

## **CITY OF HOUSTON - CITY COUNCIL**

Meeting Date: 11/9/2022 District F, District K Item Creation Date:

MYR - TEZ Nomination - The Men's Wearhouse, LLC

Agenda Item#: 25.

## Summary:

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ORDINANCE approving and authorizing an Interlocal Agreement between the City of Houston, Texas, and **HARRIS COUNTY**, **TEXAS**, in support of the county's nomination of The Men's Wearhouse, LLC as a Texas Enterprise Project - <u>DISTRICT F</u> - <u>POLLARD</u> and <u>DISTRICT K - CASTEX-TATUM</u>

## **Background:**

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. A State Enterprise Zone is any census tract block group that has a 20% or higher poverty rate, as determined by the U.S. Census Bureau during each decennial census.

State law requires a municipality or county to nominate a project of a qualified business for designation as an Enterprise Project to participate in the Enterprise Zone Program. Legislation limits allocations to the state and local communities per biennium; the City is limited to a maximum of 9 project designations. Chapter 2303 of the Texas Government Code grants municipalities the authority to nominate projects located within their extraterritorial jurisdiction (ETJ).

Enterprise Projects are eligible to apply for state sales and use tax refunds on qualified expenditures. The level and amount of a refund are based on the capital investment and jobs created or retained at the qualified business site. Depending on the investment amount, the refund to the company is between \$2,500 and \$7,500 per job.

City Council adopted Ordinance No. 2015-515 authorizing the City to nominate projects for this state-funded incentive. The City is nominating The Men's Wearhouse, LLC as its second TEZ project in the FY22 – FY23 biennium with a planned capital investment of \$15 million, retention of 425 jobs, and creation of 75 jobs. The amount of investment for this project will produce a maximum reimbursement of \$2,500 for up to 500 jobs or \$1,250,000 over a five-year term, at an annual rate not to exceed \$250,000. The project site is located within a Texas Enterprise Zone and therefore 25% of new jobs must be filled by residents of an enterprise zone or individuals who are economically disadvantaged. This project was presented to the Economic Development Committee on October 19, 2022.

The Men's Wearhouse, LLC is a clothing retailer that specializes in suits, formal wear, sportswear, and business casual clothing for men. The Houston corporate office is located at 6380 Rogerdale Blvd. and the regional distribution center is located at 10485 W. Bellfort Boulevard.

The Men's Wearhouse, LLC plans to spend \$15 million over the next five years, with \$13.5 million invested in the distribution center for fixtures and equipment to improve e-commerce fulfillment and retail distribution and \$1.5 million invested in the corporate office for

improvements to the HVAC system, lighting, IT equipment, and fixtures.

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AndyAF7d Aken, Chief Development Officer

Amount and Source of Funding: Ord. 2015 - 0515, 6/3/2015

## Contact Information:

GT

Gwendolyn Tillotson, Deputy Director Mayor's Office Phone: 832.393.0937

ATTACHMENTS: Description

Туре

Ord. No. 2015 - 515

Backup Material