

Texas Enterprise Zone – Enterprise Project Nomination: Charter Communications, Inc.

Economic & International Development

August 30, 2021

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

1.1 Stabilize and expand El Paso's tax base



Texas Enterprise Zone Program



The Texas Enterprise Zone Program (EZIP) is an economic development tool for local communities to partner with the State of Texas to encourage job creation and capital investment

- Texas communities must nominate companies in their jurisdiction to receive an Enterprise Zone designation
 - Application period for EZIP occurs quarterly
 - Municipalities or counties with a population of 250,000 or more are eligible for up to 9 enterprise project designations during a state biennium, based on availability (state limit of 105 per biennium)
- Projects may be physically located in or outside of an Enterprise Zone
- Businesses receive state tax incentives under this program in the form of state sales and use tax refunds
- Enterprise project designation period is capped at 5 years
- Companies must meet minimum capital investment and employment thresholds

Texas Enterprise Zone Program



Eligibility Requirements

- Jobs must have an average weekly wage that meets or **exceeds** the county average weekly wage
- Employment and capital investment must be met prior to expiration of designated period
- Company must first pay applicable sales and use tax to receive a refund
- If located outside of an Enterprise Zone, 35% of the company's new employees at the qualified business site must meet economically disadvantaged, enterprise zone residency, or veteran requirements
- Only full-time jobs will qualify for EZP award consideration
- 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

Level of Capital Investment	Maximum Number of Jobs Allocated	Maximum Potential Refund	Maximum Refund Per Job Allocated
<i>Half Enterprise Project</i> \$40,000 to \$5,000,000 or more	250	\$625,000	\$2,500
<i>Enterprise Project</i> \$5,000,000 to \$149,999,999	500	\$1,250,000	\$2,500
<i>Double Jumbo Project</i> \$150,000,000 to \$249,999,999	500*	\$2,500,000	\$5,000
<i>Triple Jumbo Project</i> \$250,000,000 or more	500*	\$3,750,000	\$7,500

Company Background – Charter Communications, Inc.

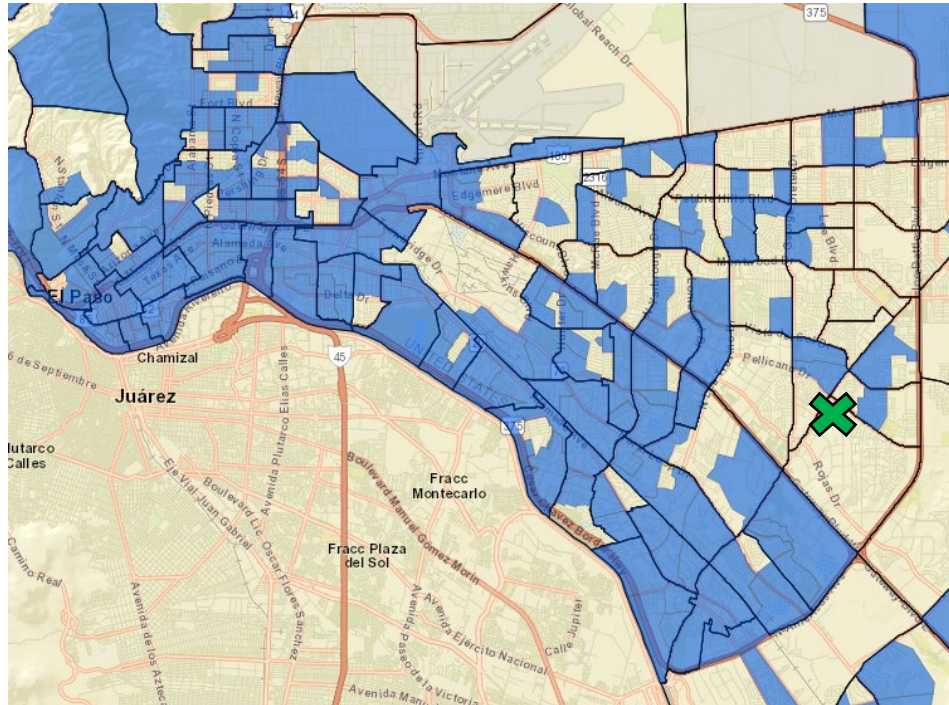


- Fortune 100 telecommunication and mass media company that operates in 41 states
- They have over 800 existing employees in El Paso with an annual payroll of \$32,400,000
- On June 21, 2021 City Council approved an Economic Development Program Agreement with Charter Communications, Inc. for their planned expansion:
 - New operations centers for customer service operations and tech chat services
 - Minimum investment of \$16,100,000
 - Create 929 new full-time positions
 - Average annual wage of \$42,431 (\$20.40/hr.)
 - Estimated annual payroll of the expansion is \$39,460,000
 - Total local employment will reach 1,740 positions

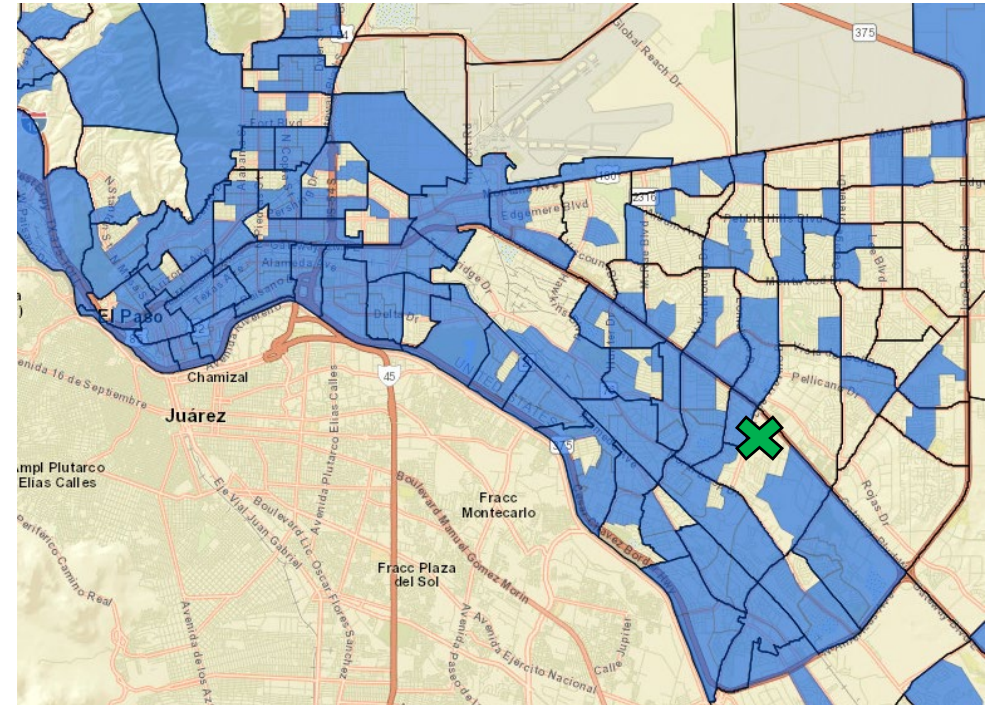


Project Locations

11950 Don Haskins Drive District 6



8460 Gran Vista Drive District 7



Blue = Texas Enterprise Zones*

*An enterprise zone is a census tract that has a 20% or more poverty rate based upon the most recent decennial census federal poverty level information, a distressed county, a federally designated zone or renewal community

Staff Recommendation

Charter Communications, Inc. meets the criteria for designation as an Enterprise Project

- Company will invest a minimum of \$16,100,000
- Create and retain a minimum of 929 jobs
- 35% of the new employees hired will be residents of an enterprise zone, economically disadvantaged, or veterans

Staff recommends **approval** of the nomination

- The applicant's capital investments and employment commitments will further El Paso's Business Retention and Expansion initiative
- No impact to City funds; program involves only **state sales and use tax** refunds
- Approval of this resolution will enable Charter Communications' application for Enterprise Project Designation to proceed for review and approval by the Texas Economic Development and Tourism Office



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, Respect, Excellence,
Accountability, People



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