



MEMORANDUM

To: Mayor and City Council

From: Mindi Hurley, Director of Community Development

Date: August 25, 2026

Reference: Consider approval of an Ordinance establishing the City's participation in the Texas Enterprise Zone Program pursuant to the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code as revised, identifying available tax incentives, designating a liaison for communication with interested parties, and nominating Dave & Buster's I, L.P. to the Office of the Governor, Economic Development and Tourism (EDT) through an Economic Development Bank as an enterprise project, providing for an effective date and authorizing the Mayor to sign.

2040: Pillar 4: Create Economic Vitality Through Strategic Investments

Introduction:

The Texas Enterprise Zone Program (EZIP) is an incentive through the State of Texas. The program is administered through the Office of the Governor and offers a refund of state sales and use tax to encourage private investment and job creation/retention. The refund amount is based on the amount of capital investment and the number of jobs created and/or retained by a business, and the refund is on the portion of sales tax the State of Texas collects, which means there is no impact on the City's portion of sales and use tax that is collected. Dave & Busters I, L.P. has requested a nomination from the City of Coppel to the EZIP.

Background:

The corporate headquarters for Dave & Buster's I, L.P. is currently located at 1221 S. Belt Line Rd. in the City of Coppel. They will be investing approximately \$8 million in building improvements and technology upgrades over the next three years. They will also be adding 10 additional full-time employees. As such, they are interested in applying for the EZIP.

In order for a business to apply for this program, the municipality where the business is located must nominate the business for the EZIP. To nominate a business, the municipality must hold a public hearing and pass an ordinance authorizing the nomination for the specific business. This agenda item fulfills the ordinance requirement.

The State of Texas opens the applications for this competitive program four times per year. Those application deadlines occur on the first business day of March, June, September and December each year. There is a statewide maximum of 105 Texas Enterprise Zone designations per biennium, and a maximum of 12 designations will be approved by the state each quarter. Large cities with a population greater than 250,000 have the ability to have nine designations per biennium. Smaller communities, like Coppell, can only receive six designations per biennium. The City of Coppell has not nominated a business for this program since 2011.

The public hearing was held on August 25, 2026. The nominating ordinance establishes the City's participation in the Texas Enterprise Zone Program, includes a list of potential incentives that a business could receive in the City of Coppell if the City provided incentives to that particular business, designates a liaison for communication with interested parties, nominates Dave & Buster's for the program to the Office of the Governor, provides an effective date and authorizes the Mayor to sign.

Benefit to the Community:

Increased tax revenue from the capital investment being made by Dave & Buster's, and this is an opportunity to retain a corporate headquarters in Coppell with no impact to the City's budget.

Legal Review:

The City attorney was briefed on the EZP nomination for Dave & Buster's I, L.P.

Fiscal Impact:

N/A

Recommendation:

Staff recommends approval.