

To the Mayor and Members of the City Council**November 8, 2016**

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**SUBJECT: TEXAS ENTERPRISE ZONE NOMINATION FOR ALCON LABORATORIES, INC.**

The City Council of the City of Fort Worth (City) has previously passed Ordinance No. 15733 electing to participate in the Texas Enterprise Zone Program. On May 12, 2015 the City Council adopted Ordinance No. 21743-05-2015, amending Ordinance No. 15733 by adding additional potential local incentives that could be made available to qualified businesses under the Texas Enterprise Zone Program. The Office of the Governor Economic Development and Tourism through the Economic Development Bank will consider Alcon Laboratories, Inc. (Alcon) as an enterprise project pursuant to a nomination and an application made by the City.

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 in economically distressed areas of the State. An enterprise project is defined as a business that is nominated by a municipality or county and then approved for state benefits. Designated projects are eligible to apply for state sales and use tax refunds on qualified expenditures. The level and amount of refund is related to the capital investment and jobs created at the qualified business site.

Alcon qualifies for a single Enterprise Project Designation with a projected capital investment of \$78.4 million for the expansion and renovation of Alcon's operations at the existing site located at 6201 South Freeway. The investment includes \$71.8 million to be spent on real property improvements, including over \$16 million in the redesign and restoration of existing R&D and manufacturing space. \$6.6 million will be spent on machinery and equipment and telecommunication equipment. The company will retain its current workforce of 1,469 total employees and create an additional 100 full-time jobs, with an average annual salary of \$89,994.

The single project designation allows for a state sales and use tax refund on qualified expenditures of \$2,500 per job, for up to 500 jobs, with a maximum benefit of \$1.25 million over a five year period. Under the Texas Enterprise Zone Act at least twenty-five percent of the business' new or retained employees will be residents of an enterprise zone, economically disadvantaged individuals or veterans. In addition, the jobs will be provided through the end of the designation period or at least three years after the date on which a state benefit is received, whichever is later.

Staff will place an M&C for City Council consideration on the November 15, 2016 agenda nominating Alcon Laboratories, Inc. as an Enterprise Zone Project pursuant to the Texas Enterprise Zone Program. Submittal and approval of this application for State benefits will have no fiscal impact to the City's general fund.

If you have any questions concerning this information, please contact Robert Sturns, Economic Development Director at 817-212-2663 or robert.sturns@fortworthtexas.gov.

**David Cooke
City Manager**