

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

**AGENDA DATE:** August 13, 2024  
**PUBLIC HEARING DATE:** August 27, 2024

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

**DISTRICT(S) AFFECTED:** All Districts

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

**SUBGOAL:** Goal 1.1 Stabilize and Expand El Paso's Tax Base

**SUBJECT:**

An Ordinance of the City Council of the City of El Paso, Texas, reaffirming the City's participation in the Texas Enterprise Zone Program pursuant to the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code ("Act"); confirming the designation of a liaison for communication with interested parties; providing available tax incentives; and allowing for future nominations of qualified businesses and enterprise projects to be approved by resolution if nominee meets all requirements as established by the act and any other applicable state law.

**BACKGROUND / DISCUSSION:**

The City Council of the City of El Paso, Texas ("City") reaffirms its desire to create the proper economic and social environment to induce the investment of private resources in productive business enterprises located in severely distressed areas of the City and to provide employment to residents of such areas for qualified businesses and enterprise projects.

**PRIOR COUNCIL ACTION:**

On May 26, 2009, the City Council passed Ordinance No. 017116, electing to participate in the Texas Enterprise Zone Program.

**AMOUNT AND SOURCE OF FUNDING:**

N/A

**HAVE ALL AFFECTED DEPARTMENTS BEEN NOTIFIED?**  YES  NO

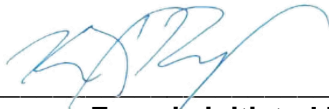
**PRIMARY DEPARTMENT:** Economic and International Development

**SECONDARY DEPARTMENT:** N/A

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\*\*\*\*\*REQUIRED AUTHORIZATION\*\*\*\*\*

**DEPARTMENT HEAD:**



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

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EL PASO, TEXAS, REAFFIRMING THE CITY’S PARTICIPATION IN THE TEXAS ENTERPRISE ZONE PROGRAM PURSUANT TO THE TEXAS ENTERPRISE ZONE ACT, CHAPTER 2303, TEXAS GOVERNMENT CODE (“ACT”); CONFIRMING THE DESIGNATION OF A LIAISON FOR COMMUNICATION WITH INTERESTED PARTIES; PROVIDING AVAILABLE TAX INCENTIVES; AND ALLOWING FOR FUTURE NOMINATIONS OF QUALIFIED BUSINESSES AND ENTERPRISE PROJECTS TO BE APPROVED BY RESOLUTION IF NOMINEE MEETS ALL REQUIREMENTS AS ESTABLISHED BY THE ACT AND ANY OTHER APPLICABLE STATE LAW.**

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

**WHEREAS**, the City Council of the City of El Paso, Texas (“City”) reaffirms its desire to create the proper economic and social environment to induce the investment of private resources in productive business enterprises located in severely distressed areas of the City and to provide employment to residents of such areas for qualified businesses and enterprise projects; and

**WHEREAS**, the City Council reaffirms the designation of a liaison to oversee qualified businesses and enterprise projects it nominates under the Act and to communicate and negotiate with the Office of the Government Economic Development and Tourism (“EDT”), the Economic Development Bank (“Bank”), enterprise projects, and other entities in an enterprise zone or affected by an enterprise zone; and

**WHEREAS**, the City finds that local incentives may be made available to the nominated project or activity of the qualified business as a Texas State Enterprise Zone Project (the “TEZ Project”) on a case-by-case basis, taking into consideration the merit and eligibility of the TEZ Project; and

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

**WHEREAS**, the City finds that future nominations for a TEZ Project may be approved by resolution pursuant to Sec. 2303.4051(f), provided that such projects meet those requirements in accordance with Chapter 2303, Texas Government Code; 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**, a public hearing to consider this ordinance was held by the City Council on \_\_\_\_\_, 2024; and

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

**SECTION 1.** The City finds that future nominations of a TEZ Project may be approved by resolution pursuant to Sec. 2303.4051(f), provided that such project meets those requirements pursuant to Chapter 2303, Texas Government Code.

**SECTION 2.** The following local incentives, at the election of the governing body, may be made available to the TEZ Project on a case-by-case basis, taking into consideration the merit and eligibility of the TEZ Project:

- a. The City may abate taxes on the increase in value of real property improvements and eligible personal property that locate in a designated enterprise zone in accordance with Chapter 312 and the City of El Paso's Tax Abatement Guidelines and Criteria;
- b. The City may provide enhanced municipal services to businesses, including:
  - i. improved police and fire protection;
  - ii. institution of community crime prevention programs; or
  - iii. special public transportation routes or reduced fares;
- c. The City may give priority to businesses or projects for the receipt of:
  - i. community development block grant money;
  - ii. industrial revenue bonds; and
  - iii. funds received under the federal Job Training Partnership Act (29 U.S.C. Section 1501, et seq.);
- d. The City may provide improvements in community facilities, including:
  - i. capital improvements in water and sewer facilities;
  - ii. road repair; or
  - iii. creation or improvement of parks;
- e. The City may amend the zoning ordinances of the municipality to promote economic development;
- f. The City may establish permitting preferences for businesses;
- g. The City may establish simplified, accelerated or other special permit procedures for businesses;
- h. The City may waive development fees for projects;
- i. The City may create a fund for funding bonds or other programs or activities to promote economic development or revitalization;

- i. The City may provide grants in accordance with Chapter 380 of the Texas Local Government Code and the City’s Incentive Policy;
  - ii. The City may provide regulatory relief to businesses, including: zoning changes or variances; or exemptions from unnecessary building code requirements, impact fees, or inspection fees;
  
- j. The City may, in providing services, give priority to local economic development, educational, job training or transportation programs;
  - i. The City may sell real property owned by the municipality in accordance with Section 2303.513 of the Act;
  - ii. The City may waive or reduce the tax abatement application fee to qualified businesses;
  - iii. The City may adopt tax increment financing for projects;
  - iv. The City may provide the Freeport Exemption for qualified businesses;
  - v. The City may show priority for local incentives to qualified businesses or projects located outside the enterprise zone, but within the City’s jurisdiction, if at least 35% of the business or project new employees will be residents of an enterprise zone or economically disadvantaged individuals;
  - vi. The City may provide low-interest loans for small businesses;
  - vii. The City may provide low-income loans for housing rehabilitation or new construction;
  - viii. The City may transfer abandoned housing to individuals or community groups;
  - ix. The City may provide for job training and employment services;
  - x. The City may provide literacy and employment skills programs;
  - xi. The City may provide vocational training; or
  - xii. The City may provide for retraining program.

**SECTION 3.** The enterprise zone areas within the City, including its extraterritorial jurisdiction (“ETJ”), are reinvestment zones in accordance with the Texas Tax Code, Chapter 312.

**SECTION 4.** The City Council reaffirms the designation of the Business Services Coordinator for the Economic and International Development Department as the City’s liaison to oversee enterprise projects it has nominated under the Act and to communicate and negotiate with the EDT, the Bank, enterprise projects, and other entities in an enterprise zone or affected by an enterprise zone. The City Council authorizes the City Manager or authorized designee to file applications requesting designation of enterprise projects with the EDT through the Bank and to execute all documents necessary to process the applications, including, but not limited to the information required by Section 2303.4052 of the Act.

**SECTION 5.** The enterprise projects shall take effect on the date of designation of the enterprise projects by EDT and terminate five years from their respective date of designation.

**SECTION 6.** El Paso areas automatically qualify for designation as an enterprise zone if the areas meet the requirements of Section 2303.101 of the Act. Subject to annual review, the Bank has designated El Paso County as an economically distressed county within the State of Texas and thus areas located within El Paso and the ETJ automatically qualify for designation as an enterprise zone pursuant to Chapter 2303 of the Act.

**SECTION 7.** The statements set forth in the recitals of this Ordinance are declared to be true and correct and are incorporated as part of this Ordinance.

**SECTION 8.** This Ordinance shall be in full force and effect upon the date of its passage by City Council.

**SECTION 9.** This Ordinance shall supersede and be controlling over any conflicting provision in any ordinance or resolution previously approved or adopted by City Council.

*[Signatures Continue on Following Page]*

**PASSED AND ADOPTED** this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

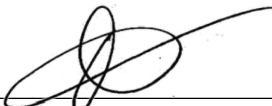
**CITY OF EL PASO:**

\_\_\_\_\_  
Oscar Leeser  
Mayor

**ATTEST:**

\_\_\_\_\_  
Laura D. Prine  
City Clerk

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Oscar Gomez  
Assistant City Attorney

**APPROVED AS TO CONTENT:**

  
\_\_\_\_\_  
Karina Brasgalla, Interim Director  
Economic & International Development