

Regular Tomball EDC

Agenda Item

Data Sheet

Meeting Date: July 12, 2022

Topic:

Consideration and possible action by Tomball EDC to approve, as a Project of the Corporation, an agreement with Rehab Garage LLC to make direct incentives to, or expenditures for, the promotion of new or expanded business enterprises associated with the expansion of an office/warehouse facility located at 723 South Cherry Street, Tomball, TX. The estimated amount of expenditures for such Project is an amount not to exceed \$18,639.00.

- Public Hearing

Background:

Rehab Garage LLC was formed in 2014 and has become one of the largest Classic Car Restoration shops in the nation. The company relocated to Tomball in 2017 after purchasing a 5-acre tract with an existing 27,125 square foot facility located at 723 S. Cherry Street.

In April 2022, Rehab Garage began phase one of their expansion plans which included a 7,200 square foot building addition. The Owner and Managing Member, Mr. William Patterson, has submitted a request for grant assistance to help facilitate phase two of the company's expansion plans. The proposed expansion includes a 22,500 square foot office/warehouse facility as well as major drainage and property improvements. The new building will be expanding their business services to include classic and exotic car storage and care.

Rehab Garage, LLC currently has eighteen (18) full-time employees and plans to add an additional eight (8) employees in conjunction with the expansion. The estimated capital investment for this project is \$1,675,000.00.

Although this project does not create primary jobs, it does promote the development and expansion of business enterprise, which is considered a permissible project as outlined in Texas Economic Development Legislation. If this project is approved, it will go to the Tomball City Council for final approval by resolution at two separate readings.

An economic impact analysis has been prepared to show the impact of this expansion project on Tomball's economy. Per the analysis, the estimate five-year net benefit to the city is \$62,130.00. The proposed incentive is \$18,639.00, based upon 30% of the five-year net benefit to the community. The anticipated rate of return on the incentive over 5 years is 52.9%.

Origination: Will Patterson, Owner/ Managing Member, Rehab Garage LLC

Recommendation: Staff recommends approval of the proposed Performance Agreement with Rehab Garage LLC

Party(ies) responsible for placing this item on agenda: Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: #Project Grants

If no, funds will be transferred from account # _____ To account # _____

Signed	_____	Approved by	_____
	Staff Member-TEDC		Executive Director-TEDC
	Date		Date