

# 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 Brinker International Payroll Company, L.P.**

## Summary

On November 28, 2018, City Council will consider the approval of an item authorizing the nomination of Brinker International Payroll Company, L.P. located at 3000 Olympus Boulevard, Dallas, Texas 75019 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 Brinker International Payroll, L.P. ("Brinker") 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. Brinker, a subsidiary of Brinker International, Inc., has been headquartered at 6820 Lyndon B Johnson Freeway, Dallas, Texas since 1983.

Brinker is one of the world's leading casual dining restaurant companies, owning, developing, operating, and franchising the Chili's Grill & Bar and Maggiano's Little Italy restaurant brands. The company was founded in 1983 and its global headquarters in Dallas also serves as the Restaurant Support Center. Brinker currently employs more than 100,000 team members worldwide with over 1,600 restaurants located in 31 countries and two territories.

Due to size constraints and its aging office infrastructure, Brinker's current headquarters at 6820 Lyndon B Johnson Freeway can no longer function competitively without significant improvements. Therefore, Brinker plans to relocate their offices in early 2019 to a larger space in Dallas' Cypress Waters area at 3000 Olympus Boulevard. Brinker will lease a new four-story, 216,300 square foot built-to-suit office building. Over the next five years, Brinker anticipates making capital

investments of \$7 million in technology equipment and hardware upgrades, including security, necessary to serve their customers more efficiently and effectively.

An Enterprise Project designation will allow Brinker 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, Brinker, located at 3000 Olympus Boulevard, Dallas, TX (the qualified business site) in Census Tract 141.29, Block Group 1, 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.

Brinker currently employs 520 positions at the Dallas headquarters and commits to retain the existing level of employment. Of those jobs, 500 meet the definition of a "retained job" in Texas Government Code § 2303.401(2) because they currently exist, provide and will continue to provide at least 1,820 hours of employment annually, and will be employment positions for the longer of the duration of the project's designation period or three years after the expiration date of the claim period for receipt of state benefit.

### Alternatives

The City may choose to deny the requested nomination. Without a nomination, Brinker 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 Brinker located

at 3000 Olympus Boulevard, Dallas, Texas 75019 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
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| T.C. Broadnax, City Manager                                 | Majed A. Al-Ghafry, Assistant City Manager                                   |
| Chris Caso, City Attorney (Interim)                         | Jon Fortune, Assistant City Manager  |
| Carol A. Smith, City Auditor (Interim)                      | Joey Zapata, Assistant City Manager  |
| Biliera Johnson, City Secretary                             | M. Elizabeth Reich, Chief Financial Officer                                  |
| Preston Robinson, Administrative Judge                      | Nadia Chandler Hardy, Assistant City Manager and Chief of Resilience Officer |
| Kimberly Bizzor Tolbert, Chief of Staff to the City Manager | Directors and Assistant Directors  |