

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council		Item ID:	70896	Agenda Number	51.
Meeting Date:		June 15, 2017			
Department:		Purchasing			
Subject					
Authorize negotiation and execution of a 36-month contract with TEXAS GROWTH FUND REGIONAL CENTER, LLC, to provide EB-5 (international investment program for local development) regional service, with two 12-month extension options, for an estimated revenue amount of 1% of the total EB-5 capital raised through this contract.					
Amount and Source of Funding					
This is a revenue contract for the Economic Development Department.					
Fiscal Note					
A fiscal note is not required.					
Purchasing Language:	The Purchasing Office issued a Request for Qualification Statements (RFQS) JRD0502 for these services on December 5, 2016 and it closed on January 17, 2017 with two offers received. The recommended offer is the best evaluated offer submitted by a responsible offeror. Additional information on the solicitation is included below the line.				
Prior Council Action:					
For More Information:	Inquiries should be directed to the City Manager’s Agenda Office, at 512-974-2991 or AgendaOffice@ austintexas.gov NOTE: Respondents to this solicitation, and their representatives, shall continue to direct inquiries to the solicitation’s Authorized Contact Person: Jonathan Dalchau, at 512-974-2938 or Jonathan.Dalchau@ austintexas.gov				
Boards and Commission Action:					
Related Items:					
MBE / WBE:	This revenue contract is exempt from the City Code Chapter 2-9B Minority Owned and Women Owned Business Enterprise Procurement Program; therefore, no subcontracting goals				

were established.

Additional Backup Information

The contract will provide a partnership with an approved U.S. Citizenship and Immigration Services (USCIS) EB-5 Regional Investment Center approved to operate in Austin. The EB-5 program is a federal program that engages private investors, developers, local governmental agencies, the Securities and Exchange Commission, and the USCIS to work on the behalf of the City to promote City-affiliated projects to bring foreign investment capital to the area. The Contractor will partner with the City on investment opportunities designed to foster growth in the following industries: housing, digital inclusion, advanced manufacturing, clean energy and power technology, creative and digital media, corporate headquarters and regional offices, life sciences and technology integration, space technology and exploration, distribution and logistics, fashion, food, mobility innovations of automotive and aerospace, and zero waste. A partnership with a Regional Investment Center benefits the City with the ability to gather currently unverifiable data regarding where and how much foreign capital is coming to Austin and the ability to project future investment opportunities in EB-5 or even higher value foreign direct investment.

This is a new contract for the City and is modeled after other cities like Dallas and San Francisco who utilize the regulated strength of their partner regional investment center to have a continual stream of foreign direct investment coming to their cities, whether EB-5 or otherwise. The estimated revenue of 1% of total EB-5 capital raised through this contract will vary depending on projects. The Economic Development Department's Foreign Direct Investment Officer (a temporary position) who will develop an investment strategy to achieve the goals of Imagine Austin. Additionally, the revenue from this contract will provide the City with resources to ensure the contracted partner's due diligence and contract compliance.

An evaluation team with expertise in this area evaluated the offers and scored Texas Growth Fund Regional Center, LLC as the best to provide these services based on organizational capacity, qualifications, and expertise and strategies. Texas Growth Fund is also a local firm with founder roots in Austin.

If Council does not approve this contract, the City will lose the ability to partner with a company actively seeking foreign investments and job growth in the Austin area. The City will lose the opportunity to steer investment projects to align with City Council goals and Imagine Austin objectives.

A complete solicitation package, including a response list, is on file in the City's Purchasing Office and is available on the City's Financial Services Austin Finance Online website. Link: [Solicitation Documents](#)

TEXAS GROWTH FUND REGIONAL CENTER, LLC				
	# months	Estimated Revenue	Contract Amendment	Revised Amount
Original Term	36	\$ 300,000	n/a	n/a
Extension Option 1	12	\$ 100,000	n/a	n/a
Extension Option 2	12	\$ 100,000	n/a	n/a
TOTAL	60	\$ 500,000	\$ -	\$ -