
Economic Development Corporation (Type A)

DEPARTMENT: Economic Development

FROM: Alex Philips, Economic Development Director

MEETING: March 24, 2025

SUBJECT:

Consider approval of a Performance Agreement between the Burleson 4A Economic Development Corporation and KMP Plumbing, LLC., Inc. for a 20,000 square foot service center and corporate headquarters facility located on Vantage Drive in Highpoint Business Park in Burleson, Texas. (*Staff Presenter: Alex Philips, Economic Development Director*)

SUMMARY:

KMP Plumbing, LLC is a family owned business specializing in residential and commercial plumbing and heating & air. They have been established in Mansfield, Texas since 1985. Their goal is to provide outstanding customer service from the first contact to the completion of the job.

KMP Plumbing is growing and they are needing more space for the future. They are proposing to purchase a 7-acre tract from the Burleson 4A Economic Development Corporation for \$1,200,000 for the development of the service center and corporate headquarters. The development would consist of a 20,000 square foot facility with a \$6 million-dollar capital investment. The company currently employs 73 full time employees and produces approximately \$120,000 a year in sales tax. KMP Plumbing has requested an incentive package to aid in their relocation to Highpoint Business Park.

In order to receive the proposed incentives, KMP Plumbing, LLC 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.
- 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.
- KMP Plumbing, LLC to close on the property by May 31, 2025.

- KMP Plumbing, LLC, Inc to submit the building and civil plans for the development by June 30, 2025.
- KMP Plumbing, LLC, Inc to commence construction by October 31, 2025.
- KMP Plumbing, LLC shall pour a building foundation acceptable to the City's building official on or before February 28, 2026.
- KMP Plumbing, LLC, to complete the construction of the facility with a capital investment of at least \$6 million dollars by October 31, 2026.
- The Company shall operate the Facility as a plumbing, heating, and air business and distributor and maintain the Facility as its sole corporate headquarters for at least five (5) years after the issuance of a Certificate of Occupancy for the Facility
- Within forty-five (45) days of the issuance of a Certificate of Occupancy for the Facility, the Company shall have at least seventy (70) FTEs at the Facility, and no later than the expiration of the Term, the Company shall have at least thirty (30) or more FTEs for a total of one hundred (100) FTEs

As performance measures are met, KMP Plumbing, LLC would receive the following incentives:

- Upon the Company's receipt of the building permit for the Facility, EDC shall provide the Company with a cash grant of Four Hundred Thousand Dollars (\$400,000).
- Upon the City's completion of the inspection and approval of the foundation for the Facility, EDC shall provide the Company with a cash grant of Four Hundred Thousand Dollars (\$400,000).
- Upon the Company's receipt of the Certificate of Occupancy for the Facility, EDC shall provide the Company with a cash grant of Four Hundred Thousand Dollars (\$400,000).
- 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 Thousand Dollars (\$100,000) of such fees, not including impact fees.
- Upon the Company providing written proof that it has hired the additional 30 FTE's requirement set forth in Section 4.01(H), the EDC shall provide the Company with a cash grant of Two Hundred Thousand Dollars (\$200,000).

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 KMP Plumbing, LLC (\$1,500,000) will be budgeted over a period of 5 years out of the Burleson 4A Economic Corporation planned incentives.

STAFF CONTACT:

Alex Philips
Economic Development Director
aphilips@burlesontx.com
817-426-9613