

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

Municipality Nominates Project





Company applies to state program



State awards projects
(105 per biennium)



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 | | 405.000 | 40.500 |
| 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 | \$1,250,00 | \$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



Western Refining Company, LLC

Project Site:

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

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





Tenet Hospitals Ltd. - East Campus

Project Location:

- 3280 Joe Battle Blvd District 5
- Within Enterprise Zone

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



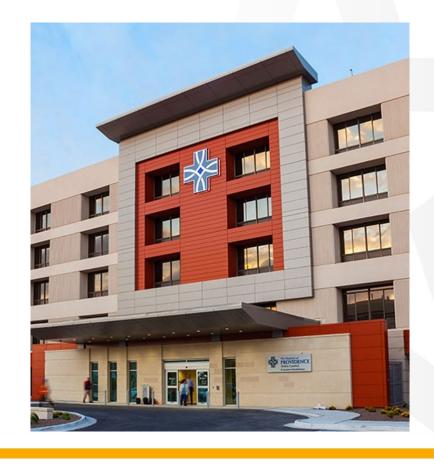


Tenet Hospitals Ltd. – Sierra Campus

Project Location:

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

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





Tenet Hospitals Ltd. – Transmountain Campus

Project Location:

- 2000 Transmountain Dr. District 1
- Outside Enterprise Zone

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







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.



Integrity, Respect, Excellence, Accountability, People