

**AGENDA REPORT**

<b>Meeting Date:</b>	<u>September 21, 2022</u>	<b>Item Number:</b>	<u>1</u>
<b>Department:</b>	<u>WEDC</u>		<i>(Staff Use Only)</i>
<b>Prepared By:</b>	<u>Jason Greiner</u>	<b>Account Code:</b>	<u></u>
<b>Date Prepared:</b>	<u>9-15-22</u>	<b>Exhibits:</b>	<u>1</u>

**Subject**

Consider and act upon a Performance Agreement between the WEDC and American Entitlements, LLC.

**Recommendation**

Motion to approve a Performance Agreement between the WEDC and American Entitlements, LLC. Providing for a maximum incentive of \$35,000 and further authorizing the WEDC Executive Director to execute said Agreement.

**Discussion**

As the Board will recall, WEDC staff initially presented Project 2021-12b back in December of 2021. After further analysis and Board direction, staff took the project to City Council on March 22, 2022. City Council authorized the WEDC to enter into a Performance Agreement in an amount not to exceed \$35,000.

The Board previously approved Project 2019-3a which authorized a Performance Agreement with American Entitlements. This Performance Agreement provided a maximum incentive of \$33,000 related to the renovation of an existing 4,386 square foot office building in Historic Downtown Wylie, more specifically 108 W. Marble Street in Wylie, Texas. Mr. Tobias added 40 employees (33 new hires) and invested over \$100,000 in the downtown district.

American Entitlements has requested assistance from the WEDC specifically related to additional real and personal property improvements consisting of adding a 1,300 sq ft addition to the existing structure and adding 35 new employees over the next three years.

The Performance Measures and Incentive Payments are identified as follows:

**Incentive No. 1** - Company shall receive \$1,000 for every new FTE position created over the base employment of forty (40) employees (prior to 3-31-23).

- Proof of Certificate of Occupancy by March 31, 2023; and

- Project Cost of no less than \$200,000; and
- Company is current on all ad valorem taxes and other property taxes.

**Incentive No. 2** - Company shall receive \$1,000 for every new FTE position added above the previous year's baseline employment (between 4/1/23 and 3/31/24).

- Proof of ongoing operations one year from the anniversary of CO; and
- Company is current on all ad valorem taxes and other property taxes.

**Incentive No. 3** - Company shall receive \$1,000 for every new FTE position added above the previous year's baseline employment (between 4/1/24 and 3/31/25).

- Proof of ongoing operations two years from the anniversary of CO; and
- Company is current on all ad valorem taxes and other property taxes.

**Incentive No. 4** - Company shall receive \$1,000 for every new FTE position added above the previous year's baseline employment (between 4/1/25- and 3/31/26).

- Proof of ongoing operations three years from the anniversary of CO; and
- Company is current on all ad valorem taxes and other property taxes.

The Performance Agreement will expire once the maximum \$35,000 Incentive has been met. Should American Entitlements 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): With the WEDC's Incentive of \$35,000, this project will generate an estimated \$272,490 in overall tax revenue for the City of Wylie over the next 10 years. For every \$1 that the WEDC invests, this business is investing \$7.78 in our community.*