

BRAZOS VALLEY
ECONOMIC DEVELOPMENT
CORPORATION

2022 Incentives Compliance Report

October 3, 2023 – Brazos County

Presented By:



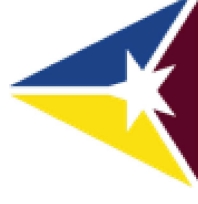
Maher Maso
Principal
Credits & Incentives



Overview & Executive Summary

- For 2022, 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.

Name	Compliance Status	Metric Outstanding	Amount Owed / Not Paid
Axis Pipe & Tube	In Compliance	N/A	30% Personal Property Tax Abatement – Brazos County
Fuji Film (2014)	In Compliance	N/A	\$201,000 Cash Incentive – Brazos County \$57,600 Cash Incentive – City of Bryan \$153,000 Cash Incentive – City of College Station
Fuji Film (2022)	In Compliance	N/A	N/A Until 2026: Cash Incentive – Brazos County N/A Until 2026: Cash Incentive – City of Bryan N/A Until 2026: Cash Incentive – City of College Station
LSPI	In Compliance	N/A	40% Tax Abatement Cash Incentive – Brazos County 40% Tax Abatement Cash Incentive – City of Bryan
Viasat	Not Compliant	Payroll & Employment	30% Chapter 380/381 Cash Incentive – Brazos County – City of Bryan – City of College Station
Wayfair	Not Compliant	Payroll & Employment	N/A: BVEDC Incentives Grants Paid



Overview & Executive Summary

- 2022 report highlights companies across multiple targeted industries with properties valued over **\$522,674,606** and providing more than **1,171** quality jobs with local payrolls in excess of **\$89,668,646**.

2022 Incentives & Combined Impact					
Company	Incentives	Payroll	Property Value 2022	Employment	
Axis Pipe & Tube	40% Tax Abatement	\$ 16,627,308.00	\$ 316,317,856	204	
Fuji Film (2014)*	\$ 417,600.00	\$ 64,319,141.00	\$ 149,677,329	845	
Fuji Film (2022)	-----	\$ 64,319,141.00	\$ 149,677,329	845	
LSPI	50% Tax Abatement	\$ 2,517,438.00	\$ 34,685,970	29	
Viasat	40% Tax Abatement	-----	\$ 20,454,664	-----	
Wayfair	\$ 100,000.00	\$ 6,204,759.00	\$ 1,538,787	93	
		\$89,668,646*	\$ 522,674,606*	1,171*	

* To avoid duplicating Fuji Film total value between 2014 and 2022 Agreements, county BCAD value included once in total.





2022 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.

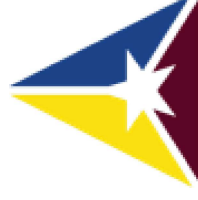
Performance

Metrics:

PAYROLL		PROPERTY VALUE		EMPLOYMENT	
* REQUIRED	ACTUAL	* REQUIRED	BCAD	* REQUIRED	ACTUAL
2013	0	0	\$1,393,920	0	5
2014	0	0	\$8,260,230	0	145
2015	0	0	\$179,046,540	0	142
2016	\$10,545,000	\$120,000,000	\$281,564,050	285	149
2017	\$10,545,000	\$120,000,000	\$262,073,740	285	204
2018	\$10,545,000	\$120,000,000	\$275,242,110	285	291
2019	\$10,545,000	\$120,000,000	\$301,187,830	285	199
2020	\$10,545,000	\$120,000,000	\$262,506,253	285	193
2021	\$10,545,000	\$120,000,000	\$242,705,373	285	204
2022	\$10,545,000	\$120,000,000	\$316,317,856	285	318*

- 2022 performance exceeds contracts' benchmark valuation+salary formula

- *318 is their employee count as of December 31, 2022



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2022 Compliance Report – FUJIFILM Diosynth Biotechnologies Texas @ Biocorridor (2014 Agreement)



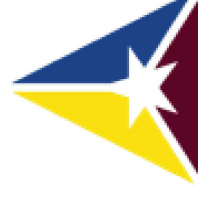
Incentive:

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

Performance Metrics:

Year	PAYROLL		PROPERTY 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	\$54,900,000	\$70,000,000	\$104,272,717	100	677
2022	\$6,000,000	\$64,319,141	\$70,000,000	\$149,677,329	100	845
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.



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2022 Compliance Report – FUJIFILM Diosynth Biotechnologies Texas @ Biocorridor (2022 Agreement)



Incentive:

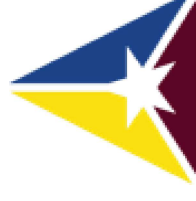
Brazos County - Tax Abatement		
2022	0	2026 90%
2023	0	2027 80%
2024	0	2028 70%
2025	0	2028 70%

City of Bryan/College Station 380 Agreements		
(as % of ad valorem taxes assessed/paid)		
2022	0	2025 0
2023	0	2026 90%
2024	0	2027 80%

Performance Metrics:

	PAYROLL		PROPERTY VALUE		EMPLOYMENT	
	REQUIRED	ACTUAL	REQUIRED	BCAD	REQUIRED	ACTUAL
2022	0	\$64,319,141	0	\$149,677,329	0	845
2023	0		0		0	
2024	0		0		0	
2025	0		\$300,000,000		0	
2026	0		\$300,000,000		0	
2027	0		\$300,000,000		0	
2028	\$60,000,000		\$300,000,000		750	
2029	\$60,000,000		\$300,000,000		750	
2030	\$60,000,000		\$300,000,000		750	

- Commencement of Construction Deadline: January 1, 2023
- Completion of Construction of the Improvements Deadline: January 1, 2025
- 150 New FTE's above the Baseline of 600 for a total of 750



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2022 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:

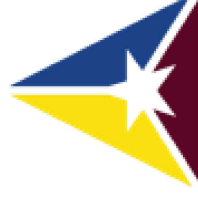
New PAYROLL		PROPERTY VALUE		New EMPLOYMENT	
* REQUIRED	ACTUAL	* REQUIRED	BCAD	* REQUIRED	ACTUAL
2016	0	0	N/A	0	N/A
2017	\$1,500,000	\$1,697,142	\$4,489,720	24	28
2018	\$1,500,000	\$2,464,386	\$41,962,870	24	59
2019	\$1,500,000	\$1,982,029	\$39,367,630	24	31
2020	\$1,500,000	\$2,254,705	\$37,826,438	24	25
2021	\$1,500,000	\$2,380,953	\$36,560,408	24	32
2022	\$1,500,000	\$2,517,438	\$34,685,970	24	29
2023	\$1,500,000			24	
2024	\$1,500,000			24	
2025	\$1,500,000			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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2022 Compliance Report – Viasat



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:

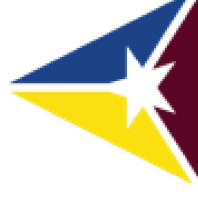
	PAYROLL		PROPERTY VALUE		EMPLOYMENT	
	* REQUIRED	ACTUAL	* REQUIRED	BCAD	* REQUIRED	ACTUAL
2016	0	N/A	0	N/A	0	N/A
2017	0	N/A	0	\$1,498,460	0	26
2018	0	\$20,910,000	0	\$12,235,320	0	243
2019	0	\$23,485,933	\$15,000,000	\$22,936,360	0	191
2020	\$17,200,000	\$16,200,000	\$15,000,000	\$22,959,424	280	229*
2021	\$17,200,000	\$10,307,913	\$15,000,000	\$21,263,623	280	120
2022	\$17,200,000	Unknown	\$15,000,000	\$20,454,664	280	Unknown
2023**	\$17,200,000		\$15,000,000		280	
2024***	\$17,200,000		\$15,000,000		280	

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. Statewide numbers were 262.



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2022 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.

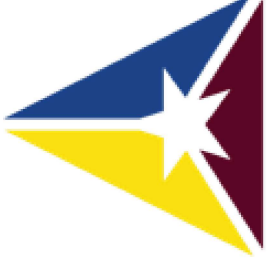
Performance

Metrics:

	PAYROLL		PROPERTY 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	\$9,953,185	\$350,000	\$1,486,390	300	258
2022	\$10,800,000	\$6,106,979	\$350,000	\$1,538,787	300	93
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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Thank You