

AGENDA



Recommendation for Council Action

Austin City Council	Item ID	32664	Agenda Number	6.
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Meeting Date:	5/22/2014	Department:	Economic Development
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Subject

Approve a resolution to nominate Flextronics America LLC for designation by the Governor's Office of Economic Development and Tourism as a single Texas Enterprise Project in accordance with the Texas Government Code Chapter 2303 (Texas Enterprise Zone Act).

Amount and Source of Funding

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	
Prior Council Action:	October 18, 2007 - Council approved Ordinance No. 20071018-008 electing to participate in the Texas Enterprise Zone Program. November 4, 2010 - Council approved Ordinance No. 20101104-046 amending its program identifying additional local incentives for the Texas Enterprise Zone Program.
For More Information:	Kevin Johns, Director, Economic Development Department / (512) 974-7802; Dusty McCormick, Economic & Business Liaison, Economic Development Department / (512) 974-6390
Boards and Commission Action:	
MBE / WBE:	
Related Items:	

Additional Backup Information

This resolution will nominate Flextronics America LLC ("Flextronics") as a single Enterprise Zone Project under the Texas Enterprise Zone Act. Flextronics is an electronics manufacturing service provider focused on delivering complete design, engineering, and manufacturing services to automotive, computing consumer, industrial infrastructure, medical, clean tech, and mobile original equipment manufacturing. Flextronics helps customers design, build, ship, and service electronic products through a network of facilities in 30 countries. The company anticipates investing \$15 million in machinery and equipment as part of this project. Additionally, Flextronics will commit to create 300 new, full-time jobs and retain 200 existing jobs as part of this project. The company qualifies for designation because of a planned investment at the business site located within the City of Austin, and the creation and retention of jobs. Of the 300 new jobs, 105 will be economically disadvantaged workers per Enterprise Zone Program requirements.

If Flextronics is designated as an Enterprise Zone Project, the company would be eligible for refund of State sales and use tax based on the employment criteria and the amount of capital spent at the qualified business site. The Texas Legislature currently authorizes 105 state designations each biennium. The City of Austin is eligible to receive up to nine (9) Enterprise Project designations based upon availability and competitiveness of the project every two years.