



**CITY OF PLANO
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY				
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory				
Council Meeting Date:		8/22/11		
Department:		Finance		
Department Head		Denise Tacke		
Agenda Coordinator (include phone #): Katherine Crumbley - 7479				
CAPTION				
A Resolution of the City Council of the City of Plano, Texas, nominating Tektronix Texas, LLC ("Tektronix" or the "Company"), to the Office of the Governor, Economic Development and Tourism through the Texas Economic Development Bank for designation as an Enterprise Project under the Texas Enterprise Zone Program pursuant to the Texas Enterprise Zone Act, Texas Government Code, Chapter 2303; and providing an effective date.				
FINANCIAL SUMMARY				
<input checked="" type="checkbox"/> NOT APPLICABLE <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
FISCAL YEAR: 10-11	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	0	0	0	0
Encumbered/Expended Amount	0	0	0	0
This Item	0	0	0	0
BALANCE	0	0	0	0
FUND(S):				
COMMENTS: This item has no fiscal impact. STRATEGIC PLAN GOAL: Assisting companies with economic development incentives relates to the City's goal of strong local economy.				
SUMMARY OF ITEM				
Request for Enterprise Project Nomination for a single project designation based on job retention.				
List of Supporting Documents: Resolution Letter of request			Other Departments, Boards, Commissions or Agencies	

A Resolution of the City Council of the City of Plano, Texas, nominating Tektronix Texas, LLC (“Tektronix” or the “Company”), to the Office of the Governor, Economic Development and Tourism through the Texas Economic Development Bank for designation as an Enterprise Project under the Texas Enterprise Zone Program pursuant to the Texas Enterprise Zone Act, Texas Government Code, Chapter 2303; and providing an effective date.

WHEREAS, on October 27, 2008, the City of Plano (“City”) previously passed Ordinance No. 2008-10-22 electing to participate in the Texas Enterprise Zone Program, and the local incentives offered under this Resolution are the same on this date as were outlined in Ordinance No. 2008-10-22; and

WHEREAS, the Office of the Governor, Economic Development and Tourism (“OOGEDT”) through the Texas Economic Development Bank (“Bank”) will consider Tektronix as an Enterprise Project pursuant to a nomination and an application made by the City; and

WHEREAS, the City desires to pursue the creation of the proper economic and social environment in order to induce the investment of private resources in productive business enterprises located in the City and to provide employment to residents of enterprise zones and to other economically disadvantaged individuals; and

WHEREAS, pursuant to Chapter 2303, Subchapter F of the Texas Enterprise Zone Act, Texas Government Code (the “Act”), Tektronix has applied to the City for designation as an Enterprise Project; and

WHEREAS, the City finds that, based upon representations of Tektronix, the Company is a “qualified business” under Section 2303.402 of the Act since it will be engaged in the active conduct of a trade or business at a qualified business site within the governing body’s jurisdiction located outside of an enterprise zone and at least thirty-five percent (35%) of the business’ new employees will be residents of an enterprise zone or economically disadvantaged individuals; and

WHEREAS, the City finds that Tektronix further meets the criteria for designation as an Enterprise Project under Chapter 2303, Subchapter F of the Act on the following grounds:

- (1) There has been and will continue to be a high level of cooperation between public, private, and neighborhood entities within the area; and
- (2) The designation of Tektronix as an Enterprise Project will contribute significantly to the achievement of the plans of the City for development and revitalization of the area.

WHEREAS, the City finds that Tektronix meets the criteria for tax relief and other incentives adopted by the City and nominates the Company for Enterprise Project status on the grounds that it will be located at the qualified business site, will retain a high level of employment, economic activity and stability; and

WHEREAS, the City finds that it is in the best interest of the City to nominate Tektronix as an Enterprise Project pursuant to the Act.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, THAT:

Section I. The findings of the City and its actions approving this Resolution taken at the Council meeting are hereby approved and adopted.

Section II. The City finds that Tektronix is a “qualified business,” as defined in Section 2303.402 of the Act, and meets the criteria for designation as an Enterprise Project, as set forth in Section 2303, Subchapter F of the Act.

Section III. The City nominates Tektronix as an Enterprise Project.

Section IV. The Enterprise Project shall take effect on September 1, 2011 and terminate on September 1, 2016.

DULY PASSED AND APPROVED this the 22nd day of August, 2011.

Phil Dyer, MAYOR

ATTEST:

Diane Zucco, CITY SECRETARY

APPROVED AS TO FORM:

Diane C. Wetherbee, CITY ATTORNEY

August 5, 2011

Mr. Bruce Glasscock
City Manager
City of Plano
1520 Avenue K
Plano, TX 75074

Re: Request for Application for Enterprise Project Designation

Dear Mr. Glasscock:

Pursuant to Section 2303.404 of the Texas Government Code, Tektronix Texas, LLC ("Tektronix Texas") respectfully requests that the governing body of the City of Plano, Texas ("Plano"), apply to the Texas Economic Development Bank for a five-year Enterprise Project retention designation under the Texas Enterprise Zone Act (the "Act") for its project and/or activity described in this letter. Tektronix Texas is considering an investment of approximately \$7.5 million in new high-tech lab and information technology equipment which is critical to the development of technology solutions for the telecommunication carrier market, the retention of jobs and potential creation of new full-time jobs.

Tektronix Texas is a wholly-owned subsidiary of Tektronix, Inc. ("Tektronix"), which is a majority wholly-owned subsidiary of Danaher Corporation ("DHR"). DHR, a publically traded diversified technology leader, designs, manufactures, and markets innovative products and services with strong brand names and significant market positions, with more than 48,000 employees and operations in 125 countries. This \$13.2 billion company is headquartered in Washington, DC. DHR's business activities encompass four reporting segments: Medical Technologies, Professional Instrumentation, Industrial Technologies and Tools & Components.

Tektronix is a leading supplier of test, measurement, and monitoring technology for the communications, computer, semiconductor, military/aerospace, consumer electronics, education and broadcast fields as well as other fields worldwide. With over 60 years of experience, Tektronix enables its customers to design, build, deploy, and manage next-generation global communications networks, computing and advanced technologies. Headquartered in Beaverton, Oregon, Tektronix has operations in 19 countries around the world.

Tektronix Texas is located in Plano, Texas where it operates a research and development facility at 3033 W. President George Bush Hwy. The facility employs 453 people on a full-time basis and it is Tektronix's only facility located within the State. High-tech research and development, final product assembly, and software integration and testing activities are conducted at the facility. In 2010, total sales of Tektronix Texas were \$248 million.

Incentives will allow the company to lower its cost of investing at this facility and improve various financial metrics which are an important part of the capital investment decision making process. Tektronix Texas plans to create 10 and retain 453 jobs for benefit under the Enterprise Zone Program.

During the five-year Enterprise Project designation period and upon job certification, Tektronix Texas will make reasonable efforts to retain the certified positions and/or replace the certified positions with new, qualifying employees according to the program guidelines.

Thank you for your consideration and assistance. Please do not hesitate to contact me at 469-330-3705 or our consultant Seema Swetlin, Duff & Phelps at 760-918-5961 with any questions you may have.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Naemura", written in a cursive style.

David H. Naemura
Vice President & CFO, Communications & Enterprise Group

c: Sally Bane, City of Plano
c: Diane Wetherbee, City of Plano

August 5, 2011

Mr. Bruce Glasscock
City Manager
City of Plano
1520 Avenue K
Plano, TX 75074

and

Office of the Governor
Economic Development & Tourism
Texas Economic Development Bank
Texas Enterprise Zone Program
1100 San Jacinto
Austin, Texas 78701

Re: Project Description

Dear Mr. Glasscock:

As you know, Tektronix Texas, LLC ("Tektronix Texas") has been working with City of Plano officials regarding current and new investments over the next five years. The investments consist of approximately \$7.5 million in high-tech lab and information technology equipment which is critical to the development of technology solutions for the telecommunication carrier market, the retention of jobs and potential creation of new full-time jobs.

Tektronix Texas respectfully requests that the City of Plano, under the Texas Enterprise Zone Program, nominate its project as an Enterprise Project qualifying for a single project designation based on job retention to the Texas Economic Development Bank. This designation will allow Tektronix Texas to take advantage of exemptions on state sales and use taxes paid on certain items during the five year designation period. This letter is intended to describe the proposed Plano project per the instructions set forth in the Texas Enterprise Project Application.

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Incentives will allow the company to lower its cost of investing at this facility and improve various financial metrics which are an important part of the capital investment decision making process. Tektronix Texas plans to create 10 and retain 453 jobs for benefit under the Enterprise Zone Program and will maintain separate payroll and tax records of the business activity conducted at the qualified business site.

Please accept this project description as a request for your approval and assistance in applying for this designation. Enterprise Project designation requires City Council approval and a state review of an Enterprise Project application.

Thank you for your consideration and assistance. Please do not hesitate to contact me at 469-330-3705 or our consultant Seema Swetlin, Duff & Phelps at 760-918-5961 with any questions you may have.

Sincerely,



David H. Naemura
Vice President & CFO, Communications & Enterprise Group

c: Sally Bane, City of Plano
c: Diane Wetherbee, City of Plano