

**To the Mayor and Members of the City Council****May 11, 2021**

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SUBJECT: REV1 ENTERPRISE PROJECT NOMINATION

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 LLC (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 at 1851 Joel East Road, 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.

Staff will place an M&C for City Council consideration on the May 18, 2021 agenda, authorizing a resolution nominating the project as an Enterprise Project through the Texas Enterprise Zone Program.

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