

REQUEST FOR COUNCIL ACTION

TO: Mayor via City Secretary

RCA #

SUBJECT: A resolution to nominate Sysco Houston located at 10710 Greens Crossing Boulevard, Houston, 77038 as an Enterprise Project.

Category #

Page 1 of
1

Agenda Item#

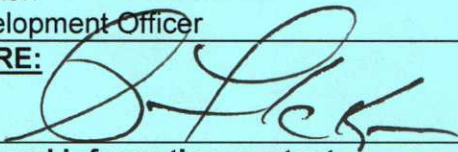
FROM: (Department or other point of origin):

Andrew Icken
Chief Development Officer

Origination Date
November 9, 2016


Agenda Date

SIGNATURE:



Council Districts affected:
District B – CM Davis

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 nominate Sysco Houston located at 10710 Greens Crossing Boulevard, Houston, 77038 as an Enterprise Project.

Amount of Funding: No City funding required

Finance Budget:

SOURCE OF FUNDING: [] General Fund [] Grant Fund [] Enterprise Fund
[X] 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; 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 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. 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.

City Council adopted an ordinance authorizing the City to nominate projects for this state-funded incentive. This project was presented to the Economic Development committee on October 13, 2016. The City is nominating Sysco Houston with a planned estimated capital investment of \$34.7 million over the next five years, the retention of 735 jobs and the creation of 66 new jobs with an average salary of \$70,000.

Sysco Houston is a subsidiary of Sysco Corporation, and is a wholesale distributor of food and food related products. It is located in Northwest Houston in the Pinto Business Park, bordering the Greenspoint District, within the City's ETJ. Sysco Houston anticipates spending over \$34 million over the next five years on a 157 square foot expansion of its existing distribution center.

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: