



Item 39

Texas Enterprise Zone Project Nomination: Investment in the Las Palmas Medical Center by El Paso Healthcare System, Ltd.



Requested Council Action

Approve a resolution nominating **El Paso Healthcare System Ltd.** and its investment in the Las Palmas Medical Center located at 1801 N. Oregon for designation as a **Texas Enterprise Zone Project.**

- Company will invest a minimum of **\$6,600,000** in the facility
- **Retain 503 full-time jobs** over the 5 year designation period
- Add 10 full-time jobs over the 5 year designation period
- **No impact to City funds**; program involves state sales and use tax rebates

About the Texas Enterprise Zone Program

- **Economic development tool** designed to encourage private investment and job creation in economically distressed areas of the state
- Texas communities must nominate companies in their jurisdiction to participate
- Designated businesses receive **state tax incentives** under this program in the form of state sales and use tax rebates on qualified expenditures
- Eligibility requirements:
 - Average weekly wage must **meet or exceed** the county average weekly wage
 - Employment and investment commitment must be met prior to expiration of designation period
 - **Jobs must be maintained** through the end of the designation period, or for at least 3 years after the date on which tax benefits are received, whichever is later
 - **25% of the company's new employees** must be economically disadvantaged, have an enterprise zone residency, or be veterans (when located inside an Enterprise Zone)

Project Overview: El Paso Healthcare System Ltd., Las Palmas Medical Center

- Located at 1801 N. Oregon St. (District 8)
 - 327 bed acute care facility located inside an Enterprise Zone
- Employs 503 full-time positions at the Las Palmas Medical Center facility
 - Staffing levels will be maintained and 10 new jobs will be added over the designation period or the three years after the tax benefit is received, whichever is later
- Estimated investment of \$6,600,000
 - Cardiology Department \$3,750,000
 - Nursing Department \$1,725,000
 - Surgery Unit \$1,125,000

Previous Nominations in this Biennium

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

6 possible nominations remain over the next 8 months

Recommendation

El Paso Healthcare System Ltd. (Las Palmas Medical Center) meets the criteria for designation as a State Enterprise Zone Project

- Company will invest a minimum of \$6,600,000
- Retain over 500 jobs and add 10 jobs over the 5-year period, at a minimum
- 25% of any new hires will be residents of an enterprise zone, economically disadvantaged, or veterans

Recommend **approval** of the nomination

- No impact to City funds; program involves only **state sales and use tax** rebates
- Leverage a state program to assist with a significant local investment
- Generate incremental tax revenue

Mission

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

Values

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

Vision

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

