

## Agenda Item Details

Meeting	Dec 14, 2021 - Bryan City Council Second Regular Meeting
Category	7. Statutory (Automatic Approval) Agenda - This agenda consists of items previously approved by Council action such as adoption of items that are part of an approved budget or capital improvement projects, first and only readings of ordinances, interlocal agreements, or action that is required by law or delegated to the City Manager. Items may be removed from the statutory agenda for separate consideration at the request of two Councilmembers.
Subject	E. Authorize the Mayor to execute a Chapter 380 Economic Development Agreement between the City of Bryan and The American Trade Group, Inc., for the expansion of a manufacturing building and addition of three storage buildings on 10.68 acres of land bounded by Phil Gramm Boulevard, Liberty Drive, and Capitol Parkway, being Lots 2 and 3 in Block 5 of Bryan Industrial Park Subdivision – Phase 2 in Bryan, Brazos County, Texas
Type	Action (Statutory)
Preferred Date	Dec 14, 2021
Absolute Date	Dec 14, 2021
Fiscal Impact	Yes
Dollar Amount	155,000.00
Budgeted	No
Budget Source	A maximum of \$155,000 from future City of Bryan ad valorem tax revenues derived from proposed development.
Goals	<a href="#">Economic Development</a> <a href="#">Infrastructure</a>

### Summary:

Developers with The American Trade Group, Inc. propose to construct a 31,000+ square foot addition to the existing manufacturing building for American Lumber, Inc. on property located at 600 Liberty Drive in the Bryan Industrial Park. The existing manufacturing facility is 24,000+ square feet in size. In addition, the company proposes the construction of three (3) new storage buildings, with a footprint of 54,000 square feet, on the adjacent 4.92-acre property, which is currently vacant.

American Lumber, a lumber manufacturing and distribution operation, currently has 89 active full-time employees in Bryan. With the proposed facility expansion in the Bryan Industrial Park, a minimum of 12 new full-time positions will be created. Those positions are expected to have an average annual starting wage of \$55,000.

This proposed Chapter 380 Economic Development Agreement provides a fifty percent (50%) reimbursement of the increase in City of Bryan ad valorem taxes collected from this development and a waiver of building permit fees, up to an amount not to exceed \$155,000, for five (5) years, whichever comes first. Under the agreement, tax reimbursements will begin only if the BCAD value for equipment, inventory, and the real property totals \$8,000,000 or more. Staff expects the earliest date this goal will be reached is in 2023.

### **Staff Analysis and Recommendation:**

Staff recommends approving this Chapter 380 Economic Development Agreement.

- The agreement provides an incentive for the developers to expand a lumber manufacturing facility in the Bryan Industrial Park.
- The agreement can lead to a multi-million-dollar investment in infrastructure, machinery, and equipment, while creating a minimum of 12 new full-time positions, thereby far exceeding the City's maximum commitment of \$155,000 ad valorem tax revenue reimbursements.
- Funds for this reimbursement come from the development's added tax value itself.
- The development will add to the City's tax base that will produce revenues long after reimbursements under this agreement conclude.

### **Options:**

1. Authorize Mayor to execute Chapter 380 Economic Development Agreement.
2. Modify terms in proposed Chapter 380 Economic Development Agreement, which may result in additional negotiation with the developer and consideration at a future City Council meeting.
3. Do not authorize the Mayor to execute this Chapter 380 Economic Development Agreement and provide direction to staff.

### **Attachments:**

1. Proposed Chapter 380 Economic Development Agreement with Exhibit A.

[City of Bryan & The American Trade Group 380 Agreement \(Executed by TATG 12.1.21\).pdf \(3,896 KB\)](#)

[Exhibit A.pdf \(966 KB\)](#)