

Mayor and Council Communication

DATE: 05/23/23

M&C FILE NUMBER: M&C 23-0409

LOG NAME: 17BELL2023_TEZ

SUBJECT

(CD 5 / Future CD 5) Adopt 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

RECOMMENDATION:

It is recommended that the City Council adopt the attached resolution nominating Bell Textron, Inc. business site at 3255 Bell Flight Boulevard 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 Bell Textron Inc. 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. (Bell) qualifies for a single Enterprise Project Designation with planned capital investments of approximately \$35.7 million to purchase manufacturing equipment, complete renovations and upgrade information technology at its Fort Worth complex from January 24, 2023 through June 1, 2028. These planned capital investments include \$16.5 million to purchase Future Long-Range Assault Aircraft (FLRAA) EMD Wing equipment to manufacture composite spars, stringers, and skins. Additionally, to increase capabilities and readiness for the FLRAA project, Bell Textron plans to spend \$2.6 million on renovations to the inspection room, engineering test labs and offices as well as \$5.6 million on high performance computing hardware and related equipment. Bell Textron also plans to spend \$11 million to complete an enterprise consolidation project which will establish its digital enterprise capabilities to support all business needs at the complex.

As part of the project, Bell Textron Inc. will retain its current headcount and remain an integral part of Fort Worth's thriving aerospace and defense manufacturing sector. Current employment is 3,141 with an average wage of \$163,913.00. Bell Textron does not anticipate hiring new employees associated with this project.

If designated as an enterprise project by the State of Texas, Bell Textron Inc. commits to hiring thirty five percent (35%) economically disadvantaged persons or enterprise zone residents for its certified jobs at its Fort Worth facility during its enterprise project designation. Bell Textron Inc. 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 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 5/Future Council District 5.

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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Expedited