

Holt Texas, Ltd. Texas Enterprise Zone (TEZ) Nomination



City Council A Session
November 21, 2024 | Agenda Item #16
Brenda Hicks-Sorensen, Director, Economic Development

Background



- Holt began manufacturing construction and agricultural equipment in California in the late 1800's.
- Holt invented the Caterpillar® tractor in 1904 and moved the manufacturing headquarters to Illinois shortly thereafter.
- Holt Texas, Ltd. d.b.a. HOLT CAT, is a distributor of Holt products that has been headquartered in San Antonio since 1963.
- The company employs over 1,000 employees locally and has dealerships around Texas.



Current Project



- Expansion of headquarters campus (5665 SE Loop 410, San Antonio, 78222)
- Retention of 879 full-time jobs
- Investing \$9.75 M in real and personal property
 - Future Ready Holt (“FRH”): investing extensively in software systems to help manage and automate core business processes
 - Including investment of \$1.2 million crane in one of their operations buildings to move heavy machinery and equipment



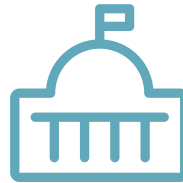
Holt's headquarters on SE Loop 410 and Southcross

Program Background



Texas Enterprise Zone Act

Passed by 73rd Texas Legislature in 1993 to establish TEZ program



State-led program

TEZ is state-run, state-monitored incentive program



Limited designations

105 designations allowed per program biennium, 12 per quarterly round

The Texas Enterprise Zone program is an economic development tool for local communities to partner with the State of Texas to encourage **job creation** and **capital investment** in economically distressed areas of the state.

Texas Enterprise Zone (TEZ)



- Current biennium: September 1, 2023 – August 31, 2025
- COSA Nominations: 9 Allotted
 1. JCB Texas, Inc. - 3 Nominations (Under review by State)
 2. Toyota Motor Manufacturing Texas, Inc. - 2 Nominations (Under review by State)
- Any denied nominations are returned to the City
- Upcoming application deadline: December 2, 2024
- If nomination is approved, potential benefit to Holt = \$609,677

Recommendation

Approval of a Resolution nominating Holt Texas, Ltd. for designation as a Texas Enterprise Zone Project.

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