

**DEPARTMENT:** Economic Development Department

**DEPARTMENT HEAD:** Brenda Hicks-Sorensen

**COUNCIL DISTRICTS IMPACTED:** District 9

**SUBJECT:**

Resolution approving an Interlocal Agreement between the City of San Antonio and Bexar County

**SUMMARY:**

A resolution to approve an Interlocal Agreement between the City of San Antonio and Bexar County affirming the City's administrative authority over a project area in the city to be designated as a Texas Enterprise Zone (TEZ) Project by Bexar County. This resolution also approves Bexar County's nomination to the State of Texas of the Marathon Petroleum Company LP (Marathon) project area as a TEZ Project.

**BACKGROUND INFORMATION:**

Marathon is a leading, downstream energy company headquartered in Findlay, OH with 13 gasoline refineries in the United States, which have a daily combined refinery capacity of 2.9 million barrels. In 2018 Marathon acquired the San Antonio headquartered Andeavor and in 2019 acquired Andeavor Logistics LP, which was an independent pipeline and storage terminal company. Marathon has since maintained a significant employment presence in San Antonio with approximately 1,020 full-time employees earning an average annual wage over \$145,000. The company also has plans to invest in excess of \$5 million on facility improvements including

elevator updates, high-efficiency lighting retrofit, cooling tower upgrades, as well as various IT upgrade projects.

#### **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.

In order to nominate Marathon for designation as a TEZ, Bexar County must enter into an Interlocal Agreement with the City of San Antonio, as the project area is located within the City's jurisdiction. The Interlocal Agreement is intended to confirm the City's administrative authority with jurisdiction over the project area to be nominated as a TEZ and serve as evidence of the City's approval of Bexar County's nomination of Marathon as a TEZ. Approval of the nomination and the Interlocal Agreement must be authorized by the adoption of a Resolution by City Council prior to Bexar County's official nomination, according to Texas Government Code Section 2303.004(c). Bexar County Commissioners Court is scheduled to consider approval of the Interlocal Agreement and the TEZ nomination for Marathon on August 23, 2022.

By this Resolution, the City is not making a nomination from its allotment of TEZ designations.

#### **ALTERNATIVES:**

City Council could choose not to authorize the Interlocal Agreement, which would impede the County's nomination and could adversely affect Marathon's decision to grow their operations in San Antonio.

#### **FISCAL IMPACT:**

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

#### **RECOMMENDATION:**

Staff recommends an Interlocal Agreement between the City of San Antonio and Bexar County affirming the City's administrative authority over a project area in the City to be designated as a Texas Enterprise Zone Project (TEZ) by Bexar County, and approving Bexar County's nomination to the State of Texas of the Marathon project area as a TEZ Project.