
City Council Regular Meeting

DEPARTMENT: Economic Development

FROM: Alex Philips, Economic Development Director

MEETING: December 9, 2024

SUBJECT:

Consider approval of a resolution ratifying the 4A Economic Development Corporations Board's actions taken on the approval of a Performance Agreement between the Burleson 4A Economic Development Corporation and Paris Baguette U.S.A., Inc. for a 267,000 square foot food manufacturing facility located on Vantage Drive in Highpoint Business Park in Burleson, Texas. *(Staff Presenter: Alex Philips, Economic Development Director)*

SUMMARY:

Paris Baguette U.S.A., Inc. has executed a land sale contract for approximately 30 acres located in Highpoint Business Park adjacent to Golden State Foods. They are proposing to build a 267,000 square foot food manufacturing facility in two phases and employ 450 new full-time employees at full build out with an average wage of \$49,780. The company plans to invest a minimum of \$165 million dollars for the building and equipment.

Paris Baguette is a French inspired bakery café with South Korean roots. They currently serve over 4,000 locations including 170 stores in the United States. The company has a goal of 1,000 stores in the United States by 2030. This would be the first North American manufacturing facility and would serve locations in the United States and Canada.

In order to receive the proposed incentives, Paris Baguette U.S.A., Inc will be required to adhere to the following conditions:

- Design and construct the Development in substantial conformance with the criteria and development standards set forth in the ordinances of the City of Burleson and applicable state and federal laws.
- Design and construct the Development in substantial conformance with the Concept Plan included in the agreement.
- Operate the Development in substantial conformance with the criteria and development standards set forth in the ordinances of the City of Burleson and applicable state and federal laws.

- Paris Baguette U.S.A, Inc. to close on the property by January 31, 2025.
- Paris Baguette U.S.A, Inc to submit the building plans of Phase 1 at least 150,000 square feet food manufacturing facility for the development by April 30, 2025.
- Paris Baguette U.S.A, Inc to commence construction on Phase 1 by June 30, 2025.
- Paris Baguette U.S.A, Inc., to complete the construction of at least 150,000 square foot food manufacturing facility with a capital investment of at least \$110 million dollars by December 31, 2027.
- Paris Baguette U.S.A, Inc to submit the building plans of Phase 2 at least 117,000 square feet food manufacturing facility for the development by March 1, 2028.
- Paris Baguette U.S.A, Inc to commence construction on Phase 2 by January 1, 2029.
- Paris Baguette U.S.A, Inc., to complete the construction of at least 117,000 square foot food manufacturing facility with a capital investment of at least \$55 million dollars by December 31, 2029.
- Paris Baguette U.S.A, Inc., to employ 125 FTEs as of the first anniversary of the Opening Date.
- Paris Baguette U.S.A, Inc., to employ 250 FTEs as of the third anniversary of the Opening Date.
- Paris Baguette U.S.A, Inc., to employ 450 FTEs as of the tenth anniversary of the Opening Date.

As performance measures are met, Paris Baguette U.S.A., Inc. would receive the following incentives:

- Upon closing of the acquisition of the Land and the Company's submittal of building plans, civil engineering plans, and other planning documents for the construction and development of the Improvements to the City, EDC shall provide the Company with a cash grant of Three Hundred Thousand Dollars (\$300,000).
- Upon the Company's receipt of the building permit for the Phase 1 Facility, EDC shall provide the Company with a cash grant of One Hundred Eighty Thousand Dollars (\$180,000).
- Upon the City's completion of the inspection and approval of the foundation for the Phase 1 Facility, EDC shall provide the Company with a cash grant of Three Hundred Sixty Thousand Dollars (\$360,000).

- Upon the Company's receipt of the Certificate of Occupancy for the Phase 1 Facility, EDC shall provide the Company with a cash grant of Three Hundred Sixty Thousand Dollars (\$360,000)
- Upon the company closing on the 7-acre tract the EDC shall provide the company a cash grant of One Hundred Thousand Dollars (\$100,000)
- Upon the Company's receipt of the building permit for the Phase 2 Facility, EDC shall provide the Company with a cash grant of One Hundred Eighty Thousand Dollars (\$580,000).
- Upon the Company's full payment of all applicable fees imposed by the City related to the construction of the Improvements, EDC shall provide the Company with a cash grant to reimburse up to One Hundred Fifty Thousand Dollars (\$150,000) of such fees.
- Upon completion of the gas line extension to the Land by Atmos Energy Corporation or any other gas utility provider designated by the Company, EDC shall provide the Company with a cash grant to reimburse up to Three Hundred Thousand Dollars (\$300,000) of the extension costs.
- Upon the Company's receipt of the Certificate of Occupancy for the Phase 2 Facility, EDC shall provide the Company with a cash grant of Five Hundred Thousand Dollars (\$500,000)
- Upon the Company's hiring of 125 FTEs, EDC shall provide the Company with a cash grant of Five Hundred Thousand Dollars (\$500,000).
- Upon the Company's hiring of 250 FTEs, EDC shall provide the Company with a cash grant of Two Hundred Fifty Thousand Dollars (\$250,000)
- Upon the Company's hiring of 450 FTEs, EDC shall provide the Company with a cash grant of Two Hundred Fifty Thousand Dollars (\$250,000).
- Upon the first anniversary of the Company's receipt of the Certificate of Occupancy for the Phase 2 Facility, EDC shall provide the Company with a cash grant of Three Hundred Twenty Thousand Dollars (\$320,000).

The Burleson 4A Economic Development Corporation is under contract on 10 acres that is adjacent to the future site of this development. Part of the agreement is once the Burleson 4A closes and acquires the ten acres the Burleson 4A will offer a Right of First Refusal to Paris Baguette for a period of ten years on 7 acres of the acquired land.

OPTIONS:

- 1) Approve as presented
- 2) Deny

RECOMMENDATION:

Staff recommends approving the Performance Agreement.

PRIOR ACTION/INPUT (Council, Boards, Citizens):

N/A

FISCAL IMPACT:

The incentives offered to Paris Baguette U.S.A, Inc. (\$4,150,000) will be budgeted over a period of ten years out of the Burleson 4A Economic Corporation planned incentives.

STAFF CONTACT:

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