

# Mayor and Council Communication

DATE: 08/24/21

M&C FILE NUMBER: M&C 21-0570

LOG NAME: 17BELLTEXTRON\_TEZ

## **SUBJECT**

(CD 5) Adopt Attached Resolution Nominating Bell Textron, Inc.'s Facility at 3255 Bell Flight Boulevard as an Enterprise Project Pursuant to the Texas Enterprise Zone Act, Chapter 2303 of the Texas Government Code

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## **RECOMMENDATION:**

It is recommended that the City Council adopt the attached resolution nominating the Bell Textron, Inc.'s facility at 3255 Bell Flight Boulevard as an enterprise project pursuant to the Texas Enterprise Zone Act, Chapter 2303 of the Texas Government Code.

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## **DISCUSSION:**

The City Council of the City of Fort Worth (City) has previously passed Ordinance No. 15733 electing to participate in the Texas Enterprise Zone Program. On May 12, 2015 the City Council adopted Ordinance No. 21743-05-2015, amending Ordinance No. 15733 by adding additional potential local incentives that could be made available to qualified businesses under the Texas Enterprise Zone Program. The Office of the Governor Economic Development and Tourism through the Economic Development Bank will consider Bell Textron Inc. (Bell Textron) as an enterprise project pursuant to a nomination and an application made by the City.

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 in economically distressed areas of the state. An enterprise project is defined as a business that is nominated by a municipality or county and then approved for state benefits. Designated projects are eligible to apply for state sales and use tax refunds on qualified expenditures. The level and amount of refund is related to the capital investment and jobs created at the qualified business site.

Bell Textron, Inc., qualifies for a single enterprise project designation with a planned capital investment of approximately \$22.5 million to modernize equipment and expand capacity at its Fort Worth facility from April 25, 2021 through September 1, 2026. These planned investments include \$18 million to be spent on machine and tooling upgrades and the expansion of the Repair and Overhaul Center (ROC facility) by 36,750 square feet to accommodate a new paint booth. The machine and tooling upgrades will create process improvements for blade production and the expansion of the ROC facility will create an optimized flow into and out of the new paint booth, along with converting the current paint booth to gearbox paint operations. Additionally, Bell Textron plans to invest \$4.5 million on Phase I of the multi-use and multi-platform Future Factory Manufacturing Technology Research and Development Center (Future Factory), which will help advance emerging high-volume manufacturing technologies and systems integration for the drives and rotors operations. The research and development insight achieved from the investment in the Future Factory will allow Bell Textron to advance digital systems integration, robotics and automation, and integrated metrology.

If designated as an enterprise project by the State of Texas, Bell Textron commits to hiring thirty-five percent (35%) economically disadvantaged persons or enterprise zone residents for its new permanent jobs at its Fort Worth facility during its enterprise project designation. Bell Textron expects to retain all full-time jobs for benefit under the Enterprise Zone Program.

The single project designation allows for a state sales and use tax refund on qualified expenditures of \$2,500.00 per job, for up to 500 jobs, with a maximum benefit of \$1.25 million over a five-year period. Under the Texas Enterprise Zone Act, at least thirty-five percent of the business' new or retained employees will be residents of an enterprise zone, economically disadvantaged individuals or veterans. In addition, the jobs will be provided through the end of the designation period or at least three years after the date on which a state benefit is received, whichever is later.

This project is located in Council District 5.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

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## **FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that approval of this recommendation will have no material effect on City funds.

**Submitted for City Manager's Office by:** Jay Chapa 5804

**Originating Business Unit Head:** Robert Sturns 2663

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Expedited