



# City of Austin

## Recommendation for Action

**File #:** 24-6248, **Agenda Item #:** 113.

11/21/2024

### Posting Language

Approve a resolution nominating St. David's Healthcare Partnership, L.P., LLP, located at 919 E 32<sup>nd</sup> Street for designation by the Governor's Office of Economic Development and Tourism as a single Texas Enterprise Project in accordance with Texas Government Code Chapter 2303. Funding: This item has no fiscal impact as it is a State-run program.

### Lead Department

Economic Development.

### Fiscal Note

This has no fiscal impact.

### Prior Council Action:

August 29, 2024 - Council approved Ordinance No. 20240829-154, which repealed and replaced portions of Ordinance Nos. 20071018-008, 20191114-068, and 20210304-079, electing to participate in the Enterprise Zone Program and setting out the incentives for the program.

November 7, 2024- Council approved Ordinance No. 20241107-041 amending the program to update local incentives for the Texas Enterprise Zone Program.

### For More Information:

Sylnovia Holt-Rabb, Director, Economic Development Department, 512-974-3131; Haileigh Meyers, Program Manager II, 512-974-2254.

### Additional Backup Information:

St. David's Healthcare Partnership, L.P., LLP (St. David's) provides healthcare services to patients of all ages with a wide variety of medical conditions. The hospital system employs 10,750 people across the US, of which over 2,100 employees are located at the Enterprise Zone facility located on East 32<sup>nd</sup> Street. Over the next five years, St. David's anticipates job retention, creation and investment noted below. The investment will allow St. David's to invest over \$8,000,000 in the women and children's services department for renovation and upgrading of their current facilities. St. David's expects to retain existing and create new full-time jobs for benefit under the Enterprise Zone Program. St. David's will be seeking benefit for creating 10 full time positions and retaining 490 full time positions.

Council previously nominated this St. David's location for the Enterprise Zone Program, but St. David's application was not accepted into the program. On November 7, 2024, Council adopted Ordinance No. 20241107-041, which adds local incentives to the City's Enterprise Zone Program. These additional local incentives should result in additional points for the state scoring on the application. Therefore, staff is recommending re-nominating this St. David's location.

The State Enterprise Zone designation would not include any additional incentive from the City of Austin. Although the City is required to nominate a company, the State is ultimately responsible for the designation. If

designated by the State, St. David's will be eligible for a refund of State sales and use taxes.

This item requests the City of Austin's support of a Texas Enterprise Zone Single Designation. The Company seeks to submit its Texas Enterprise Zone Application to the Office of the Texas Governor for December 2, 2024, application round.