



BRAZOS VALLEY
ECONOMIC DEVELOPMENT
CORPORATION

2020 Incentives Compliance Report

June 2021 – Brazos County Commissioners Court

Overview

- For 2020, six (6) projects under agreement were 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.
- 2020 report highlights companies across multiple targeted industries making investments valued over \$405M and providing more than 1,300 quality jobs with local payrolls in excess of \$98M.



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2020 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 / BCAD	* 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	\$2,381,420	\$2,000,000	\$928,660 *	20	25
2020	\$2,300,000	\$2,416,059	\$2,000,000	\$1,240,802 *	20	25
2021	\$2,300,000		\$2,000,000		20	
2022	\$2,300,000		\$2,000,000		20	

- 2020 Payroll value includes employee wages & benefits (allowable under incentives agreement)
- * Company's 2020 asset value of \$2,253,742 presented for BCAD review; Company's 2019 asset value of \$2,070,993 was presented for BCAD review

- \$80,000 avg annual salary requirement: \$96,642 (2020)
- \$50K company incentives grant for R&D engagement with Texas A&M remains available until December 31, 2022



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2020 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	\$16,844,104	\$120,000,000	\$301,187,830	285	199
2020	\$10,545,000	\$13,169,198	\$120,000,000	\$262,506,253	285	193
2021	\$10,545,000		\$120,000,000		285	
2022	\$10,545,000		\$120,000,000		285	

2020 performance exceeds contracts' benchmark valuation+salary formula



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2020 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	\$20,800,000	\$70,000,000	\$79,759,250	100	257
2020	\$6,000,000	\$40,500,000	\$70,000,000	\$78,778,248	100	518
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 not to challenge BCAD 2017 valuation and consequently, 2017 incentives were foregone.
- Since 2018, BCAD reflects the updated valuation of facility complex.



2020 Compliance Report – LSPI



BVEDC Incentive - Paid

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

CoB 381 Agreement

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

Brazos County – Tax Abatement Cash Incentive (as % of ad valorem taxes assessed/paid)			
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)					
2018	100%	2021	50%	2024	20%
2019	70%	2022	40%	2025	10%
2020	60%	2023	30%		

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	\$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	\$1,982,029	\$20,000,000	\$39,367,630	24	31
2020	\$1,500,000	\$2,254,705	\$20,000,000	\$37,826,438	24	25
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-1st Tier

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



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Incentives:

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

Performance Metrics:

	PAYROLL		INVESTMENT VALUE		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
2018	0	\$20,910,000	0	\$12,235,320	0	243
2019	0	\$23,485,933	\$15,000,000	\$22,936,360	0	191
2020	\$9,600,000	\$24,916,202	\$15,000,000	\$22,959,424	150	262 *
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 19th 2017 groundbreaking

APR 10th 2018 opening of \$30M facility (\$20M investment requirement)

* 2020 marks the start of maintaining 280 FTE employees (130 pre-existing and 150 new) and minimum \$17.2M payroll for all FTE employees



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2020 Compliance Report – Wayfair



Incentive:

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

BVEDC-BBC Contribution Agreement

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

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	\$14,349,920	\$350,000	\$1,227,880	300	396
2020	\$10,800,000	\$15,066,483	\$350,000	\$1,040,510	300	309
2021	\$10,800,000		\$350,000		300	
2022	\$10,800,000		\$350,000		300	
2023	\$10,800,000		\$350,000		300	

- 1st incentive grant released with \$1.98M investment
- 2nd incentive grant released in July 2018
- 3rd / final incentive grant released in January 2020



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