

ACTION FORM BRYAN CITY COUNCIL

DATE OF COUNCIL MEETING: January 28, 2014		DATE SUBMITTED: January 16, 2014	
DEPARTMENT OF ORIGIN: Executive Services		SUBMITTED BY: Frank Clark	
MEETING TYPE:	CLASSIFICATION:	ORDINANCE:	STRATEGIC INITIATIVE:
<input type="checkbox"/> BCD	<input type="checkbox"/> PUBLIC HEARING	<input type="checkbox"/> 1ST READING	<input type="checkbox"/> PUBLIC SAFETY
<input type="checkbox"/> SPECIAL	<input type="checkbox"/> CONSENT	<input checked="" type="checkbox"/> 2ND READING	<input type="checkbox"/> SERVICE
<input checked="" type="checkbox"/> REGULAR	<input type="checkbox"/> STATUTORY		<input checked="" type="checkbox"/> ECONOMIC DEVELOP.
<input type="checkbox"/> WORKSHOP	<input checked="" type="checkbox"/> REGULAR		<input type="checkbox"/> INFRASTRUCTURE
			<input checked="" type="checkbox"/> QUALITY OF LIFE
AGENDA ITEM DESCRIPTION: Consideration to amend the ordinance approved on October 22, 2013 by the City Council of the City of Bryan, Texas, (City) establishing the City’s participation in the Texas Enterprise Zone Program pursuant to the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code (Act), providing tax incentives, designating a liaison for communication with interested parties, and nominating Axis Pipe and Tube Inc. as an Enterprise Project to the Office of the Governor Rick Perry: Economic Development & Tourism (EDT) through the Economic Development Bank (Bank).			
SUMMARY STATEMENT: The purpose of this amendment is to correct non-substantive typographical errors and add designations of the project as a “double jumbo” enterprise project.			
<p>After submittal on December 2, 2013 and subsequent review of the Axis Pipe and Tube Inc. application by the Texas Enterprise Zone Program, deficiencies were noted for correction before the application would be considered. The changes to the ordinance approved on October 22, 2013 were substantive enough to warrant a new public hearing and City Council consideration for approval of the amended ordinance.</p> <p>The one substantive change is to designate the project as a “double jumbo” enterprise project. This means the City is using two of its project designations to nominate Axis Pipe and Tube Inc. The non-substantive changes include deleting a comma from the name Axis Pipe and Tube Inc. and correcting several references to the City.</p> <p>If this amended ordinance is adopted by the City Council, the application will be re-submitted nominating Axis Pipe and Tube Inc. as a Texas Enterprise project that is operating within an existing Zone.</p> <p>This program is available to help a City or County become more attractive in being the successful community to land large developments. In addition, at least twenty-five percent (25%) of the business’ new employees will be residents of an Enterprise Zone or economically disadvantaged individuals. The ordinance also lists other incentives that the City can choose to offer but is not required to do so.</p> <p>This ordinance designates the City Manager as the City’s liaison to communicate and negotiate with the Office of the Governor’s Economic Development and Tourism Division (EDT) through the Economic Development Bank. This ordinance also finds that Axis Pipe and Tube Inc. meets the criteria for designation as an enterprise project under Chapter 2303, Subchapter F of the Act and is a “qualified business” under Section 2303.402 of the Act since it will be engaged in the active conduct of a trade or business at a qualified business site located in an enterprise zone. The enterprise project shall take effect on the date of designation of the enterprise project by EDT and terminate on the date that is not less than one year or more than five (5) years after the date of designation.</p>			

This is a program that will allow Axis Pipe and Tube Inc. the ability to receive a refund of the State sales tax for their investment and jobs created.

STAFF ANALYSIS AND RECOMMENDATION: Staff recommends amending this ordinance to ensure that Axis Pipe and Tube Inc. will be considered as an “enterprise zone project” by the Office of the Governor Rick Perry Economic Development & Tourism (EDT) through the Economic Development Bank (Bank).

OPTIONS (In Suggested Order of Staff Preference):

1. Adopt the ordinance
2. Do not adopt the ordinance and provide direction to staff

ATTACHMENTS:

1. Proposed amended ordinance

FUNDING SOURCE: The City of Bryan is not required to provide funds

APPROVALS: Joey Dunn, 1-17-14

APPROVED FOR SUBMITTAL: CITY MANAGER

APPROVED FOR SUBMITTAL: CITY ATTORNEY Janis K. Hampton, 1-17-2014

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BRYAN, TEXAS, AMENDING ORDINANCE NO. 2020 ESTABLISHING THE CITY'S PARTICIPATION IN THE TEXAS ENTERPRISE ZONE PROGRAM PURSUANT TO THE TEXAS ENTERPRISE ZONE ACT, CHAPTER 2303, TEXAS GOVERNMENT CODE (ACT), PROVIDING TAX INCENTIVES, DESIGNATING A LIAISON FOR COMMUNICATION WITH INTERESTED PARTIES, AND NOMINATING AXIS PIPE AND TUBE INC. AS AN ENTERPRISE PROJECT (PROJECT) TO THE OFFICE OF THE GOVERNOR ECONOMIC DEVELOPMENT & TOURISM (EDT) THROUGH THE ECONOMIC DEVELOPMENT BANK (BANK); REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; FINDING AND DETERMINING THAT THE MEETINGS AT WHICH THE ORDINANCE IS PASSED ARE OPEN TO THE PUBLIC AS REQUIRED BY LAW; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Bryan, Texas, (City) desires to create the proper economic and social environment to induce the investment of private resources in productive business enterprises located in severely distressed areas of the City and to provide employment to residents of such area; and

WHEREAS, the project or activity is located in an area designated as a 2010 enterprise zone; and

WHEREAS, pursuant to Chapter 2303, Subchapter F of the Act, Axis Pipe and Tube Inc. has applied to the City for designation as a double jumbo enterprise project; and

WHEREAS, the City finds that Axis Pipe and Tube Inc. meets the criteria for tax relief and other incentives adopted by the City on the grounds that it will be located at the qualified business site, will create a higher level of employment, economic activity, and economic stability; and

WHEREAS, a public hearing to consider this ordinance was held by the City on January 28, 2014;

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BRYAN, TEXAS, THAT:

1.

The City will use two of its designations to nominate Axis Pipe and Tube Inc. for double jumbo enterprise project status.

2.

The following local incentives, at the election of the governing body, are or will be made available to the nominated project or activity of the qualified business:

- a) The City may provide incentives for economic development to businesses, including:
 - 1) Abating taxes on the increase in value of real property and personal property that locate in an enterprise zone in accordance with Chapter 312 of the Texas Tax Code, which level of abatement shall be based upon the extent to which the business receiving the abatement

- creates jobs for qualified employees, in accordance with the City's Tax Abatement Policy, and with qualified employees being defined by Chapter 2303 of the Act.
- 2) Creating a tax increment financing zone in accordance with Chapter 311 of the Texas Tax Code to finance the construction of infrastructure or other projects authorized by a duly adopted project and finance plan; and
 - 3) Offering grants or loans of money, or other things of value, pursuant to a Chapter 380 Economic Development program, for the purpose of stimulating business and commercial activity in the City; and
 - 4) Offering non-annexation agreements under section 212.172 of the Texas Local Government Code guaranteeing extraterritorial status and offering municipal services such as fire and police in exchange for partial payments in lieu of taxation as well as compliance with various city ordinances.
- b) The City may provide regulatory relief to businesses, including:
- 1) Zoning changes or variances;
 - 2) Exemptions from unnecessary building code requirements, impact fees, or inspection fees; or
 - 3) Streamlined permitting.
- c) The City may provide enhanced services to businesses, including:
- 1) Ensuring police and fire protection provided by the City;
 - 2) Institution of community crime prevention programs; or
 - 3) Special public transportation routes or reduced fares.
- d) The City may provide improvements in community facilities, including:
- 1) Capital improvements in water and sewer facilities;
 - 2) Road repair; or
 - 3) Creation or improvement of parks.
- e) The City may provide improvements to housing, including:
- 1) Sponsoring applications for grants and/or low-interest loans for housing rehabilitation, improvement, or new construction; or
 - 2) Transfer of abandoned housing to individuals or community groups.
- f) The City may provide business and industrial development services, including:
- 1) Providing the "Freeport" exemption;
 - 2) Establishing a "Free Trade Zone" designation;
 - 3) On-site and off-site development credits;
 - 4) Reduced land cost or use of surplus or other underutilized publicly owned facilities as development sites and/or small business incubators;
 - 5) Negotiating reduced tariff rates for electricity;
 - 6) Provision of publicly owned land for development purposes, including residential, commercial, or industrial development;
 - 7) Creation of special one-stop permitting and problem resolution centers or ombudsmen; or
 - 8) Promotion and marketing services through the City of Bryan and Brazos County Economic Development Foundation, Inc. and The Research Valley Partnership.
- g) The City in coordination with Workforce Solutions – Brazos Valley, may facilitate the provision of job training and employment services to businesses, including:
- 1) Retraining programs;
 - 2) Literacy and employment skills programs;
 - 3) Vocational education; or

4) Customized job training.

3.

The enterprise zone areas within the City and its portion of the extraterritorial jurisdiction in Brazos County are reinvestment zones in accordance with the Texas Tax Code, Chapter 312.

4.

The City Council of the City of Bryan directs and designates its City Manager as the City's liaison to communicate and negotiate with the Office of the Governor's Economic Development and Tourism Division (EDT) through the Economic Development Bank and enterprise project(s) and to oversee zone activities and communications with qualified businesses and other entities in an enterprise zone or affected by an enterprise project.

5.

The City finds that Axis Pipe and Tube Inc. meets the criteria for designation as a double jumbo enterprise project under Chapter 2303, Subchapter F of the Act on the following grounds:

- a) Axis Pipe and Tube Inc. is a "qualified business" under Section 2303.402 of the Act since it will be engaged in the active conduct of a trade or business at a qualified business site located in an enterprise zone in the governing body's jurisdiction and at least twenty-five percent (25%) of the business' new employees will be residents of an Enterprise Zone or economically disadvantaged individuals; and
- b) There has been and will continue to be a high level of cooperation between public, private, and neighborhood entities in the area; and
- c) The designation of Axis Pipe and Tube Inc. as a double jumbo enterprise project will contribute significantly to the achievement of the plans of the City for development and revitalization of the area.

6.

The double jumbo enterprise project shall take effect on the date of designation of the enterprise project by EDT and terminate on the date that is not less than one year or more than five years after the date of designation.

7.

That all ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed to the extent of such conflict

8.

The Code of the City of Bryan, Texas, as amended, shall remain in full force and effect, save and except as amended by this Ordinance.

9.

Should any section, paragraph, sentence, clause, phrase or word of this ordinance be declared unconstitutional or invalid for any purpose by a court of competent jurisdiction, the remainder of this ordinance shall not be affected thereby and to this end the provisions of this Ordinance are declared to be severable.

10.

It is hereby found and determined that the meetings at which this ordinance was passed were open to the public, as required by Section 551.001 et seq., Texas Government Code, and that advance public notice of time, place and purpose of said meetings was given.

11.

The effective date of this ordinance shall be the date of its final passage following the second reading, as set forth below.

PRESENTED AND GIVEN first reading the 28th day of January, 2014, at a regular meeting of the City Council of the City of Bryan, Texas; and given second reading, passed and approved on the 3rd day of February, 2014, by a vote of _____ ayes and _____ noes at a special meeting of the City Council of the City of Bryan, Texas.

ATTEST

CITY OF BRYAN

Mary Lynne Stratta, City Secretary

Jason P. Bienski, Mayor

APPROVED AS TO FORM:

Janis K. Hampton, City Attorney