

# Proposed 380 Agreement with SmartAction

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# Company Overview

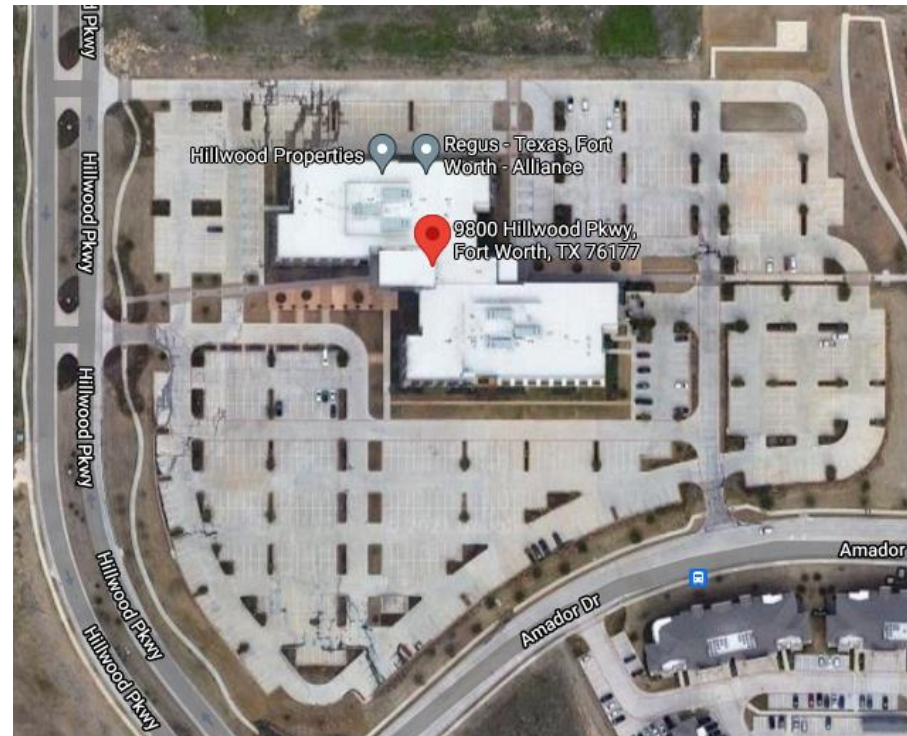
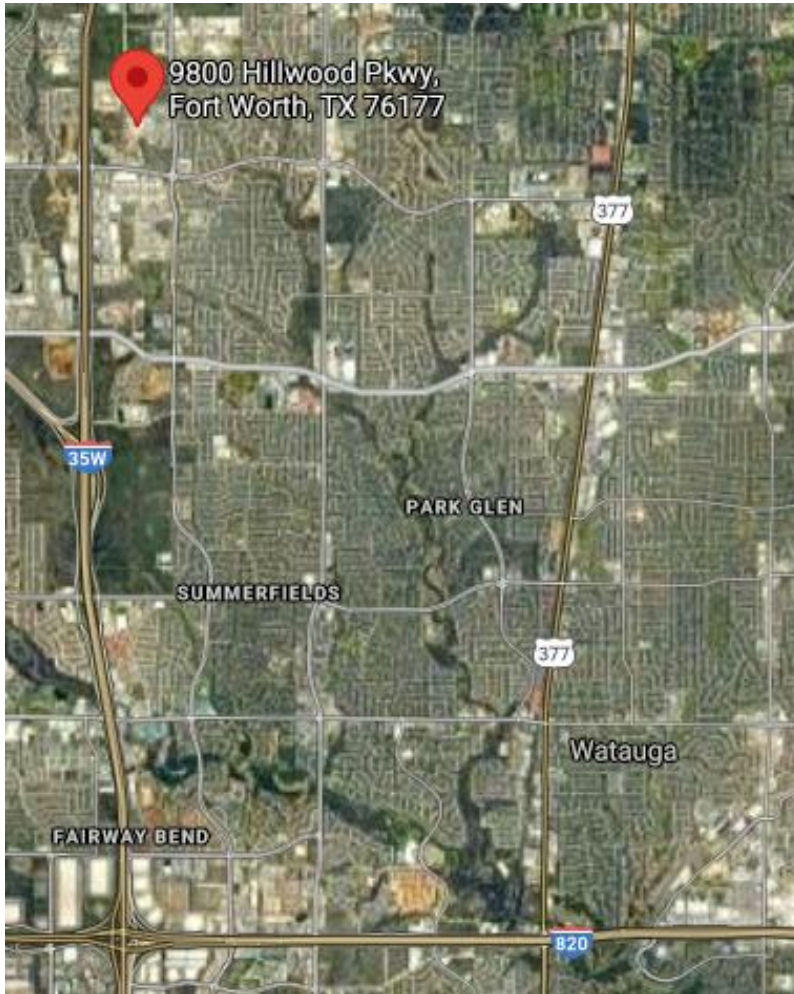
- SmartAction is a company that provides artificial intelligence-based services to businesses across diverse industries
- The U.S. headquarters are based in El Segundo, CA
- The company was founded in 2002
- The company is rapidly expanding its presence and market share in the U.S.

# Project Overview

- Relocation of corporate HQ from El Segundo, CA
- A 7,400 SF building will be leased with a temporary site located at 9800 Hillwood Pkwy, Fort Worth, TX 76177
- Permanent office space will be leased on or before January 1, 2022
- 66 Full-Time jobs added at annual wages of \$65,800

# Location

Temporary Site: 9800 Hillwood Pkwy, Fort Worth, TX 76177



# Economic Benefits of Proposal

- Company engaged in competitive site selection process
- High-value technology company is a target industry
- Proposal meets requirements of technology company in our incentive policy
- Incentive will offset costs of relocating employees to Fort Worth and establishing new offices
- Proposal will utilize Economic Development Fund and not impact City taxes

# Why SmartAction?

- SmartAction currently securing deals with local FW companies. As a result, the partnerships would help local businesses access AI resources and increase their own productivity and efficiency
- Ability to attract more tech companies to cluster near an innovative tech HQ
- Attract professionals who are multidisciplinary in coding, software engineering, R&D, and data mining, and serves industries including financial services, healthcare, retail, travel, and hospitality

# Development Commitments

- **Permanent Site**

- Must occupy a lease of 7,400 SF in the City of Fort Worth as of January 1, 2022

- **Job Creation**

- Create 66 Full-Time jobs by December 31, 2022 and retain the 66 Full-Time Jobs through December 31, 2025
- All FTE's must have a minimum annual salary of \$65,800

# Proposed Incentive Terms

- 3-year Economic Development Agreement to provide a grant of \$10,000 per FTE for up to 66 employees with wages \$65,800 or above with a cap not to exceed \$660,000, with grant paid when the lease for the Permanent Site is provided to the City of Fort Worth
- Clawbacks:
  - If, at any time during the term of the Agreement, the Company only employs between 46 and 65 Full-Time Jobs, then Company will be required to pay the City \$15,000 for each Full-Time Job below the minimum required 66. For example, if the Company has 46 Full-Time Jobs, then the Company must pay the City \$300,000.00  $((66-46 = 20) \times \$15,000)$
  - If, at any time during the term of the Agreement, the Company employs less than 46 Full-Time Jobs, then the Company will be required to pay the City the full \$660,000.00



# Development Summary

## Incentive “Technology Company Projects”

- SmartAction is eligible for 380 Grants under the “Technology Company Projects Incentive,” which allows up to \$10,000 for each new full-time job in first three years of operation with minimum annual salary of \$65,800

## Private Investment

- Minimum of 7,400 SF lease

## Employment

- Create 66 new FTEs by December 31, 2022
- Retain 66 FTEs through December 31, 2025
- Minimum Annual Wages: \$65,800

## 3-year Economic Development Agreement

- Provide grants of \$10,000 per FTE each for up to 66 full-time workers with wages \$65,800 or above.
- Potential for Clawbacks if Company does not meet obligations set forth

## Recommendation/Next Steps

- Enter into an Economic Development Agreement to provide grants not to exceed \$660,000 for up to 66 full-time workers with wages at or above \$65,800
- M&C for City Council consideration on June 8th Agenda

# Thank you

