



## Recommendation for Action

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**File #:** 21-2383, **Agenda Item #:** 32.

7/29/2021

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### **Posting Language**

Approve a resolution nominating Encore Medical, L.P. for designation by the Governor's Office of Economic Development and Tourism as a single Texas Enterprise Project in accordance with Texas Government Code Chapter 2303.

### **Lead Department**

Economic Development.

### **Fiscal Note**

This item has no fiscal impact.

### **Prior Council Action:**

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

March 4, 2021 - Council approved Ordinance No. 20210304-079 amending its program identifying additional local incentives for the Texas Enterprise Zone Program.

### **For More Information:**

Sylvia Holt-Rabb, Acting Director, Economic Development Department, 512-974-3131

Dusty McCormick, Economic & Business Liaison, Economic Development Department, 512-974-6390.

### **Additional Backup Information:**

Encore Medical, L.P., a subsidiary of DJO Global, Inc. ("Encore Medical" or "Company"), requests the City of Austin's support for a Texas Enterprise Zone Single Designation. The Company seeks to submit its Texas Enterprise Zone Application to the Office of the Texas Governor during the September 1, 2021, application round.

Encore Medical is a global developer, manufacturer and distributor of high-quality medical devices that provide solutions for musculoskeletal health, vascular health, and pain management. Due to increasing customer demand, the Company is planning to expand its existing manufacturing capabilities within the City of Austin using strategic deployment of capital investment and the creation of new jobs, with a focus on low-cost environments for the deployment of the production lines. The Company plans to retain a minimum 400 full-time jobs and create a minimum 100 new full-time jobs for benefit with an estimated capital investment of \$50 million in accordance with Texas Government Code 2303.401(2). Encore Medical is considering additional locations for this proposed investment, however, the support from the City of Austin to obtain a Texas Enterprise Zone Single Designation will help secure the proposed investment and make the City of Austin more attractive for any future investment the Company is planning.

If designated as an Enterprise Zone Project, Encore Medical, L.P. would be eligible for a refund of State sales and use tax based on the employment criteria and the amount of the 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 Enterprise Project designations based on availability and competitiveness of the project every two years.

**Strategic Outcome(s):**

Economic Opportunity and Affordability.