



CITY OF EL PASO

Texas Enterprise Zone Program and Nominations

August 27, 2024

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

Texas Enterprise Zone: Program Overview

- The Texas Enterprise Zone (“TEZ”) Program is a competitive state program meant to assist economically distressed areas with job creation and investment
- Approved projects qualify for **state** sales and use tax refunds
- Refund participation is scaled based on capital investment and jobs created at the qualified business site
- **105 Designations** issued statewide, per biennium

Texas Enterprise Zone: Program Overview



Texas Enterprise Zone: Eligibility Requirements

- Municipality must opt in to TEZ Program
- Must have local incentives programs
 - Companies **do not** need to have local incentive agreements
- Company must be nominated by municipality to be eligible
- Nomination period can be up to five years. Employment and capital investment commitments must be made and implemented within this timeframe.

Texas Enterprise Zone: Eligibility Requirements

- Projects may be physically located in or outside of an Enterprise Zone.
 - If located within a zone, the company commits that at least 25% of their new employees will meet economically disadvantaged, enterprise zone residence requirements, or veterans.
 - If located outside of a zone, the company commits that at least 35% of their new employees will meet economically disadvantaged, enterprise zone residency requirements, or veterans.
- Projects must meet or exceed **county weekly wage averages** to be eligible.

Texas Enterprise Zone: Program Incentives

| Level of Capital Investment | Maximum Number of Jobs Allocated | Maximum Potential Refund | Maximum Refund Per Job Allocation |
|---|----------------------------------|--------------------------|-----------------------------------|
| Half Designation | | | |
| 1) \$40,000 – \$399,999 | 10 | \$25,000 | \$2,500 |
| 2) \$400,000 – \$999,999 | 25 | \$62,000 | \$2,500 |
| 3) \$1,000,000 – \$4,999,999 | 125 | \$312,500 | \$2,500 |
| 4) \$5,000,000 – more | 250 | \$625,000 | \$2,500 |
| Enterprise Project \$5,000,000 - more | 500 | \$1,250,000 | \$2,500 |
| Double Jumbo Project* \$150,000,000 – 249,999,999 | 500 | \$2,500,000 | \$5,000 |
| Triple Jumbo Project+ \$250,000,000 or more | 500 | \$3,750,000 | \$7,500 |

Texas Enterprise Zone: 2021-2023 Projects

- August 2021 - Charter Communications
- May 2022 - El Paso Healthcare Systems, Ltd. (Del Sol Medical Center)
- August 2022 - Phelps Dodge Refinery
- November 2022 - El Paso Healthcare Systems, Ltd. (Las Palmas Medical Center)

\$50.9M in Total Investment

959 Jobs Created

2,283 Jobs Retained

Texas Enterprise Zone: Ordinance Amendment

- On May 26, 2009, City Council adopted Ordinance No. 017116, electing to participate in the Texas Enterprise Zone Program
- Texas Economic Development & Tourism Office will implement a rule change on **September 1, 2024** (TAC RULE § 176.2 (2)(A)).
- TEZ Ordinance must state that the governing body is in full compliance with Chapter 2303, Texas Government Code prior to nomination of an eligible business

Texas Enterprise Zone: 2023-2025 Nominations

Western Refining Company, LLC

Project Site:

- 212 N. Clark Dr. – District 2
- Outside Enterprise Zone

Project Investment:

- Retain 500+ FTEs
- \$150M investment on strategic capital projects to upgrade and modernize refinery



Texas Enterprise Zone: 2023-2025 Nominations

Tenet Hospitals Ltd. - East Campus

Project Location:

- 3280 Joe Battle Blvd – District 5
- Within Enterprise Zone

Project Investment:

- Retain 376 and create 9 FTEs
- \$9M investment to upgrade facility and medical equipment



Texas Enterprise Zone: 2023-2025 Nominations

Tenet Hospitals Ltd. – Sierra Campus

Project Location:

- 1625 Medical Center St. – District 8
- Within Enterprise Zone

Project Investment:

- Retain 645 and create 15 FTEs
- \$6.5M investment to upgrade facility and medical equipment



Texas Enterprise Zone: 2023-2025 Nominations

Tenet Hospitals Ltd. – Transmountain Campus

Project Location:

- 2000 Transmountain Dr. - District 1
- Outside Enterprise Zone

Project Investment:

- Retain 376 and create 9 FTEs
- \$11.61M investment to upgrade facility and medical equipment



Texas Enterprise Zone: 2023-2025 Nominations

APPROVAL of the restated TEZ Ordinance and

APPROVAL of TEZ Nominations for:

- Western Refining Company LLC
- Tenet Hospitals Limited – East Campus
- Tenet Hospitals Limited – Sierra Campus
- Tenet Hospitals Limited – Transmountain



MISSION



Deliver exceptional services to support a high quality of life and place for our community.

VISION



Develop a vibrant regional economy, safe and beautiful neighborhoods and exceptional recreational, cultural and educational opportunities powered by a high performing government.



VALUES

Integrity, **R**espect, **E**xcellence,
Accountability, **P**eople