

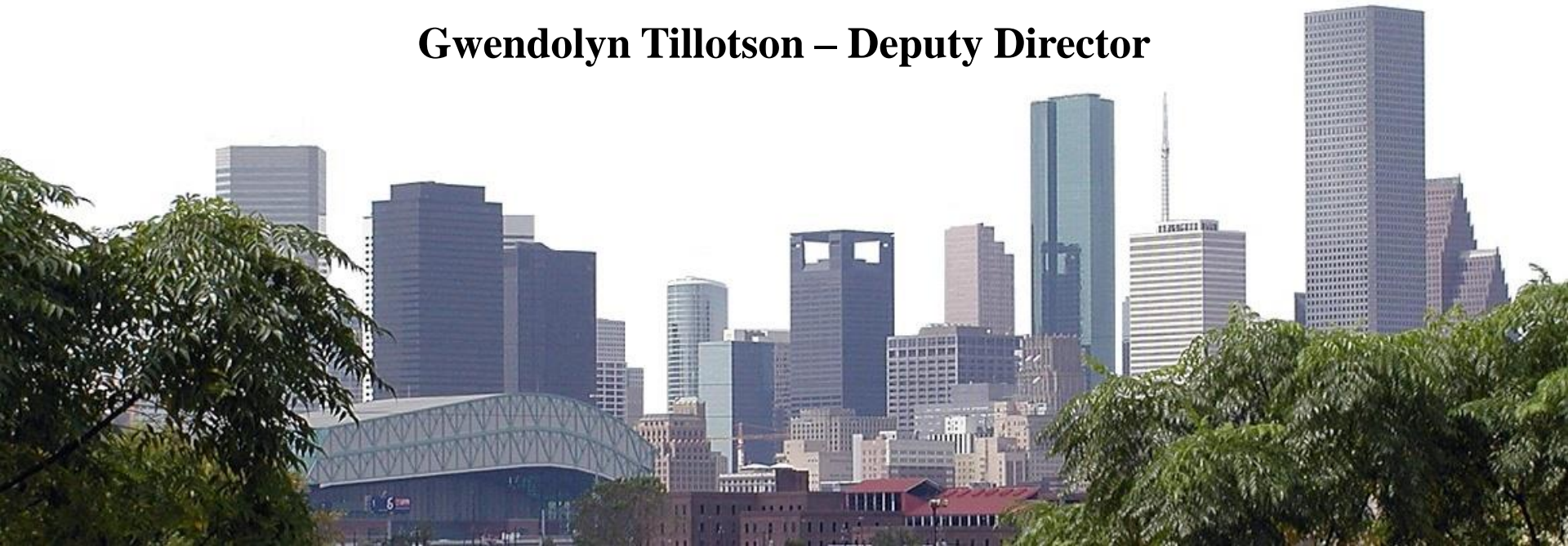


Economic Development Proposals

Economic Development Committee

April 21, 2021

Gwendolyn Tillotson – Deputy Director





Economic Development Presentation

Texas Enterprise Zone Program Proposals



Texas Enterprise Zone

-General Information-

- State of Texas Economic Development Program
- Reimbursement of state sales/use tax for qualifying projects
- Local municipalities are allotted nine (9) nominations per biennium (*Sept. 1, 2019 – Jun. 1, 2021*)
- Unused nominations are forfeited by the municipality
- Nominations do not require any funding from the local municipality



Texas Enterprise Zone -Economic Development Evaluation Process-

Priorities	Site Location	Competitive Industry	City Development Priorities	Public Benefits	Incentives	Tax Status	Salary (City Priority)	Salary (State Priority)	Job Creation	Job Retention	Capital Investment
Criteria	The project is located within, or in close proximity to an enterprise zone.	The company is one of Houston's top industry clusters.	The project aligns with the city's development priorities (See Exhibit A).	The project aligns with current City of Houston policy priorities and mayoral initiatives (See Exhibit B).	The project will receive other local incentives (See Exhibit C).	The project is a medical, educational, or tax-exempt entity.	The project will include both high and medium-salary jobs (Exhibit D).	The project's Average Weekly Wages (AWW) will exceed the county it is located in.	The project will result in a substantial number of new jobs.	The project will result in a substantial number of retained jobs.	The project will make a significant capital investment (\$MM).

The following criteria is used to evaluate projects for nomination:

- Located within a high poverty area
 - 20% or higher poverty
- Inclusion of entry, medium and high salary jobs
- New jobs vs retained jobs
- Capital investment value
- Supports a top industry cluster
- Aligns with City priorities for enhanced community benefits



Projects Recommended for Council Approval

Texas Enterprise Zone Nomination

- 1) Quanta Services, Inc
- 2) Village MD.
- 3) Anheuser Busch
- 4) UPS – Interlocal Agreement



Texas Enterprise Zone - Quanta Company Information-

- Quanta Services, Inc. is a Fortune 500 Houston-based public company that provides network infrastructure design, engineering, construction, and maintenance services to the electric power, gas pipeline, telecommunications, and broadband cable industries.
- **Current Location:** 2800 Post Oak Boulevard; 5051 Westheimer Road
- **Total Employees:**
 - Internationally: 37,300
 - Texas: 7,980
 - Houston: 1,386



Texas Enterprise Zone - Quanta Services, Inc -

Locations

2727 North Loop West, Houston TX, 77092

2707 North Loop West, Houston, TX 77008

2627 North Loop West, Houston TX, 77008



Texas Enterprise Zone

- Quanta Services, Inc -

- **Company Information:**
 - 291 on Fortune 500
 - Utilities Infrastructure; Renewable and Natural Gas Energy
- **Project Description:**
 - Renovation of 2 older office buildings to relocate/consolidate headquarters.
 - Investment of approximately \$87M for building acquisition, construction and FFE
 - Retention of 434 jobs and creation of 66 jobs
- **Community Benefit/Outreach:**
 - Local, Community Job Recruitment
 - Local Hiring
 - Paid Internship for Low Income Students
- **TEZ reimbursement:**
 - Maximum \$1,250,000 over 5 years (500 jobs retained/created)





Texas Enterprise Zone - Quanta Services, Inc -

CHARITABLE DONATIONS

- Quanta Services, Inc. contributed \$1M to the Houston Harris County Winter Storm Relief Fund to support vulnerable residents recovering from the winter storm
- Quanta Services has donated over \$1.8 Million to the Astros Foundation to support youth sports and education programs, to raise awareness of childhood cancer and domestic violence and to reduce homelessness



Texas Enterprise Zone - Anheuser-Busch, LLC-

- Anheuser-Busch, LLC (A-B) is a world leading manufacturer of malt beverages whose products include Budweiser, Bud Light, Budweiser Select, Bud Ice, Bud Dry, Michelob, Michelob Light, Michelob ULTRA, Busch, Busch Light, Natural Light, and Ziegenbock.
- It is one of the world's largest recyclers of used aluminum beverage containers helping to reduce container costs and provide a positive alternative to mandatory deposits.
- They recycle more than 99 percent of the solid waste they create.



Texas Enterprise Zone - Anheuser-Busch, LLC. -

Locations

775 Gellhorn Drive, Houston, TX 77029





Texas Enterprise Zone - Anheuser-Busch, LLC. -

- **Project Description:**

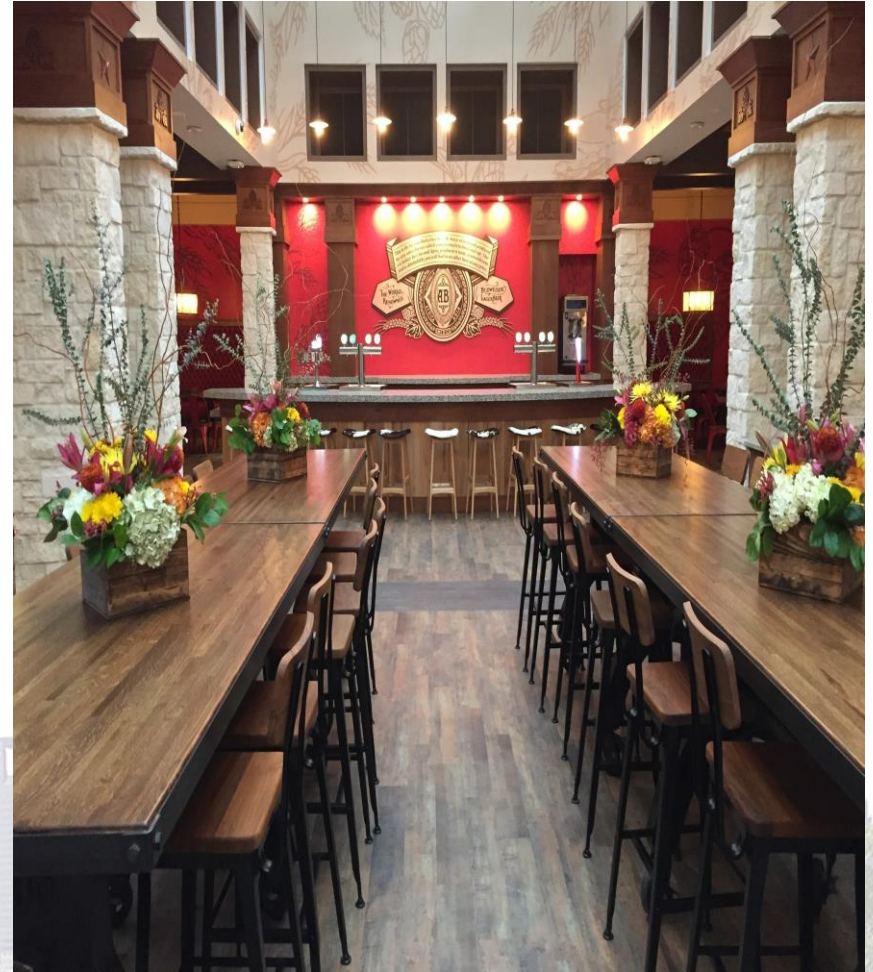
- Investment intended for production enhancements, technology and plant modernization, energy conservation and process improvements.
- Investment of approximately \$15-\$20M
- Creation of 10 jobs; Retention of 490 jobs

- **Community Benefit/Outreach:**

- Creation of Mid-Skill Jobs
- Sponsored Inroad Internships

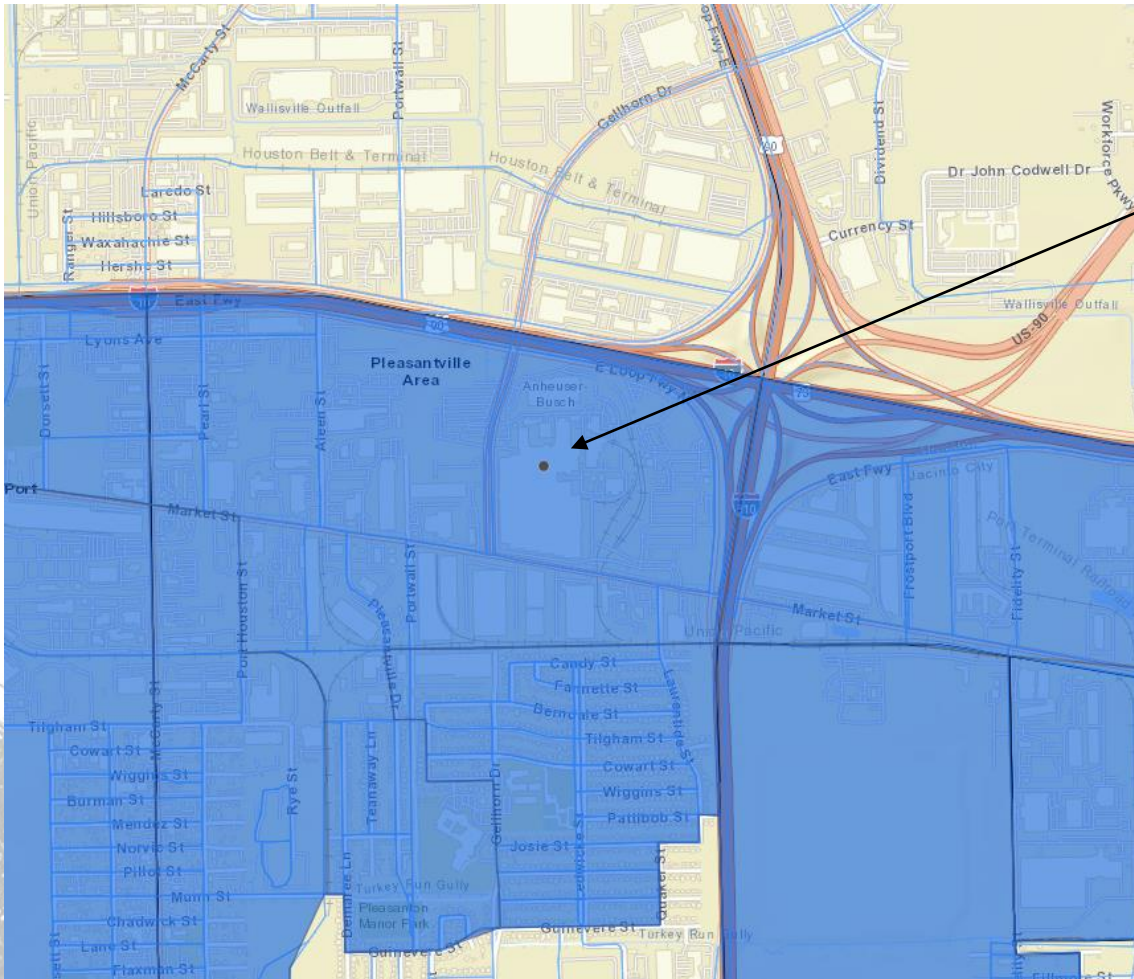
- **TEZ reimbursement:**

- Maximum \$1,250,000 over 5 years (500 jobs retained/created)





Texas Enterprise Zone - Anheuser-Busch, LLC. -



Project site areas is located within an Enterprise zone.

25% of new jobs must be filled by residents of an enterprise zone or who are economically disadvantaged

Blue = Texas Enterprise Zone (greater than 20% poverty)

Black dot = Project Site



Texas Enterprise Zone

- Village MD Company Information-

- Village MD is a Walgreens-backed primary healthcare provider that collaborates with primary care physicians to deliver healthcare solutions in a changing health care environment. Village MD's goal is to be the largest, highest performing primary care-led network in the U.S.
- Village MD works with physician groups, independent practice associations, and health systems to improve quality, deliver a first-rate patient experience, and lower costs in the communities they serve.
- Currently operating in AZ, GA, FL, TX, IN, NJ and MA



Texas Enterprise Zone - Village MD -

Proposed Locations

4543 Post Oak

13734 TX-249

10997 Fuqua St

4007 Barker Cypress Rd (new)

12959 Aldine Westfield Rd (new)

600 N Shepherd

11914 Astoria Boulevard

8300 Wilcrest Dr.

12611 S Gessner Rd

11994 Richmond Ave

9450 Hammerly Blvd

16185 Space Center Blvd

500 Maxey Dr

12702 Bammel North

Houston Rd

2221 Fulton St



Texas Enterprise Zone - Village MD. -

- **Project Description:**

- Development of 15 Houston locations
 - Clinics will provide primary care for patients at traditional free-standing clinics
 - Clinics will be Walgreens co-located
 - Provide access to care via primary care in the home and virtual visits
- Investment of approximately \$24M
- Creation of 212 jobs

- **Community Benefit/Outreach:**

- Underdeveloped/Underserved Areas of the City
- Local Community, Job Recruitment
- Creation of Mid-Skill Jobs
- Non-Business benefitting public improvements

- **TEZ reimbursement:**

- Maximum \$1,250,000 over 5 years (500 jobs retained/created)

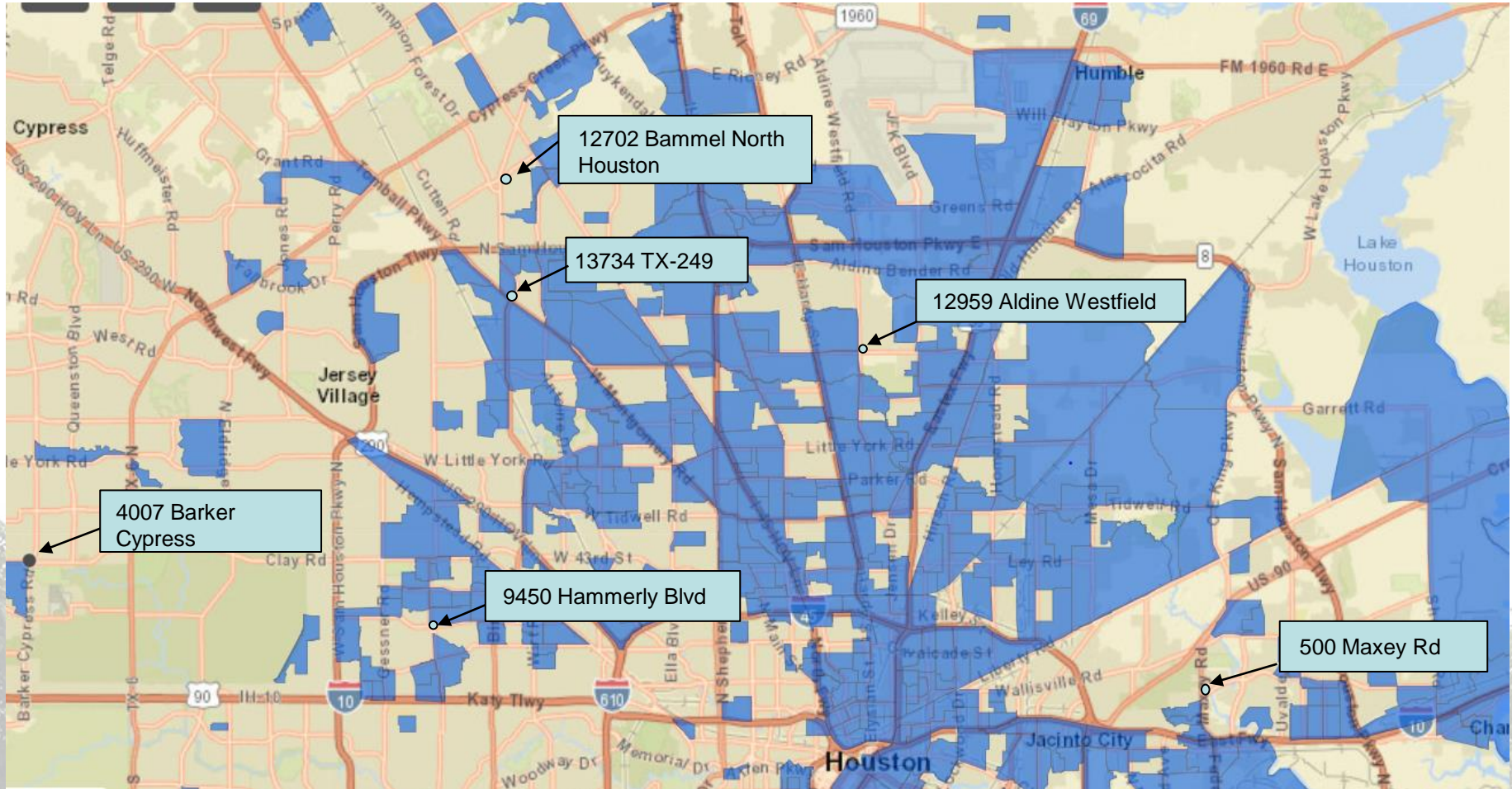
- **Model being considered by Governor's Office:**

- 15 locations included in application is unique
- May require 2 applications (2 nominations)



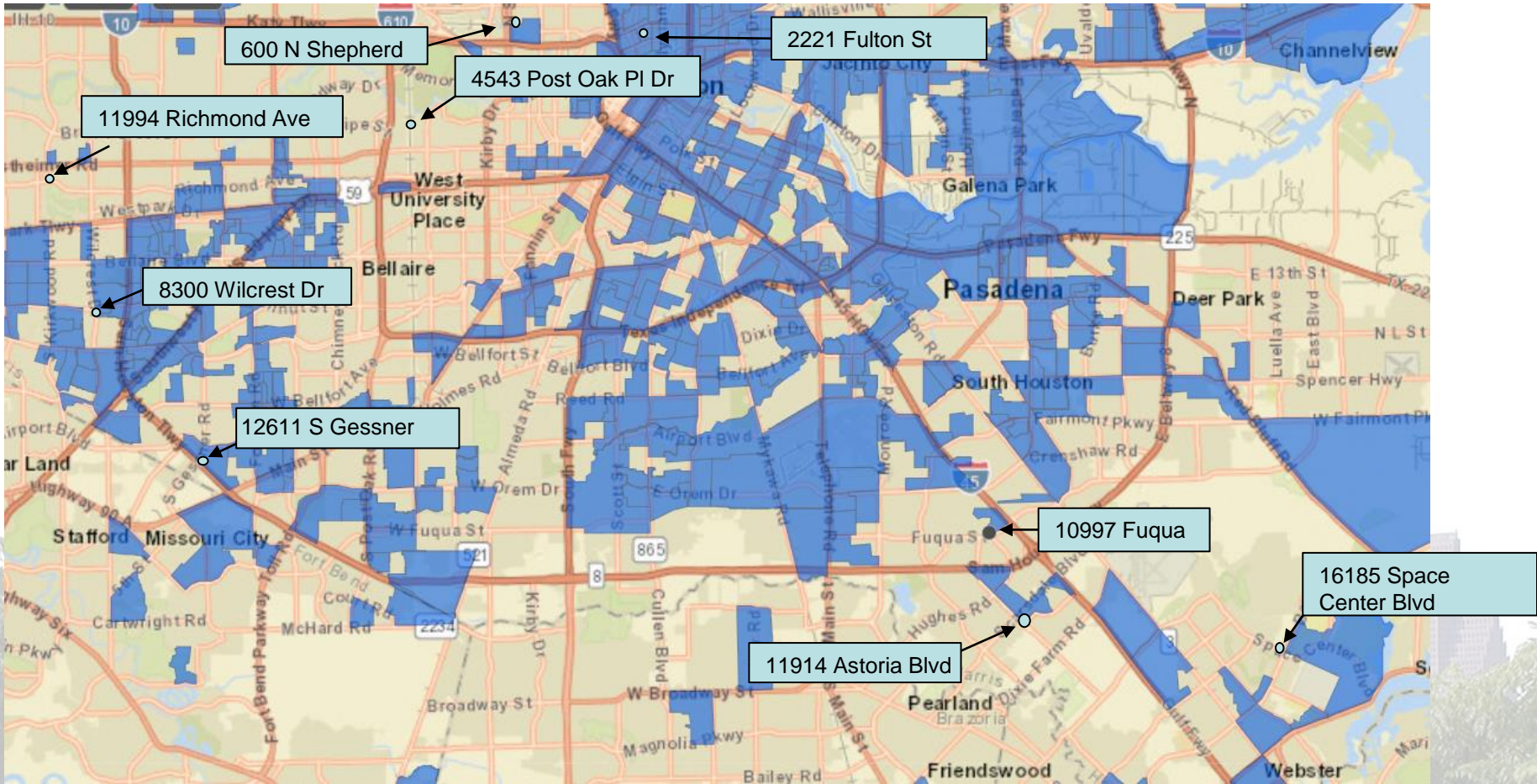


Texas Enterprise Zone - Village MD. North Map -





Texas Enterprise Zone - Village MD. South Map -





Texas Enterprise Zone

- UPS Company Information -

- United Parcel Service is a global leader in logistics, offering a broad range of solutions including the transportation of packages and freight, the facilitation of international trade, and the deployment of advanced technology to manage the world of business more efficiently.
- UPS primarily operates through three segments: U.S. Domestic Package operations, International Package operations, and Supply Chain & Freight operations.



Texas Enterprise Zone - UPS Interlocal Agreement -

Locations

8330 Sweetwater Lane, Houston, TX, 77037

- **Harris County will Nominate the Project as a TEZ Project**
- **The Nomination will not count towards the City's allotment**



Texas Enterprise Zone -Interlocal Agreements-

In accordance with Chapter 2303, Interlocal Cooperation Act, Texas Government Code (amended 2015):

“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 or activity will be located.”

Demonstrates that local municipality is in support of regional growth



Texas Enterprise Zone - UPS Interlocal Agreement -

- **Project Description:**

- Replacement of existing 239sk package sorting facility with a new state of the art 660 sf facility
- Site redevelopment of 57 Acres
- Includes modernization of facility, new building layout, mechanical upgrades, underground detention and traffic lane enhancements,
- Investment of approx. \$358M (two phases)
- Retention of 1,592 jobs and creation of 96 jobs

- **Community Benefit/Outreach:**

- Local, Community Job Recruitment
- \$123M in Philanthropic Contributions (2019)
- United Way Partner
- UPS Humanitarian Relief Program
- Local Community Investment Grants

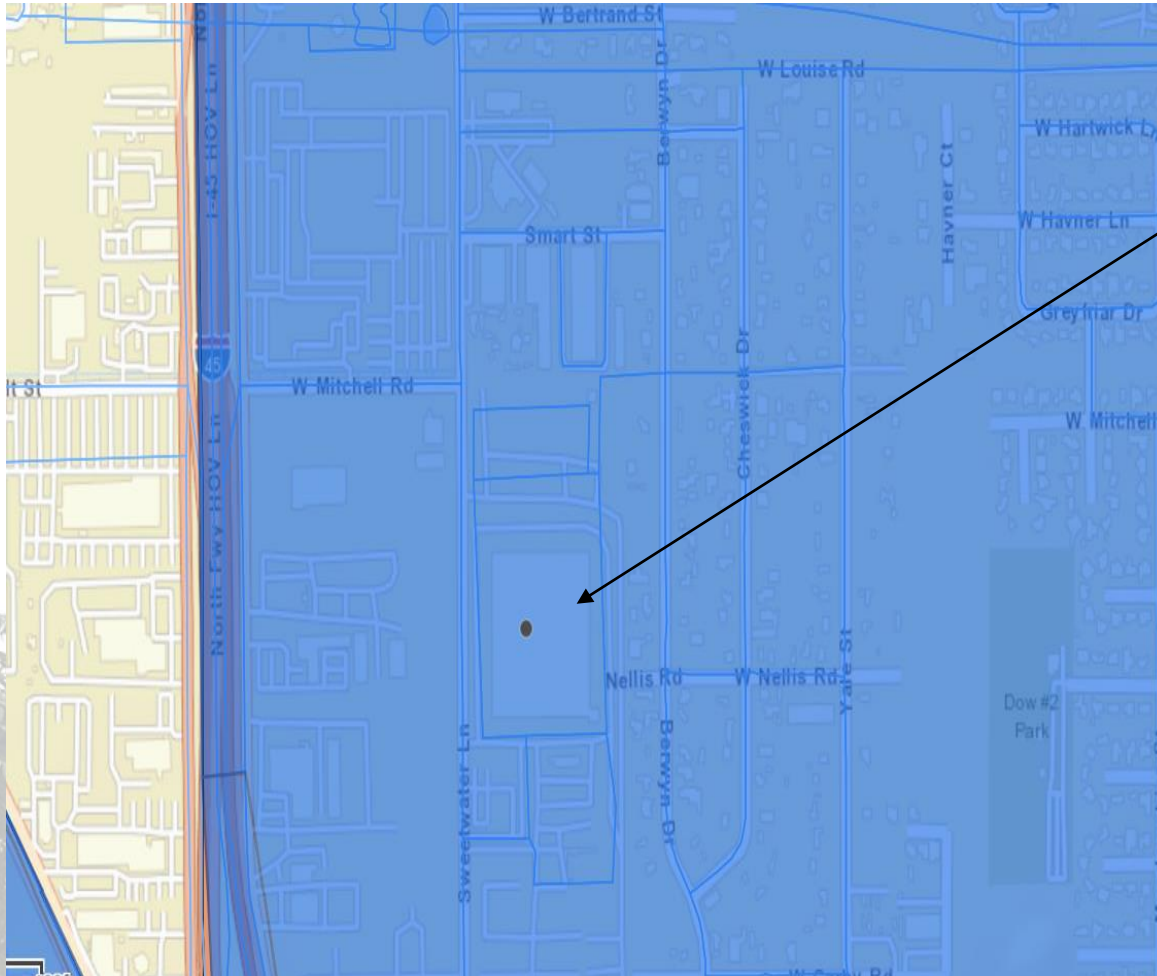
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Texas Enterprise Zone - UPS -



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Texas Enterprise Zone

Questions?

