

AGENDA REPORT

Meeting Date: April 25, 2025

Item Number: C

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Subject

Consider and act upon a Performance Agreement between the WEDC and Sands RX, LLC.

Recommendation

Motion to approve a Performance Agreement between the WEDC and Sands RX, LLC.

Discussion

As the Board will recall, the WEDC approved a Performance Agreement with Project 2024-7a (Sands RX, LLC) in an amount not to exceed \$40,000, subject to City Council approval, on September 18, 2024. Additionally, on October 8, 2024, City Council authorized the WEDC to enter into a Performance Agreement with Project 2024-7a in an amount not to exceed \$40,000. For clarity, Staff is simply bringing this item back to the consent agenda with the inclusion of the LLC name, as both former approvals were tied only to "Project 2024-7a".

Sands RX, LLC plans to invest over \$600,000 in the project and hire ten additional employees over the next several months.

The Performance Measures and Incentive Payments are identified as follows:

Incentive No. 1 \$40,000

- Proof of Certificate of Completion by July 1, 2025; and
- Proof of Qualified Infrastructure investment of no less than \$600,000; and
- Proof of 10 additional employees over its baseline employment of 35; and
- Company is current on all ad valorem taxes and other property taxes.

Should Sands RX, LLC fail to meet the Performance Measures for Incentive No. 1, the entire Performance Agreement is voided in advance. Further, no partial incentive payments will be provided.

Economic Impact Analysis (EIA): The estimated valuation for this project is approximately \$150/SF or \$804,150. With the WEDC's Infrastructure Reimbursement of \$40,000, this project will generate an estimated \$126,114 in overall tax revenue for the City of Wylie over the next 10 years. For every \$1 that the WEDC invests, this developer is investing \$3.50 in our community.

Additional estimates of tax revenue generated include \$17,148 for Collin County, \$88,790 for WISD, and \$7,568 for Collin College over the next 10 years. So for every \$1 that the WEDC invests, this developer is investing \$5.99 in our taxing district.