



Recommendation for Action

File #: 19-2540, **Agenda Item #:** 21.

8/22/2019

Posting Language

Approve a resolution to nominate Dell Inc. for designation by the Governor's Office of Economic Development and Tourism as a single Texas Enterprise Project in accordance with Chapter 2303 of the Texas Government Code.

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.

For More Information:

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Additional Backup Information:

This resolution will nominate Dell Inc. as a single Enterprise Zone Project under the Texas Enterprise Zone Act. Founded in 1984 by Michael Dell while doing business as PC's Limited, Dell Inc. has grown into one of the world's largest publicly traded technology companies. The company serves customers of all sizes across 180 countries, which ranges from 98 percent of the Fortune 500 to individual consumers, with award-winning desktops, laptops, 2-in-1s and thin clients, powerful workstations and rugged devices made for specialized environments, monitors, endpoint security solutions and services. Dell Inc through its subsidiaries such as Dell Marketing L.P., Dell Products L.P., and Dell USA L.P. employs 1,753 employees at its Austin facility located at 701 E. Parmer Lane in Austin. The Austin campus is made up of multiple buildings that will be a part of this application. These additional addresses include: 319 E. Parmer Lane, Austin, Texas 78753 and 2 E. Parmer Lane, Austin, Texas 78753. Over the next five (5) years, Dell and its subsidiaries anticipate investing approximately \$10 million at its Parmer facility in Austin. The investment will allow Dell to remodel and improve the current building's infrastructure by \$8MM as well as support the headcount growth of new employees. The investment also includes \$2MM in investments related to new conference areas, replacement of End Of Life Uninterrupted Power Supply batteries, smart building technology, HVAC replacement, and building out of loading dock to enhance Dell's day to day operations. The renovations and new equipment will allow Dell to continue to employ highly talented individuals and continue offering its wide ranging and award-winning products and services. Dell will be seeking benefit for 490 full time retained positions and 10 new jobs for benefit, which meets the definition of a "retained job" in accordance with Texas Government Code 2303.401. Dell also commits to hiring thirty-five percent (35%) economically disadvantaged persons, veterans and or enterprise zone residents for its new or replacement personnel at the Parmer facility, for certified jobs over the next five years. In addition to hiring 40 new jobs at the campus, Dell expects to maintain its existing level of employment and retain its full-time jobs for benefit under the Enterprise Zone Program. Dell will be seeking benefit for 490 full time retained positions and 10 new jobs for benefit, which meets the definition of a "retained

job” in accordance with Texas Government Code 2303.401. If designated as an Enterprise Zone Project, Dell Inc 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 (9) Enterprise Projects designations based on availability and competitiveness of the project every two (2) years.