



Recommendation for Action

File #: 19-3434, **Agenda Item #:** 68.

11/14/2019

Posting Language

Conduct a public hearing and consider an ordinance amending Ordinance No. 20071018-008 to recognize other local incentives and economic development tools available to qualifying enterprise zone projects.

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:

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Additional Backup Information:

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 refund on qualified expenditures. The level and amount of refund is related to the capital investment and jobs created or retained at the site. When designated as an Enterprise Zone Project, companies 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.

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. Our current number of incentive points are 26, out of an available 36 total. Therefore, a higher point total for Austin will create a more competitive application for Austin each time a company is nominated. This update recognizes other local incentives and economic development tools that were not identified in the original or subsequent ordinance. By approving this ordinance with additional incentives, the State will allot additional points under the "Local Participation" section for future enterprise zone project applications, thus best positioning the City of Austin to successfully compete at the state level.

