

**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:** 1

**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 - Transmountain Campus as a Texas State Enterprise Zone Project. If designated, Tenet Hospitals Limited - Transmountain Campus will invest over \$11.61M to upgrade the facility and update medical equipment, at the Hospitals of Providence Transmountain Campus located at 2000 Transmountain Dr, El Paso, Texas 79911; and retain 376 full-time positions and create an additional 9 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 - Transmountain Campus as an Enterprise Zone Project to the Office of the Governor Economic Development and Tourism for the purchase of new equipment for the Orthopedics, Gastroenterology, and Operating Room departments, investment in new equipment for the Cardiovascular Imaging department, Interventional Radiology Procedural department and will expand hospital capacity by 24 beds at 2000 Transmountain Dr, El Paso, Texas 79911. 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)

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 businesses to receive only state sales and use tax refunds; there is no impact to local tax revenue.

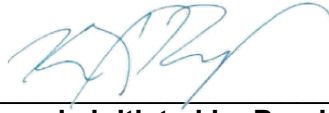
**HAVE ALL AFFECTED DEPARTMENTS BEEN NOTIFIED?**  YES  NO

**PRIMARY DEPARTMENT:** Economic and International Development

**SECONDARY DEPARTMENT:** N/A

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

DEPARTMENT HEAD:



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

**A RESOLUTION NOMINATING TENET HOSPITALS LIMITED – TRANSMOUNTAIN 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 – TRANSMOUNTAIN 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 – TRANSMOUNTAIN 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 – TRANSMOUNTAIN 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 – TRANSMOUNTAIN 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 outside an enterprise zone and at least 35% 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 – TRANSMOUNTAIN 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 – TRANSMOUNTAIN CAMPUS meets the criteria for tax relief and other incentives adopted by the City and nominates TENET HOSPITALS LIMITED – TRANSMOUNTAIN CAMPUS TENET HOSPITALS LIMITED 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 – TRANSMOUNTAIN 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 – TRANSMOUNTAIN CAMPUS is a “qualified business” as defined in Section 2303.402 of the Act, and TENET HOSPITALS LIMITED – TRANSMOUNTAIN 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:**

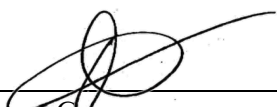
**THE CITY OF EL PASO:**

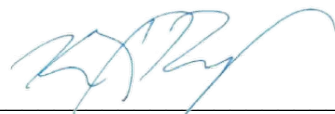
\_\_\_\_\_  
Laura Prine  
City Clerk

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

**APPROVED AS TO FORM:**

**APPROVED AS TO CONTENT:**

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

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