




MEMORANDUM

TO: Mayor and Council

FROM: Veronica Briseño, Director, Economic Development Department 

DATE: February 5, 2020

SUBJECT: Clarification Memo for Item #9 – Enterprise Project Nomination – SHI International Corp

The February 6th City Council agenda includes an item for the Mayor and Council's consideration to 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.

In the additional backup information, it states that over the next five years, SHI plans to invest \$25 million into the construction and buildout 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 International Corp. with the ability to expand their operations and better support their 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.

EDD would like to clarify to Mayor and Council that this section should read, "over the next five years, SHI International Corp. plans to invest \$5 million into building improvements and enhancements including \$2.25 in tenant improvements and signage as well as \$2.75 million in building security, audio visual equipment, and IT infrastructure. SHI will retain 477 full time employees for benefit, which meets the definition of a "retained job" in accordance with Texas Government Code 2303.401. The new divisional headquarters will position SHI International Corp. with the ability to expand their operations and better support their growing customer base."

To reiterate the intent of this change, this action will provide specific clarity to this project as a concurrent Enterprise Project Application, but with a different capital investment amount, retention of a different set of employees and the number of employees for benefit, from any recent SHI project submitted, which is allowed by the previously mentioned state code. Lastly, the city's newly updated enterprise zone ordinance will provide this application with 10 additional points to the overall total score, thus making it more competitive at the state level.

xc: Spencer Cronk, City Manager
Jannette Goodall, City Clerk
Anne Morgan, City Attorney