

Wylie Economic Development Board

AGENDA REPORT

Meeting Date:	January 18, 2023	Item Number:	3	
Department:	WEDC		(Staff Use Only)	
Prepared By:	Jason Greiner	Account Code:		
Date Prepared:	January 13, 2023	Exhibits:	_1	

Subject

Consider and act upon a Performance Agreement between the WEDC and CLF II LI Wylie Owner, LLC.

Recommendation

Motion to approve a Performance Agreement between the WEDC and CLF II LI Wylie Owner, LLC providing for a maximum incentive of \$1.3 MM and further authorizing the WEDC Executive Director to execute said Agreement.

Discussion

As the Board will recall, WEDC staff initially presented Project 2021-12a back in December of 2021. After further analysis and Board direction, staff took the project to City Council on March 22, 2022. In accordance with Resolution No. 2019-17(R), the Wylie City Council authorized the WEDC to formalize negotiations with CLF II LI Wylie Owner, LLC and enter into a Performance Agreement with the same.

Lovett Industrial originally requested assistance from the WEDC specifically related to the construction of a large distribution facility Hwy 78 between Anson Pkwy and Wylie East Boulevard, just across the highway from the KCS Intermodal. The overall project will create four commercial lots and accommodate the construction of a new 274,000 square foot distribution facility. CLF II LI plans to invest over \$30 million on the project which is anticipated to be complete by mid-2024. Infrastructure included in the project includes three TxDOT deceleration lanes, one signal relocation, the reconstruction of Anson Parkway and median improvements on Wylie East. Additionally, the project is also tied to the installation of natural gas that will be extended up Wylie East and throughout the site to better serve the future tenants of those commercial pad sites. These improvements will add value to the neighboring tracts of land and maximize the buildable square footage on the adjacent properties.

The attached Agreement outlines a \$1,300,000 infrastructure reimbursement incentive and the Performance Measures are identified as follows:

Incentive No. 1 - \$650,000

- > Proof of Certificate of Completion (CC) 18 months after the effective date; and
- ➤ Proof of installation (and acceptance) of the Qualified Infrastructure
 - o TxDOT Decel Lanes, Anson Pkwy Improvements, Gas Main Extension
- ➤ Proof Company is current on all ad valorem taxes

Incentive No. 2 –\$650,000

- ➤ Proof of continuous ownership 12 months after CC
 - o Or proof that they conveyed ownership of the property, and that the new owner has maintained ownership through the first anniversary of the CC.
- Proof Company is current on all ad valorem taxes

Economic Impact Analysis (EIA): While this project plans to invest \$30MM, the estimated valuation is roughly \$20MM. With the WEDC's Infrastructure Reimbursement of \$1,300,000, this project will generate an estimated \$4.4MM 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 \$3.38 in our community. It is important to note that all of our financial assistance is going toward offsite infrastructure and that we are investing Sales Tax to eliminate the future need of the City to improve Anson Parkway utilizing Property Taxes.

Additional estimates of tax revenue generated includes \$598k for Collin County, \$5MM for WISD, and \$273k for Collin College over the next 10 years.