

**To the Mayor and Members of the City Council****November 10, 2020**

Page 1 of 1

SUBJECT: BALL METAL BEVERAGE CONTAINER CORP. ENTERPRISE PROJECT NOMINATION

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. The Office of the Governor, Economic Development and Tourism, through the Economic Development Bank will consider Ball Metal Beverage Container Corp. (Ball) 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.

On May 5, 2020 the City Council authorized the nomination of Ball as an Enterprise Project. Ball qualifies for a single Enterprise Project Designation with a planned capital investment in excess of \$50 million in various facility and equipment upgrades between June 1, 2020 and May 31, 2025 at its Fort Worth facility. These planned investments in machinery and equipment are to upgrade a portion of the facility currently utilized for warehousing to manufacturing space. Warehousing will then be done offsite via a leased warehouse facility.

Designation as an Enterprise Project requires approval by the State of Texas by application by the company. Applications are reviewed and designations awarded on a competitive basis. Earlier this year, following City Council authorization to nominate the project, Ball applied and was not awarded designation by the State of Texas. In conference with State staff, Ball intends to submit a revised application for the Enterprise Project designation for the same project, but with certain revisions. All components of the project as characterized in its revised application will meet or exceed that which had been presented to the City Council upon authorization of the project's nomination. Ball will maintain its commitment 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. Ball expects to retain all full-time jobs for benefit under the Enterprise Zone Program as well as add at least an additional 60 positions paying an average annual wage of \$61,500.

The single project designation allows for a state sales and use tax refund on qualified expenditures of \$2,500 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.

Since authorization for the project nomination has already occurred and remains in effect, there is no need for any further action by the City for the nomination to apply to a revised application. If you have any questions concerning this information, please contact Robert Sturns, Economic Development Director at 817-392-2663 or robert.sturns@fortworthtexas.gov.

David Cooke
City Manager