



Recommendation for Action

File #: 19-3260, **Agenda Item #:** 9.

11/14/2019

Posting Language

Approve a resolution to nominate SHI International Corp. for designation by the Governor's Office of Economic Development and Tourism as a single Texas Enterprise Project in accordance with Chapter 2303 of the Texas Government Code.

Lead Department

Economic Development.

Fiscal Note

This item has no fiscal impact.

Prior Council Action:

October 18, 2007 - Council approved Ordinance No. 20071018-008, electing to participate in the Texas Enterprise Zone Program.

November 4, 2010 - Council approved Ordinance No. 20101104-046, amending its program identifying additional local incentives for the Texas Enterprise Zone Program.

For More Information:

Veronica Briseno, Director/Economic Development Dept. 512-974-7802, Dusty McCormick, Economic Development Liaison, 512-974-6390.

Additional Backup Information:

This resolution will nominate SHI International Corp. as a single Enterprise Zone Project under the Texas Enterprise Zone Act. SHI International Corp. is constantly growing in response to the needs of its customers in all sectors and verticals. SHI has transformed itself from a \$1 million "software-only" regional reseller into a \$10 billion global provider of information technology products and services. From software and hardware procurement to deployment planning, configuration, data center optimization, IT asset management, and cloud computing, SHI offers custom IT solutions for every aspect of a customer's environment. Privately held and under the guidance of current ownership since 1989, SHI grew exponentially in size and scope without merger or acquisition. Its organic growth and three decades of stability are a direct result of backing a highly skilled and tenured sales force with software volume licensing experts, hardware procurement specialists, and certified IT services professionals. SHI supports customers globally from over 35 offices around the world, "including offices in" the United States, Ireland, Canada, the United Kingdom, France, and Hong Kong.

The primary business site for this request is located at 3828 Pecana Trail, Austin, Texas 78749. SHI employs 977 employees and will construct a new 250,000 square foot, four story divisional headquarters in Austin. Over the next five years, SHI plans to invest \$25 million into the construction and build out of the new divisional headquarters facility. The project will include \$15 million for building construction and \$10 million in furniture, fixtures, and equipment. The new divisional headquarters will position SHI to expand its operations and better support its growing customer base. SHI will retain 500 full time employees for benefit, which meets the definition of a "retained job" in accordance with Texas Government Code 2303.401. SHI also commits to hiring thirty-five percent (35%) economically disadvantaged persons, veterans, and/or enterprise zone residents for its new or replacement personnel at the Pecana Trail facility, for certified jobs over the next five years. If

designated as an Enterprise Zone Project, SHI International Corp. would be eligible for a refund of State sales and use tax based on the employment criteria and the amount of the capital spent at the qualified business site. The Texas Legislature currently authorizes 105 state designations each biennium. The City is eligible to receive up to nine (9) Enterprise Project designations based on availability and competitiveness of the project every two (2) years.

This location is in District 8, Council member Paige Ellis.