

Mayor and Council Communication

DATE: 05/18/21

M&C FILE NUMBER: M&C 21-0342

LOG NAME: 17REV1TEZ

SUBJECT

(CD 8) Adopt Attached Resolution Nominating Rev1 LLC Facility at 1851 Joel East Road 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 the Rev1 LLC Facility at 1851 Joel East Road 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 (Mayor and Council Communication (M&C) G-14137) electing to participate in the Texas Enterprise Zone Program. On May 12, 2015 the City Council adopted Ordinance No. 21743-05-2015 (M&C G-18473), 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 Rev1 LLC (Rev1) 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.

Rev1 qualifies for a single enterprise project designation with a planned capital investment of approximately \$700,000.00 in initial facilities improvements to establish operations for manufacturing their proprietary renewable food packaging materials in Fort Worth, with a possible future phase investment of \$5,000,000.00 in capital improvements. Additionally, Rev1 will bring approximately \$25,000,000.00 in new business personal property and expects to spend approximately \$250,000.00 annually toward research and development.

If designated as an enterprise project by the State of Texas, Rev1 commits to hiring twenty-five percent (25%) economically disadvantaged persons or enterprise zone residents for its new certified jobs at its Fort Worth facility during its enterprise project designation. Rev1 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 \$1,250,000.00 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.

This 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: Jay Chapa 5804

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