

REQUEST FOR COUNCIL ACTION

TO: Mayor via City Secretary

RCA #

SUBJECT: A resolution to enter into an interlocal agreement with Montgomery County (the County) in support of the County's nomination of Woodforest National Bank (the Company) as a TEZ project

Category #

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Agenda Item#

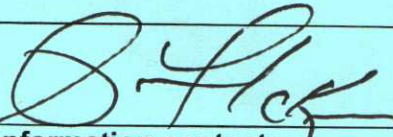
FROM: (Department or other point of origin):

Andrew Icken
Chief Development Officer

Origination Date
November 9, 2016


Agenda Date

SIGNATURE:



Council Districts affected:
None

For additional information contact:

Gwendolyn Tillotson 

Phone: 832-393-0937

Date and identification of prior authorizing Council Action:
Ord 2015 – 0515, June 3, 2015

RECOMMENDATION: (Summary): Council approve a resolution to enter into an interlocal agreement with Montgomery County (the County) in support of the County's nomination of Woodforest National Bank (the Company) as a TEZ project

Amount of Funding: No City funding required

Finance Budget:

SOURCE OF FUNDING: General Fund Grant Fund Enterprise Fund
 Other (Specify) State funded incentive

SPECIFIC EXPLANATION:

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.

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

In the last legislative session, Chapter 2303 of the Texas Government Code, which governs Enterprise Zones, was amended requiring that before a County makes a nomination, the nominating county must enter into an interlocal agreement with the municipality that has jurisdiction of the territory in which the nominated project will be located.

The County intends to nominate Woodforest National Bank as a Texas Enterprise Project. The Company is located at 25231 Grogans Mill Rd., The Woodlands, TX 77380, which is in the extraterritorial jurisdiction of the City. The project includes a capital investment of approximately \$15 million, with \$5 million going towards garage construction and \$10 million towards office, voice/data and security systems upgrades. The interlocal agreement with the County does not require a nomination by the City and therefore does not reduce or affect the City's number of available enterprise project nominations. This project was presented to the Economic Development committee on October 13, 2016.

cc: Marta Crinejo, Agenda Director
Anna Russell, City Secretary
Ron Lewis, City Attorney
Gary Dzierlenga, Senior Assistant City Attorney

REQUIRED AUTHORIZATION

Other Authorization:

Other Authorization:

Other Authorization: