



## Recommendation for Action

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**File #:** 22-2801, **Agenda Item #:** 7.

9/1/2022

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**Posting Language:**

Approve a resolution nominating Flextronics America LLC 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 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.

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

November 4, 2021- Council approved resolution nominating Flextronics America, LLC 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.

**For More Information:**

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

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

**Additional Backup Information:**

Flextronics America LLC ("Flex") 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, 2022, application round. It should be noted that Flex was previously approved by Council for nomination on November 4, 2021, however the nomination was rejected by the Texas Governor's office due to technical deficiencies. This action will correct the deficiencies identified by the Texas Governor's office.

Flex is an electronics manufacturing services (EMS) provider focused on delivering complete design,

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engineering, and manufacturing services to automotive, computing, consumer, industrial, infrastructure, medical, clean tech, and mobile original equipment manufacturers (OEMs). Flex helps customers design, build, ship, and service electronic products through a network of facilities in 30 countries. The company is planning to expand and upgrade its current facility on 12455 Research Boulevard, Austin, Texas. Flex plans over the next five years to include capital expenditures for expanding new business lines and upgrading its manufacturing facility making a capital investment of not less than five million dollars. The existing facility is located outside of an Enterprise Zone at 12455 Research Boulevard, Austin, Texas 78759. The company plans to retain up to 500 jobs for benefit in accordance with Chapter 2303 of the Texas Government Code.

If designated as an Enterprise Zone Project, Flex 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.