



CITY COUNCIL MEMORANDUM

FROM: The Office of the City Manager **DATE:** July 28, 2025
SUBJECT: Resolution No. 2025-033, nominating Tyson Prepared Foods for designation as an Enterprise Project with the State of Texas.
PRESENTER: Craig Hulse, Director of Economic Development

SUMMARY:

On May 27, 2025, the City Council approved Resolution 2025-029, nominating Tyson Prepared Foods for designation as an Enterprise Project with the State of Texas. On June 30, both Tyson Prepared Foods and the City received a letter from the State requesting several clarifications and additional information, along with a resubmission of the application.

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 then in 2014.

GENERAL DESCRIPTION:

Tyson Prepared Foods is located at 6350 Browning Court, an 11-acre, 200,000 square-foot industrial plant that employs 375 full-time positions. According to the Tarrant Appraisal District, the property itself is valued at \$8.3 million, while the business property (furniture, fixtures and equipment) is valued at \$21.5 million.

Under this nomination, Tyson plans to invest over \$5 million in plant improvements, replacing and upgrading existing machinery and equipment, and purchasing new machinery and equipment to reduce operational costs and increase throughput capacity with less wasted product. Examples of investment include, but are not limited to, the purchase and installation of an automation line for stuffing and slicing to increase safety, quality and output. .

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 (\$27,750 for a family of four).

This resolution 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 (6) projects for designation every two years. In the past Medical City North Hills has also participated in this program.

If approved, the Enterprise Project shall take effect on the date of designation by EDT and terminate not less than one year, or more than five (5) years after the date of designation.

RECOMMENDATION:

Approve Resolution 2025-033, nominating Tyson Prepared Foods as a Texas Enterprise Project.