

CITY OF EL PASO, TEXAS
AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM

DEPARTMENT: Economic & International Development Department

AGENDA DATE: CCA Consent May 31, 2016

CONTACT PERSON/PHONE: Cary S. Westin, Managing Director, (915) 212-1614

DISTRICT(S) AFFECTED: [ALL]

SUBJECT:

Discussion and Action on a Resolution nominating Federal-Mogul Powertrain, LLC as an Enterprise Project to the Office of the Governor of Economic Development and Tourism through the Economic Development Bank as an Enterprise Zone Project. (All Districts) [Economic & International Development Department, Cary S. Westin, Managing Director, (915) 212-1614]

BACKGROUND/DISCUSSION:

Federal-Mogul Powertrain, LLC has been operating in El Paso, Texas since 1995 and currently employs 614 individuals. The company is a leading global supplier of technology and innovation in vehicle and industrial products for fuel economy, emissions reduction, and safety systems. Their manufacturing facility is located at 1277 Joe Battle Blvd. Federal-Mogul Powertrain, LLC is planning to invest \$7M over a five year period in building and equipment improvements.

The applicant is requesting that the City of El Paso nominate their company for an Enterprise Zone Project Designation. Federal-Mogul Powertrain, LLC meets the criteria for tax relief and other incentives adopted by the City, as its business is located in an Enterprise Zone, will retain or create jobs, and maintain economic activity and stability. Furthermore, nominating Federal-Mogul Powertrain, LLC for a Texas Enterprise Zone Designation will have no impact on the General Fund.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one?

Yes—On May 26, 2009, City Council adopted an ordinance that allows the City to participate in the Enterprise Zone Program.

AMOUNT AND SOURCE OF FUNDING:

How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

There will be no impact on the general fund

BOARD/COMMISSION ACTION:

Enter appropriate comments or N/A.

N/A

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD: _____

**A RESOLUTION NOMINATING FEDERAL-MOGUL POWERTRAIN LLC
AS A TEXAS STATE ENTERPRISE ZONE PROJECT**

WHEREAS, the City Council of the City of El Paso ("City") passed Ordinance No. 017116 on May 26, 2009, electing for the City to participate in the Texas Enterprise Zone Program; and

WHEREAS, the local incentives offered under this Resolution are the same on this date as were outlined in Ordinance No. 017116; and

WHEREAS, pursuant to Chapter 2303, Subchapter F of the Texas Enterprise Zone Act, Texas Government Code ("Act"), Federal-Mogul Powertrain LLC, has applied to the City for designation as an enterprise zone project; and

WHEREAS, the Office of the Governor Economic Development and Tourism ("EDC") through the Economic Development Bank ("Bank") will consider Federal-Mogul Powertrain LLC, as an enterprise zone project pursuant to a nomination and an application made by the City; and

WHEREAS, the City desires to pursue the creation of the proper economic and social environment in order to induce the investment of private resources in productive business enterprises located in the city and to provide employment to residents of enterprise zones and to other economically disadvantaged individuals; and

WHEREAS, the City finds that Federal-Mogul Powertrain LLC, meets the criteria for designation as an enterprise project under Chapter 2303, Subchapter F of the Act on the following grounds:

1. Federal-Mogul Powertrain LLC 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 located inside an enterprise zone and at least twenty-five percent (25%) of the business' new employees will be residents of an enterprise zone or economically disadvantaged individuals; and
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 designation of Federal-Mogul Powertrain LLC as an enterprise project will contribute significantly to the achievement of the plans of the City for development and revitalization of the area.

WHEREAS, the City finds that Federal-Mogul Powertrain LLC meets the criteria for tax relief and other incentives adopted by the City and agrees to nominate Federal-Mogul Powertrain LLC for enterprise zone project status on the grounds that it will be located at the qualified business site, will create a higher level of employment, economic activity and stability; and

WHEREAS, the City finds that it is in the best interest of the City to nominate Federal-Mogul Powertrain LLC as an enterprise project pursuant to the Act.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

1. That Federal-Mogul Powertrain LLC, to be known as the Federal-Mogul Powertrain Expansion Project, is a "qualified business" as defined in Section 2303.402 of the Act, and meets the criteria for designation as an enterprise project, as set forth in Section 2303, Subchapter F of the Act;
2. That the enterprise zone project shall take effect on the date of designation of the enterprise project by the agency and terminate five years after date of designation; and
3. That the City Manager or her designee be authorized to sign any and all documents required by EDC to complete the nomination process.

PASSED AND APPROVED this ____ day of _____, 2016.

CITY OF EL PASO, TEXAS

ATTEST:

Oscar Leoser
Mayor

Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:

Juan S. Gonzalez
Assistant City Attorney

APPROVED AS TO CONTENT:

Cary S. Westin, Managing Director
Economic & International Development