

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

CITY CLERK DEPT.
2016 AUG 17 AM 11:31

DEPARTMENT: Economic & International Development Department
AGENDA DATE: August 23, 2016, Consent Agenda
CONTACT PERSON/PHONE: Cary S. Westin, Managing Director, (915) 212-1614
DISTRICT(S) AFFECTED: [3]

SUBJECT:

Discussion and Action on a Resolution nominating Western Refining Company, L.P., 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. (District 3) [Economic & International Development Department, Cary S. Westin, Managing Director, (915) 212-1614]

BACKGROUND/DISCUSSION:

Western Refining, L.P., which is located at 6500 Trowbridge Drive, has requested that the City nominate their company for an Enterprise Zone Project designation as a result of the capital improvement projects and commitment to job retention at their facility in El Paso, Texas. Western Refining, L.P., 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.

Western Refining, L.P. is an independent oil refiner and marketer located in El Paso, Texas. Western Refining plans to invest approximately \$265.6 million in their facility of which \$225.7 million will be for machinery and equipment and \$39.9 million will be for building expansion and renovation costs. Western Refining, L.P. will retain 440 current full-time positions, totaling over \$54 million in annual payroll. Staff recommends approval of the nomination, as the applicant's capital investments and employment commitments will further El Paso's business retention and expansion initiative.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one?
No.

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 to the general fund

BOARD/COMMISSION ACTION:

Enter appropriate comments or N/A.
N/A

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

DEPARTMENT HEAD: _____

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**A RESOLUTION NOMINATING WESTERN REFINING COMPANY, L.P.
AS A TEXAS STATE ENTERPRISE ZONE PROJECT**

WHEREAS, the City Council of the City of El Paso ("City") has previously passed Ordinance No. 017116 on May 26, 2009, electing 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"), Western Refining Company, L.P. 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 Western Refining Company, L.P. as an enterprise 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 Western Refining Company, L.P. meets the criteria for designation as an enterprise project under Chapter 2303, Subchapter F of the Act on the following grounds:

1. Western Refining Company, L.P. 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 outside an enterprise zone and at least thirty-five percent (35%) 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 Western Refining Company, L.P. 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 Western Refining Company, L.P. meets the criteria for tax relief and other incentives adopted by the City and nominates Western Refining Company, L.P. for enterprise 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 Western Refining Company, L.P. 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 Western Refining Company, L.P. is a "qualified business" as defined in Section 2303.402 of the Act, and the Western Refining Capital Improvement project 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 Director of Economic Development or her designee be authorized to sign any and all documents required by EDC to complete the nomination process.

ADOPTED this 23rd day of August, 2016.

ATTEST:

THE CITY OF EL PASO

Richarda Duffy Momsen
City Clerk

Oscar Leeser
Mayor

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

Juan S. Gonzalez
Assistant City Attorney



Cary Weston, Director
Economic & International Dev.

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