

**CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM**

AGENDA DATE: August 27, 2024

PUBLIC HEARING DATE: N/A

CONTACT PERSON(S) NAME AND PHONE NUMBER: Karina Brasgalla (915) 212-0094

DISTRICT(S) AFFECTED: 8

STRATEGIC GOAL: Goal 1: Create an Environment Conducive to Strong, Sustainable Economic Development.

SUBGOAL: 1.1 Stabilize and expand El Paso's tax base

SUBJECT:

A Resolution nominating Tenet Hospitals Limited - Sierra Campus as a Texas State Enterprise Zone Project. If designated, Tenet Hospitals Limited - Sierra Campus will invest over \$6.5M to upgrade the facility and update medical equipment, at the Hospitals of Providence Sierra Campus located at 1625 Medical Center St., El Paso, Texas 79902; and retain 645 full-time positions and create an additional 15 full-time positions at that location over the term of the project's designation.

BACKGROUND / DISCUSSION:

The Texas Enterprise Zone Program is a State funded economic development tool that allows the City of El Paso to collaborate with the State of Texas to encourage job creation and retention and capital investment in economically distressed areas of the state. Through the program, Texas communities may nominate companies in their jurisdiction to receive Enterprise Zone designation, a designation that allows qualifying projects to collect state sales and use tax refunds or rebates on qualified expenditures made by the company.

The City of El Paso is nominating Tenet Hospitals Limited - Sierra Campus as an Enterprise Zone Project to the Office of the Governor Economic Development and Tourism for the replacement and upgrade of the current Bi-Plane Cath Lab, key operating room equipment for surgical services and orthopedic business, and plans further maturation of the spine, comprehensive stroke and electrophysiological study programs, at 1625 Medical Center St., El Paso, Texas 79902. Once nominated by the City of El Paso and designated by the State, the business is eligible to apply for state sales and use tax refunds on qualified expenditures provided that they satisfy capital investment and job creation and retention metrics.

PRIOR COUNCIL ACTION:

November 22, 2022 - El Paso Healthcare System, Ltd. (Las Palmas Medical Center), TEZ Designation
August 30, 2022 – Phelps Dodge Refining Corp., TEZ Designation
May 24, 2022 – El Paso Healthcare Systems, LTD – Del Sol Medical Center, TEZ Designation
August 30, 2021 – Charter Communications, Inc. TEZ Designation
August 20, 2019 – Western Refining Company, L.P. TEZ Designation

AMOUNT AND SOURCE OF FUNDING:

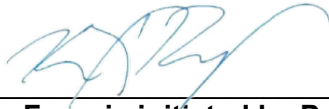
Texas Enterprise Zone designation enables business to receive only state sales and use tax refunds; there is no impact to local tax revenue.

HAVE ALL AFFECTED DEPARTMENTS BEEN NOTIFIED? YES NO

PRIMARY DEPARTMENT: Economic and International Development
SECONDARY DEPARTMENT: N/A

*******REQUIRED AUTHORIZATION*******

DEPARTMENT HEAD:



(If Department Head Summary Form is initiated by Purchasing, client department should sign also)

**A RESOLUTION NOMINATING TENET HOSPITALS LIMITED – SIERRA CAMPUS
AS A TEXAS STATE ENTERPRISE ZONE PROJECT**

WHEREAS, the City Council of the City of El Paso (“City”) has previously adopted Ordinance No. 017116 on May 26, 2009, electing to participate in the Texas Enterprise Zone Program; and

WHEREAS, the City adopted Ordinance No. _____ on August 27, 2024 reaffirming its participation in the Texas Enterprise Zone Program and establishing that future program nominations of Texas State Enterprise Projects (“TEZ Project”) may be approved by resolution pursuant to Sec. 2303.4051(f) of the Texas Government Code (“Code”), provided that such projects meet those requirements in accordance with Chapter 2303 of the Code; and

WHEREAS, the local incentives offered under this Resolution are the same on this date as were outlined in Ordinance No. 017116 and Ordinance No. _____; and

WHEREAS, pursuant to Chapter 2303, Subchapter F of the Texas Enterprise Zone Act, Texas Government Code (“Act”), TENET HOSPITALS LIMITED – SIERRA CAMPUS has applied to the City for designation as an enterprise zone project; and

WHEREAS, the Office of the Governor Economic Development and Tourism (“EDC”) through the Economic Development Bank (“Bank”) will consider TENET HOSPITALS LIMITED – SIERRA CAMPUS as a TEZ Project pursuant to a nomination and an application made by the City; and

WHEREAS, the City desires to pursue the creation of the proper economic and social environment in order to induce the investment of private resources in productive business enterprises located in the city and to provide employment to residents of enterprise zones and to other economically disadvantaged individuals; and

WHEREAS, the City finds that TENET HOSPITALS LIMITED – SIERRA CAMPUS meets the criteria for designation as an TEZ Project under Chapter 2303, Subchapter F of the Act on the following grounds:

1. TENET HOSPITALS LIMITED – SIERRA CAMPUS is a “qualified business” under Section 2303.402 of the Act since it will be engaged in the active conduct of a trade or business at a qualified business site located inside an enterprise zone and at least 25% of the business’ new employees will be residents of an enterprise zone, economically disadvantaged individuals, or veterans; and
2. There has been and will continue to be a high level of cooperation between public, private, and neighborhood entities within the area; and
3. The designation of TENET HOSPITALS LIMITED – SIERRA CAMPUS as a TEZ Project will contribute significantly to the achievement of the plans of the City for development and revitalization of the area.

WHEREAS, the City finds that TENET HOSPITALS LIMITED – SIERRA CAMPUS meets the criteria for tax relief and other incentives adopted by the City and nominates TENET HOSPITALS LIMITED – SIERRA CAMPUS for TEZ Project status on the grounds that it will be located at the qualified business site, will create a higher level of employment, economic activity and stability; and

WHEREAS, the City finds that it is in full compliance with Chapter 2303, Texas Government Code prior to nomination of an eligible business; and

WHEREAS, the City finds that it is in the best interest of the City to nominate TENET HOSPITALS LIMITED – SIERRA CAMPUS, as a TEZ Project pursuant to the Act.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

1. That TENET HOSPITALS LIMITED – SIERRA CAMPUS is a “qualified business” as defined in Section 2303.402 of the Act, and TENET HOSPITALS LIMITED – SIERRA CAMPUS, meets the criteria for designation as a TEZ Project, as set forth in Section 2303, Subchapter F of the Act;
2. That the enterprise zone project shall take effect on the date of designation of the enterprise project by the agency and terminate five years after date of designation; and
3. That the City Manager or designee be authorized to sign any and all documents required by EDC to complete the nomination process.

APPROVED this ____ day of _____, 2024.

ATTEST:

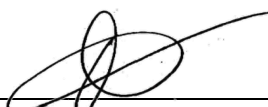
THE CITY OF EL PASO:

Laura Prine
City Clerk

Oscar Leeser
Mayor

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:



Oscar Gomez
Assistant City Attorney



Karina Bragalla, Interim Director
Economic & International Development