



**BRAZOS VALLEY**  
ECONOMIC DEVELOPMENT  
CORPORATION

# 2018 Incentives Compliance Report

May 2019 – BVEDC Board of Directors

# Overview

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- For 2018, seven (7) projects under agreement are being monitored for performance compliance by the Brazos Valley Economic Development Corporation on behalf of Brazos County, the City of Bryan, and the City of College Station

# 2018 Compliance Report – Advanta US



## Incentive:

| BVEDC Incentives Grant  |               |
|-------------------------|---------------|
| MILESTONE               | AMOUNT        |
| Ribbon Cutting          | \$25,000 Paid |
| Texas A&M R&D Agreement | \$50,000      |

## Milestone Notes

November 2016 announcement to establish global biotech R&D center in College Station. January 2018 facility ribbon cutting ceremony.

## Performance Metrics:

|      | PAYROLL     |             | INVESTMENT VALUE |             | EMPLOYMENT |        |
|------|-------------|-------------|------------------|-------------|------------|--------|
|      | * REQUIRED  | ACTUAL      | * REQUIRED       | ACTUAL      | * REQUIRED | ACTUAL |
| 2017 | \$2,300,000 | \$2,415,775 | \$2,800,000      | \$2,804,274 | 20         | 25     |
| 2018 | \$2,300,000 | \$2,302,530 | \$0              | \$1,015,740 | 20         | 27     |
| 2019 | \$2,300,000 |             | \$2,000,000      |             | 20         |        |
| 2020 | \$2,300,000 |             | \$2,000,000      |             | 20         |        |
| 2021 | \$2,300,000 |             | \$2,000,000      |             | 20         |        |
| 2022 | \$2,300,000 |             | \$2,000,000      |             | 20         |        |

- \$80,000 avg annual salary requirement: \$85,279 (2018)
- 2018 Company Valuation of Property: \$3,089,717



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# 2018 Compliance Report – Axis Pipe & Tube



## Incentive:

| Brazos County - Tax Abatement |      |      |     |
|-------------------------------|------|------|-----|
| 2013                          | 100% | 2018 | 70% |
| 2014                          | 100% | 2019 | 70% |
| 2015                          | 100% | 2020 | 50% |
| 2016                          | 100% | 2021 | 40% |
| 2017                          | 80%  | 2022 | 30% |

## City of Bryan - Non-Annexation Agreement

During first 3 years of Agreement (2013, 2014 and 2015), no payment to the City. For every year thereafter, the payment is equivalent of 50% of the amount the City would have collected in Ad Valorem tax that year.

## Performance Metrics:

|      | PAYROLL      |              | INVESTMENT VALUE |               | EMPLOYMENT |        |
|------|--------------|--------------|------------------|---------------|------------|--------|
|      | * REQUIRED   | ACTUAL       | * REQUIRED       | BCAD          | * REQUIRED | ACTUAL |
| 2013 | 0            | \$37,150     | 0                | \$1,393,920   | 0          | 5      |
| 2014 | 0            | \$5,176,813  | 0                | \$8,260,230   | 0          | 145    |
| 2015 | 0            | \$8,396,837  | 0                | \$179,046,540 | 0          | 142    |
| 2016 | \$10,545,000 | \$9,562,718  | \$120,000,000    | \$281,564,050 | 285        | 149    |
| 2017 | \$10,545,000 | \$11,472,493 | \$120,000,000    | \$262,073,740 | 285        | 204    |
| 2018 | \$10,545,000 | \$14,957,434 | \$120,000,000    | \$275,242,110 | 285        | 291    |
| 2019 | \$10,545,000 |              | \$120,000,000    |               | 285        |        |
| 2020 | \$10,545,000 |              | \$120,000,000    |               | 285        |        |
| 2021 | \$10,545,000 |              | \$120,000,000    |               | 285        |        |
| 2022 | \$10,545,000 |              | \$120,000,000    |               | 285        |        |

2018 performance exceeds contracts' benchmark valuation+salary formula



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# 2018 Compliance Report – FUJIFILM Diosynth Biotechnologies Texas @ Biocorridor

## Incentive:

| Brazos County - Cash Incentive |          |      |          | Bryan - Cash Incentive |         |      |         | College Station - Cash Incentive |          |      |          |
|--------------------------------|----------|------|----------|------------------------|---------|------|---------|----------------------------------|----------|------|----------|
| 2017                           | \$266.2K | 2021 | \$207.0K | 2017                   | \$74.0K | 2021 | \$57.6K | 2017                             | \$196.8K | 2021 | \$153.0K |
| 2018                           | \$236.6K | 2022 | \$207.0K | 2018                   | \$65.8K | 2022 | \$57.6K | 2018                             | \$174.9K | 2022 | \$153.0K |
| 2019                           | \$207.0K | 2023 | \$147.9K | 2019                   | \$57.6K | 2023 | \$41.1K | 2019                             | \$153.0K | 2023 | \$109.3K |
| 2020                           | \$207.0K |      |          | 2020                   | \$57.6K |      |         | 2020                             | \$153.0K |      |          |

## Performance Metrics:

|      | PAYROLL     |              | INVESTMENT VALUE |                | EMPLOYMENT |        |
|------|-------------|--------------|------------------|----------------|------------|--------|
|      | REQUIRED    | ACTUAL       | REQUIRED         | BCAD           | REQUIRED   | ACTUAL |
| 2015 | 0           | N/A          | 0                | N/A            | 0          | N/A    |
| 2016 | 0           | \$7,462,958  | 0                | * \$84,000,000 | 0          | 92     |
| 2017 | 0           | \$12,000,000 | \$70,000,000     | \$26,045,160   | 0          | 153    |
| 2018 | \$6,000,000 | \$16,800,000 | \$70,000,000     | \$83,970,590   | 100        | 174    |
| 2019 | \$6,000,000 |              | \$70,000,000     |                | 100        |        |
| 2020 | \$6,000,000 |              | \$70,000,000     |                | 100        |        |
| 2021 | \$6,000,000 |              | \$70,000,000     |                | 100        |        |
| 2022 | \$6,000,000 |              | \$70,000,000     |                | 100        |        |
| 2023 | \$6,000,000 |              | \$70,000,000     |                | 100        |        |

- BCAD 2017 valuation reflected partial facility and only real property – While the Company reported \$73,236,000 improvements (real + personal property), the Company opted to not challenge BCAD 2017 valuation and consequently, opted to forgo 2017 incentives.
- BCAD 2018 valuation reflects updated valuation of facility complex.



# 2018 Compliance Report – LSPI



## BVEDC Incentive - Paid

- \$31,250 - Bldg Permit
- \$31,250 - CO Issued

### Brazos County – Tax Abatement Cash Incentive (as % of ad valorem taxes assessed/paid)

| Year | Percentage | Year | Percentage |
|------|------------|------|------------|
| 2018 | 100%       | 2022 | 40%        |
| 2019 | 70%        | 2023 | 30%        |
| 2020 | 60%        | 2024 | 20%        |
| 2021 | 50%        | 2025 | 10%        |

### City of Bryan – Tax Abatement Cash Incentive (Application of Tier 1 Percentage / Due to Construction by 12.31.17)

| Year | Percentage | Year | Percentage | Year | Percentage |
|------|------------|------|------------|------|------------|
| 2018 | 100%       | 2021 | 50%        | 2024 | 20%        |
| 2019 | 70%        | 2022 | 40%        | 2025 | 10%        |
| 2020 | 60%        | 2023 | 30%        |      |            |

## CoB 381 Agreement

- \$75K Rebate
- Development Fees (CO Issued)

## Performance Metrics:

| Year   | New PAYROLL |             | INVESTMENT VALUE |              | New EMPLOYMENT |        |
|--------|-------------|-------------|------------------|--------------|----------------|--------|
|        | * REQUIRED  | ACTUAL      | * REQUIRED       | BCAD         | * REQUIRED     | ACTUAL |
| 2016   | 0           | N/A         | 0                | N/A          | 0              | N/A    |
| 2017   | \$1,500,000 | \$1,697,142 | 0                | \$4,489,720  | 24             | 28     |
| 2018   | \$1,500,000 | \$2,464,386 | \$20,000,000     | \$41,962,870 | 24             | 59     |
| 2019   | \$1,500,000 |             | \$20,000,000     |              | 24             |        |
| 2020   | \$1,500,000 |             | \$20,000,000     |              | 24             |        |
| 2021   | \$1,500,000 |             | \$20,000,000     |              | 24             |        |
| 2022   | \$1,500,000 |             | \$20,000,000     |              | 24             |        |
| 2023*  | \$1,500,000 |             | \$20,000,000     |              | 24             |        |
| 2024   | \$1,500,000 |             | \$20,000,000     |              | 24             |        |
| 2025** | \$1,500,000 |             | \$20,000,000     |              | 24             |        |

### Contract End Dates

\* BVEDC

\*\* County/CoB-1<sup>st</sup> Tier

- NOV 2017 ribbon cutting (met DEC 2017 requirement)
- \$62.4M facility investment (met \$25M requirement)
- BVEDC cash incentives paid



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# 2018 Compliance Report – Nutrabolt



## Incentive:

| City of Bryan - Tax Abatement |      |      |     |
|-------------------------------|------|------|-----|
| 2014                          | 100% | 2019 | 30% |
| 2015                          | 100% | 2020 | 20% |
| 2016                          | 90%  | 2021 | 20% |
| 2017                          | 80%  | 2022 | 10% |
| 2018                          | 70%  | 2023 | 10% |

| City of Bryan - Cash Incentive                     |  |
|--|--|
| \$49,240 upon Issuance of Certificate of Occupancy |  |

## BVEDC - Cash Incentive

|                |                 |                                      |
|----------------|-----------------|--------------------------------------|
| Installment #1 | \$15,000        | Start of construction                |
| Installment #2 | \$37,500        | Issuance of Certificate of Occupancy |
| Installment #3 | \$10,000        | End of one year of full operations   |
| <b>Total</b>   | <b>\$62,500</b> |                                      |

## Brazos County – Tax Abatement Cash Incentive (as % of ad valorem taxes assessed/paid)

|      |     |      |     |      |     |
|------|-----|------|-----|------|-----|
| 2017 | 90% | 2020 | 30% | 2023 | 20% |
| 2018 | 80% | 2021 | 30% |      |     |
| 2019 | 40% | 2022 | 20% |      |     |

## Performance Metrics:

|      | PAYROLL     |              | INVESTMENT VALUE |              | EMPLOYMENT |        |
|------|-------------|--------------|------------------|--------------|------------|--------|
|      | Required    | Actual       | Required         | BCAD         | Required   | Actual |
| 2013 | 0           | N/A          | 0                | \$577,970    | 0          | N/A    |
| 2014 | 0           | \$7,576,429  | \$9,000,000      | \$5,037,260  | 0          | 86     |
| 2015 | 0           | \$9,481,548  | \$9,000,000      | \$9,807,830  | 0          | 110    |
| 2016 | \$3,000,000 | \$11,543,766 | \$9,000,000      | \$9,263,240  | 75         | 120    |
| 2017 | \$3,000,000 | \$16,726,790 | \$9,000,000      | \$9,319,300  | 75         | 140    |
| 2018 | \$3,000,000 | \$9,870,956  | \$9,000,000      | \$10,087,290 | 75         | 106    |
| 2019 | \$3,000,000 |              | \$9,000,000      |              | 75         |        |
| 2020 | \$3,000,000 |              | \$9,000,000      |              | 75         |        |
| 2021 | \$3,000,000 |              | \$9,000,000      |              | 75         |        |
| 2022 | \$3,000,000 |              | \$9,000,000      |              | 75         |        |
| 2023 | 0           |              | \$9,000,000      |              | 0          |        |

Improvements exclude value of land:  
\$1,393,920



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# 2018 Compliance Report – ViaSat



## Incentives:

| Brazos County 381 Agreement* and City of Bryan/College Station 380 Agreements |     |          |   |
|---|-----|----------|---|
| County and Cities Cash Incentives<br>(as % of ad valorem taxes assessed/paid) |     | (cont'd) | County and Cities Cash Incentives<br>(as % of ad valorem taxes assessed/paid) |
| 2019  | 80% | 2022     | 30%   |
| 2020  | 60% | 2023     | 20%   |
| 2021  | 40% | 2024     | 10%   |

## Performance Metrics:

|             | New PAYROLL |                     | INVESTMENT VALUE |                     | New EMPLOYMENT |            |
|-------------|-------------|---------------------|------------------|---------------------|----------------|------------|
|             | * REQUIRED  | ACTUAL              | * REQUIRED       | BCAD                | * REQUIRED     | ACTUAL     |
| 2016        | 0           | N/A                 | 0                | N/A                 | 0              | N/A        |
| 2017        | 0           | N/A                 | 0                | \$1,498,460         | 0              | 26         |
| <b>2018</b> | <b>0</b>    | <b>\$20,910,000</b> | <b>0</b>         | <b>\$12,235,320</b> | <b>0</b>       | <b>243</b> |
| 2019        | 0           |                     | \$15,000,000     |                     | 0              |            |
| 2020        | \$9,600,000 |                     | \$15,000,000     |                     | 150            |            |
| 2021        | \$9,600,000 |                     | \$15,000,000     |                     | 150            |            |
| 2022        | \$9,600,000 |                     | \$15,000,000     |                     | 150            |            |
| 2023*       | \$9,600,000 |                     | \$15,000,000     |                     | 150            |            |
| 2024**      | \$9,600,000 |                     | \$15,000,000     |                     | 150            |            |

### Contract End Dates

\* County

\*\* CoB and CoCS

- **JAN 19<sup>th</sup> 2017** groundbreaking
- **APR 10<sup>th</sup> 2018** ribbon cutting of \$30M facility (exceeds \$20M investment requirement)



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## Incentive:

| BVEDC Incentives Grant |               |
|------------------------|---------------|
| MILESTONE              | AMOUNT        |
| Lease Execution        | \$33,333 Paid |
| End of 24-mos          | \$33,333      |
| End of 36-mos          | \$33,333      |

## BVEDC-BBC Contribution Agreement

BBC will release to BVEDC three \$16,666.50 tranches that correspond to the company meeting each incentives milestone.

## Performance Metrics:

|      | PAYROLL      |              | INVESTMENT VALUE |             | EMPLOYMENT |        |
|------|--------------|--------------|------------------|-------------|------------|--------|
|      | * REQUIRED   | ACTUAL       | * REQUIRED       | BCAD        | * REQUIRED | ACTUAL |
| 2016 | 0            | N/A          | 0                | N/A         | 0          | N/A    |
| 2017 | 0            | \$10,243,419 | \$350,000        | \$1,199,940 | 0          | 337    |
| 2018 | \$10,800,000 | \$10,957,137 | \$350,000        | \$1,180,470 | 300        | 414    |
| 2019 | \$10,800,000 |              | \$350,000        |             | 300        |        |
| 2020 | \$10,800,000 |              | \$350,000        |             | 300        |        |
| 2021 | \$10,800,000 |              | \$350,000        |             | 300        |        |
| 2022 | \$10,800,000 |              | \$350,000        |             | 300        |        |
| 2023 | \$10,800,000 |              | \$350,000        |             | 300        |        |

- 1<sup>st</sup> incentive grant released with \$1.98M investment
- 2<sup>nd</sup> incentive grant released in July 2018
- 3<sup>rd</sup> / final incentive grant eligible for release in 2019





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