

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

AGENDA DATE: August 16, 2022

PUBLIC HEARING DATE: N/A

CONTACT PERSON(S) NAME AND PHONE NUMBER: Bill Allen, 915-212-1619
Elizabeth Triggs, 915-212 - 1619

DISTRICT(S) AFFECTED: 3

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:

Discussion and action on a resolution of the City Council of the City of El Paso nominating Phelps Dodge Refining Corporation for participation in the Texas Enterprise Zone Program, a state sales and use tax refund program designed to encourage private investment and job creation and/or retention in economically distressed areas of the state.

BACKGROUND / DISCUSSION:

The Texas Enterprise Zone Program is a state sales and use tax refund program designed to encourage private investment and job creation in economically distressed areas of the state. Under the program, Texas communities may nominate companies in their jurisdiction to receive an Enterprise Zone designation. Following designation and upon meeting minimum capital investment thresholds and job creation and/or retention metrics, the company is eligible to receive state sales and use tax refunds on its qualified expenditures.

This resolution authorizes the City to nominate Phelps Dodge Refining Corporation located at 897 Hawkins Blvd., El Paso, TX as an Enterprise Zone project to the Office of the Governor Economic Development and Tourism. If selected for participation in the program, Phelps Dodge Corporation commits to: 1) investing a minimum of \$20 million in its facility; 2) retaining 403 FTEs during the term of the agreement; and 3) ensuring at least 35 percent of any new hires are residents of an enterprise zone, economically disadvantaged, or veterans.

Through this nomination, there is no impact to City funds; rather, the program enables the City to leverage state sales and use tax refunds to secure additional private investment and the retention of jobs for the El Paso community. Approval of this resolution enables the company's application for Enterprise Zone project designation to proceed for review and approval by the Texas Economic Development and Tourism Office. The state of Texas allocates up to 9 project designations per biennium for municipalities with populations of 250k or more, and only approves up to 12 designations per quarterly round. This nomination, if approved, is the City of El Paso's third nomination during the current FY 22-23 State biennium.

PRIOR COUNCIL ACTION:

Previous nominations during the current biennium include:

- May 24, 2022 – El Paso Healthcare Systems, LTD, TEZ Designation
- August 30, 2021 – Charter Communications, Inc. TEZ Designation

AMOUNT AND SOURCE OF FUNDING:

There is no impact to City funds; rather the Texas Enterprise Zone designation enables business to receive only state sales and use tax refunds, upon meeting certain minimum capital investment and job creation and/or retention criteria.

HAVE ALL AFFECTED DEPARTMENTS BEEN NOTIFIED? X YES NO

PRIMARY DEPARTMENT: Economic and International Development

SECONDARY DEPARTMENT: N/A

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

DEPARTMENT HEAD: Elizabeth Triggs, Director, Economic & International Development



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