

# Memorandum



CITY OF DALLAS

DATE August 3, 2018

TO The Honorable Members of the Economic Development & Housing Committee:  
Tennell Atkins, Chair, Rickey D. Callahan, Vice-Chair, Lee M. Kleinman,  
Scott Griggs, Casey Thomas, II, B. Adam McGough, Mark Clayton, Kevin Felder,  
Omar Narvaez

SUBJECT **Texas Enterprise Zone Nomination for Match Group, LLC**

## Summary

On August 22, 2018, City Council will consider the approval of an item authorizing the nomination of Match Group, LLC located at 8750 N. Central Expressway, Suite 1400, Dallas, Texas 75231 to receive designation as an Enterprise Project under the Texas Enterprise Zone Act, as amended (Government Code, Chapter 2303) to the Office of the Governor Economic Development and Tourism through the Economic Development Bank.

## Background

The City of Dallas has been approached by Match Group, LLC ("Match Group") to nominate by resolution its application for an Enterprise Project designation to the Economic Development Bank, part of the Governor's Office of Economic Development and Tourism. Match Group, a subsidiary of IAC/Interactive Corp., is headquartered at 8750 N. Central Expressway, Suite 1400, Dallas, Texas.

The designation will allow Match Group to apply for a rebate of state sales and use tax refunds on qualified expenditures of up to \$2,500 per job created or retained. This project has no cost consideration to the City of Dallas.

Match Group is a leading provider of online dating products through a variety of brands servicing North America, Western Europe, Asia and other regions around the world. Launched in 1995, Match.com was the original dating website and pioneer of the online dating industry. Today, Match Group's portfolio includes brands like Tinder, Match, PlentyOfFish, Meetic, OkCupid, Our Time, and Pairs. Through its range of trusted brands, Match Group has grown to provide tailored services in 42 languages which meet the varying preferences of over 7 million users in more than 190 countries.

Built upon industry-leading technology, Match Group has identified the need to invest in state-of-the-art equipment that will allow users to interact in a reliable and secure environment, while maintaining pace with industry trends and technological developments. To this goal, over the next five years, Match Group anticipates making capital investments of approximately \$19 million for IT server upgrades, additional

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hardware for increased data storage capacity, network hardware upgrades (e.g. system routers and switches) and new hardware to improve system firewalls and other redundant security measures.

Section 2303.406(a)(4)(D) of the Texas Government Code allows a project or activity of a qualified business to be designated as an Enterprise Project and receive job retention benefits "if the business has clearly demonstrated that the business is able to employ individuals in accordance with Section 2303.402." To meet this requirement, Match Group, located at 8750 N. Central Expressway Suite 1400, Dallas, TX (the qualified business site) in Census Tract 0078.22, Block Group 1, will actively monitor employment to ensure that 35% of new or replacement personnel certified for benefit are residents of an enterprise zone, or veterans, or economically disadvantaged as required during the Texas Enterprise Program designation.

An Additional Participating Location at 6606 LBJ Freeway (approximately 6 miles from the qualified business site) will be included in the designation. This site directly supports Match Group and the headquarters by housing the primary network computer servers and provides processing, data distribution services, and remote IT storage. The IT infrastructure at this location is essential to the short and long-term operations needed to maintain, operate, and expand Match Group's online service portfolio.

In addition to Match Group, two subsidiaries, People Media, Inc. and Match.com Events LLC, will be participating in the proposed Texas Enterprise Zone Project as Additional Participating Entities. Both are located at the qualified business site and directly support Match Group in providing tailored products to members.

Match Group, along with People Media, Inc. and Match.com Events LLC, currently employs 336 positions at the Dallas headquarters and commits to retain the existing level of employment. Of those jobs, 290 meet the definition of a "retained job" in Texas Government Code § 2303.401(2) because they currently exist, provide and will continue to provide at least 1,820 hours of employment annually, and will be employment positions for the longer of the duration of the project's designation period or three years after the expiration date of the claim period for receipt of state benefit.

### **Alternatives**

The City may choose to deny the requested nomination. Without a nomination, Match Group would not be able to submit an application for an Enterprise Project designation to the Economic Development Bank within the Governor's Office.

### **Financing**

No Cost Consideration to the City.

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### **Coordination**

Staff is coordinating with the Economic Development & Tourism team within the Office of the Governor.

### **Recommendation**

Staff recommends approval of an item authorizing the nomination of Match Group, LLC located at 8750 N. Central Expressway, Suite 1400, Dallas, Texas 75231 to receive designation as an Enterprise Project under the Texas Enterprise Zone Act.

Should you have any questions, please contact me at (214) 671-5257.



**Raquel Favela**

**Chief of Economic Development & Neighborhood Services**

c: T.C. Broadnax, City Manager  
Larry Casto, City Attorney  
Craig D. Kinton, City Auditor  
Billierae Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizzor Tolbert, Chief of Staff to the City Manager

Majed A. Al-Ghafry, Assistant City Manager  
Jon Fortune, Assistant City Manager  
Joey Zapata, Assistant City Manager  
M. Elizabeth Reich, Chief Financial Officer  
Nadia Chandler Hardy, Chief of Community Services  
Theresa O'Donnell, Chief of Resilience  
Directors and Assistant Directors