



## CITY COUNCIL MEMORANDUM

**FROM:** The Office of the City Manager   **DATE:** November 9, 2020  
**SUBJECT:** Approve Resolution 2020-042, nominating Tyson Prepared Foods for designation as an Enterprise Project with the state of Texas.  
**PRESENTER:** Craig Hulse, Director of Economic Development

### **SUMMARY:**

A longstanding local business, Tyson Prepared Foods (Tyson) continues to look for ways to improve and enhance its operations at 6350 Browning Court. The opportunity exists for the City of North Richland Hills to nominate Tyson for an Enterprise Project designation with the State of Texas. The nomination does not obligate the city to provide any financial incentives from city revenues, rather it opens the door for Tyson to receive state sales and use tax refunds based upon employment and capital investment. This would be the third nomination for Tyson Prepared Foods which was initially approved by the state in 2008 and again in 2014.

### **GENERAL DESCRIPTION:**

Tyson Prepared Foods is located at 6350 Browning Court, an 11 acre, 200,000-square-foot industrial plant that employs 450 full-time positions. According to the Tarrant Appraisal District, the property itself is valued at \$7.8 million, while the business property (furniture, fixtures and equipment) is valued at \$28.7 million.

Under this third nomination, Tyson plans to invest over \$5 million in plant improvements, replacing/upgrading existing machinery and equipment to help reduce operational cost and increase throughput capacity. This investment includes projects such as an air balance remediation project to reduce contamination from outside heat and humidity, installing a new retail line, and installing new auto peelers and x-ray machines.

The Texas Enterprise Zone Program is an economic development tool for local communities to partner with the State of Texas to promote capital investment and job creation/retention. In the case of Tyson, a state sales and use tax rebate of \$2,500 per employee will help offset a portion of their \$5 million investment.

To be eligible for state designation, 35% of all future employees hired must meet the economically distressed residency requirement. An economically distressed residency falls within a census block group that contains at least 20% of the population living at or below the poverty line (\$26,200 for a family of four).

Resolution No. 2020-042 references Ordinance No. 3010 that was approved on August 26, 2008. This ordinance not only nominated Tyson, but it also authorized the city to



participate in the Texas Enterprise Zone Program pursuant to the Texas Enterprise Zone Act, Chapter 2302 of the Texas Government Code. The city is eligible to nominate up to six projects for designation every two years. In the past Medical City North Hills has also participated in this program.

If approved, the Enterprise Project designation will take effect on November 9, 2020 terminating on May 9, 2027.

**RECOMMENDATION:**

Approve Resolution 2020-042.