

Memorandum



DATE November 2, 2018

TO The Honorable Members of the Economic Development & Housing Committee:
Tennell Atkins, Chair, Rickey D. Callahan, Vice-Chair, Lee M. Kleinman,
Scott Griggs, Casey Thomas, II, B. Adam McGough, Mark Clayton, Kevin Felder,
Omar Narvaez

SUBJECT **Texas Enterprise Zone Nomination for PricewaterhouseCoopers LLP**

Summary

On November 28, 2018, City Council will consider the approval of an item authorizing the nomination of PricewaterhouseCoopers LLP located at 2121 Woodall Rodgers Freeway, Dallas, Texas 75201 to receive designation as an Enterprise Project under the Texas Enterprise Zone Act, as amended (Government Code, Chapter 2303) to the Office of the Governor Economic Development and Tourism through the Economic Development Bank.

Background

The City of Dallas has been approached by PricewaterhouseCoopers LLP ("PwC") to nominate by resolution its application for an Enterprise Project designation to the Economic Development Bank, part of the Governor's Office of Economic Development and Tourism. PwC's Dallas office has been located at 2001 Ross Avenue, Dallas, Texas since 1994.

Founded in 1898, PwC has been recognized as a leading professional services firm, providing a wide range of services, which include audit and assurance, tax, advisory, IFRS reporting, valuation, human resources, and forensic services. It serves various industries, such as aerospace and defense; technology, asset, and wealth management; automotive; banking and capital markets; energy and mining; communications; entertainment and media; government and public services; and transportation and logistics.

PwC's Dallas office is currently located at 2001 Ross Avenue, with 1,916 full-time employees and 69 part-time employees. After being in the Dallas market for 70 years, PwC plans to relocate its Dallas office to Park District located at 2121 Woodall Rodgers Freeway. The relocation will allow PwC to create 500 new jobs over the next five years while continuing to provide high quality services to its clients. PwC plans to invest approximately \$61.5 million to complete the relocation. Of the total investment, approximately \$19.5 million will be spent on building materials, \$7.4 million on

construction labor, \$1.6 million on machinery and equipment, \$20 million on furniture and fixtures, \$7.7 million on technology, and \$5.3 million on consulting, security, and other soft costs to relocate the office. The relocation process began in November 2017 and is expected to be complete by January 2019.

An Enterprise Project designation will allow PwC to apply for a rebate of state sales and use tax refunds on qualified expenditures of up to \$2,500 per job created or retained. An Enterprise Project designation has no cost consideration to the City of Dallas.

Section 2303.406(a)(4)(D) of the Texas Government Code allows a project or activity of a qualified business to be designated as an Enterprise Project and receive job retention benefits "if the business has clearly demonstrated that the business is able to employ individuals in accordance with Section 2303.402." To meet this requirement, PwC, located at 2121 Woodall Rodgers Freeway, Dallas, TX (the qualified business site) in Census Tract 1704, Block Group 2, will actively monitor employment to ensure that 35% of new or replacement personnel certified for benefit are residents of an enterprise zone, or veterans, or economically disadvantaged as required during the Texas Enterprise Program designation.

Alternatives

The City may choose to deny the requested nomination. Without a nomination, PwC would not be able to submit an application for an Enterprise Project designation to the Economic Development Bank within the Governor's Office.

Financing

No Cost Consideration to the City.

Coordination

Staff is coordinating with the Economic Development & Tourism team within the Office of the Governor.

Recommendation

Staff recommends approval of an item authorizing the nomination of PwC located at 2121 Woodall Rodgers Freeway, Dallas, Texas 75201 to receive designation as an Enterprise Project under the Texas Enterprise Zone Act.

Should you have any questions, please contact me at (214) 670-1696.



Courtney Pogue, Director
Office of Economic Development

c: The Honorable Mayor and the Members of City Council
T.C. Broadnax, City Manager
Chris Caso, City Attorney (Interim)
Carol A. Smith, City Auditor (Interim)
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizer Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant City Manager
Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
M. Elizabeth Reich, Chief Financial Officer
Nadia Chandler Hardy, Assistant City Manager and Chief of Resilience Officer
Directors and Assistant Directors