



## Recommendation for Action

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**File #:** 20-3487, **Agenda Item #:** 79.

3/4/2021

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### **Posting Language**

Conduct a public hearing and consider an amendment to Ordinance No. 20191114-068 to recognize other local incentives and economic development tools available to qualifying enterprise zone projects.

### **Lead Department**

Economic Development Department.

### **Fiscal Note**

This item has no fiscal impact.

### **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.

November 14, 2019 - Council approved Ordinance No. 20191114-068 amending its program identifying additional local incentives for the Texas Enterprise Zone Program.

### **For More Information:**

Sylvia Holt-Rabb, Acting Director/Economic Development Dept. 512-974-3131, Dusty McCormick, Economic Development Liaison, 512-974-6390.

### **Additional Backup Information:**

This action is to conduct a public hearing to consider an ordinance amendment to update the City's Enterprise Zone Program established in Ordinance No. 20071018-008. The original ordinance was adopted by City Council on October 18, 2007, in order to submit future enterprise zone project applications to the Texas Enterprise Zone Program. State law requires a public hearing be held by Council to consider amending the ordinance. The update recognizes the previously omitted local incentive "road repair" from the original and subsequent ordinances, per Texas Government Code, Section 2303.405 (d)(4)(B). By approving this ordinance, the State will allot additional points under the "Local Participation" section of future enterprise zone project applications approved by the City. The Texas Enterprise Zone Program is an economic development tool for local communities to partner with the State of Texas to promote job creation and capital investment with emphasis on distressed areas through incentives.

Communities may nominate a qualified business as an Enterprise Project. Designated projects are eligible to apply for state sales and use tax refunds on qualified expenditures. The level and amount of refund is related to the capital investment and jobs created at the site. Corporations that are nominated as Enterprise Zone Projects would be eligible for a 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 is eligible to receive up to nine (9) Enterprise Projects designations

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based on availability and competitiveness of the project every two (2) years.