

Mayor and Council Communication

DATE: 10/31/23

M&C FILE NUMBER: M&C 23-0939

LOG NAME: 17ALCONVISION_TEZ

SUBJECT

(CD 8) Adopt Resolution Nominating Alcon Vision, LLC's Facility Located at 6201 South Freeway as an Enterprise Project Pursuant to the Texas Enterprise Zone Act, Chapter 2303 of the Texas Government Code

RECOMMENDATION:

It is recommended that the City Council adopt the attached resolution nominating Alcon Vision, LLC's facility located at 6201 South Freeway as an Enterprise Project Pursuant to the Texas Enterprise Zone Act, Chapter 2303 of the Texas Government Code.

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 Alcon Vision's, LLC (Alcon Vision) facility located at 6201 South Freeway 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.

Alcon Vision qualifies for a single Enterprise Project Designation with a planned capital investment of approximately \$45 million. The investments include mechanical, electrical and plumbing (MEP) infrastructure upgrades, major roofing projects throughout the campus, interior upgrades, including lobby, restroom and elevator updates, as well as exterior improvements to the campus landscaping, hardscaping and wayfinding. These facility improvements and upgrades will allow Alcon Vision to continue to provide a high-quality product to its local customers, help to retain a growing workforce of employees and make a positive economic impact in both the City of Fort Worth and the State of Texas.

If designated as an enterprise project by the State of Texas, Alcon Vision commits to hiring thirty-five percent (35%) economically disadvantaged persons or enterprise zone residents or veterans for its new certified jobs at its Fort Worth facility during its enterprise project designation. Alcon Vision expects to retain all 1,585 full-time jobs for benefit under the Enterprise Zone Program. The existing jobs have an average wage of \$91,431.00. No new jobs are anticipated at this time.

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 twenty-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.

The project is located in Council District 8.

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

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: William Johnson 5806

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