



**CITY OF TYLER
CITY COUNCIL COMMUNICATION**

Agenda Number: R-2

Date: September 27, 2006

Subject: Request that the City Council consider adopting a Resolution expressing community appreciation for the Goodyear Tire and Rubber Company facility and authorizing support of the retention of this major employer in Tyler, Texas.

Page: 1 of 1

Item Reference:

Since 1962, there has been a tire production facility in Tyler. Currently it employs close to 1,100 employees. As a result of both management and labor force efforts, the plant has become one of the most productive facilities in the Goodyear North American system.

The economic impact of the Tyler plant and its workers is of vital importance to the City of Tyler and the surrounding area. The annual payroll impact of approximately \$70 million is only part of the plant's annual expenditures, which also include purchase of local supplies and services, utilities, and local taxes. Goodyear has announced that at least two of their North American plants will be closed in the next year. The Tyler plant is among the plants being considered for closure. However, the plants that remain open will be eligible for new investment in production equipment by Goodyear in the range of \$75 to \$150 million.

The Tyler Goodyear plant has been an excellent corporate partner for Tyler and this area and the individual contributions of its employees have enriched this community by their involvement and volunteer activities. A Resolution of support for retaining the Goodyear plant in Tyler will be presented at the City Council meeting.

RECOMMENDATION:

It is recommended that the City Council express its support for the retention of the Goodyear Tire and Rubber Tyler plant by adopting a Resolution which demonstrates appreciation and authorizes certain incentives.

**Drafted/Recommended By:
Department Leader**

A handwritten signature in black ink that reads "Mark McDaniel".

Mark McDaniel, Deputy City Manager

**Edited/Submitted By:
City Manager**

RESOLUTION NO. R-2006-22

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TYLER, TEXAS EXPRESSING SUPPORT FOR THE RETENTION OF THE TYLER GOODYEAR TIRE & RUBBER FACILITY, AUTHORIZING AN ECONOMIC DEVELOPMENT INVESTMENT, AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the over one thousand employees of the Tyler Goodyear Tire & Rubber plant have made valuable contributions to the economic and overall welfare of the Tyler area; and

WHEREAS, since 1962 the plant and its employees have contributed millions to the area economy; and

WHEREAS, the continuing efforts of administration and workers have resulted in the plant becoming one of the most productive among the Goodyear North American plants; and

WHEREAS, the loss of the plant and its economic impact would be a serious setback to the area economy; and

WHEREAS, Goodyear Tire & Rubber Company intends to invest \$75-\$100 million in new production equipment for plants that remain open;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TYLER, TEXAS AS FOLLOWS:

PART 1. That the City Council hereby expresses its support for the continued location in the Tyler area of the Goodyear Tire & Rubber facility, authorizes City funded incentives in the amount of \$200,000.00 per year for three years to be equally matched by the Tyler Economic Development Council as part of a community economic development package to retain the facility, and authorizes the Mayor and City staff to share this Resolution with all appropriate persons as well as continue their efforts to retain the facility in Tyler.

PART 2. That this Resolution shall take effect immediately upon its adoption.

ADOPTED this 27th day of September, 2006 A.D.

JOSEPH O. SEEBER, MAYOR
CITY OF TYLER, TEXAS

A T T E S T :

APPROVED:

CITY CLERK

GARY C. LANDERS, CITY ATTORNEY