

# Mayor and Council Communication

**DATE:** 05/05/20

**M&C FILE NUMBER:** M&C 20-0281

**LOG NAME:** 17ALCONEZ\_ASSIGNMENT

## **SUBJECT**

Adopt Resolution Affirming Alcon Laboratories, Inc., Located at 6201 South Freeway as an Enterprise Project, Pursuant to the Texas Enterprise Zone Act, Chapter 2303 of the Texas Government Code and Assign the Enterprise Project Status from Alcon Laboratories, Inc. to Alcon Vision, LLC (COUNCIL DISTRICT 8)

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## **RECOMMENDATION:**

It is recommended that the City Council adopt the attached Resolution affirming Alcon Laboratories, Inc., as an Enterprise Project, pursuant to Chapter 2303 of the Texas Government Code and Assign the enterprise project status from Alcon Laboratories, Inc. to Alcon Vision, LLC (COUNCIL DISTRICT 8)

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## **DISCUSSION:**

On November 15, 2016 the City Council approved Resolution No. 4699-11-2016 (M&C G-18880) to nominate Alcon Laboratories, Inc. (Alcon) as an Enterprise Zone project, pursuant to Chapter 2303 of the Texas Code. At the time, Alcon had anticipated investing approximately \$78,400,000.00 in a "Campus Revitalization Project" at its existing campus located at 6201 South Freeway. The investment was to include \$71,800,000.00 to be spent on real property improvements, including over \$16,000,000.00 in the redesign and restoration of existing R&D and manufacturing space, and \$6.6 million anticipated to be spent on machinery, equipment and telecommunication equipment. Alcon reports that virtually all of the capital investment outlined in the December 2016 project application has been completed. The company expected to retain its workforce of 1,469 total employees and create an additional 100 full-time jobs, with an average annual salary of \$89,994.00. Alcon reports 1,100+ employees at the facility.

The City Council previously adopted Ordinance No. 15733 (M&C G-14137), under which the City has elected to participate in the Texas Enterprise Zone Program. The City Council subsequently amended Ordinance No. 15733 on May 12, 2015 to update the list of potential local incentives that may be provided to a project on a case-by-case basis (Ordinance No. 21743-05-2015, M&C G-18473). The Office of the Governor, Economic Development and Tourism through the Economic Development Bank will consider Alcon as an Enterprise Project, pursuant to a nomination and an application made by the City. The Texas Enterprise Zone Program allows the City to pursue its goal of inducing the investment of private resources in productive business enterprises and provide employment to residents of enterprise zones and other economically disadvantaged individuals or veterans.

The attached Resolution assigns the enterprise project status to Alcon Vision, LLC and affirms the City Council's finding that Alcon Vision, LLC meets the criteria for designation as an Enterprise Project, under Chapter 2303, Subchapter F of the Act on the following grounds:

1. Alcon is a "qualified business," under Section 2303.402 of the Act, since it will be engaged in the active conduct of a trade or business at a qualified business site within the governing body's jurisdiction located within an enterprise zone and at least 25 percent of the business' new or retained employees will be residents of an enterprise zone, economically disadvantaged individuals or veterans;
2. There has been, and will continue to be, a high level of cooperation between public, private and neighborhood entities within the area; and
3. The assignment of enterprise project status to Alcon Vision, LLC will continue a significant contribution to the achievement of the plans of the City for development and revitalization of the area.

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.

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## **FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that approval of the above 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

**Additional Information Contact:** Brenda Hicks-Sorensen 2606

