



## Recommendation for Action

**File #:** 19-3261, **Agenda Item #:** 33.

10/31/2019

### **Posting Language**

Set a public hearing to consider an ordinance amending Ordinance No. 20101104-046 to recognize other local incentives and economic development tools available to qualifying enterprise zone projects. (Suggested date: December 5, 2019, at Austin City Hall, 301 W. Second Street, Austin, TX.)

### **Lead Department**

Economic Development.

### **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:**

Veronica Briseno, Director/Economic Development Dept. 512-974-7802, Dusty McCormick, Economic Development Liaison, 512-974-6390

### **Additional Backup Information:**

This action is to conduct a public hearing and consider an update to 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. The ordinance was updated on November 4, 2010, to amend the program by identifying additional local incentives for the Texas Enterprise Zone Program. Staff now anticipates a poverty rate change among the City of Austin's Enterprise Zones after the upcoming 2020 United States Census. The Decennial Census is the mechanism that measures poverty within local jurisdictions.

State law requires a public hearing be held by Council to consider changing the ordinance. The update recognizes other local incentives and economic development tools that were not identified in the original ordinance. By approving this ordinance, the State will allot additional points under the "Local Participation" section of future enterprise zone project applications, thus best positioning the City of Austin to compete at the state level. 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 the refund is related to the capital investment and jobs created at the site.