

Axis Pipe & Tube

Background

- Most successful economic development project in Bryan's history
- As of 2025, Axis is the City's highest principal taxpayer (3 times higher)
- Absolutely Under Promised and Over Delivered
- Original 10 Year Non-Annexation Agreement
- Axis Requested Non-Annexation
- CoB annexed the Axis property in April 2024
- Axis property is now within the City Limits
- 2025 Value = \$276,915,044
- City Ad Valorem Taxes = \$1,727,949.87

Retention/Relocation/Expansion Project(s)

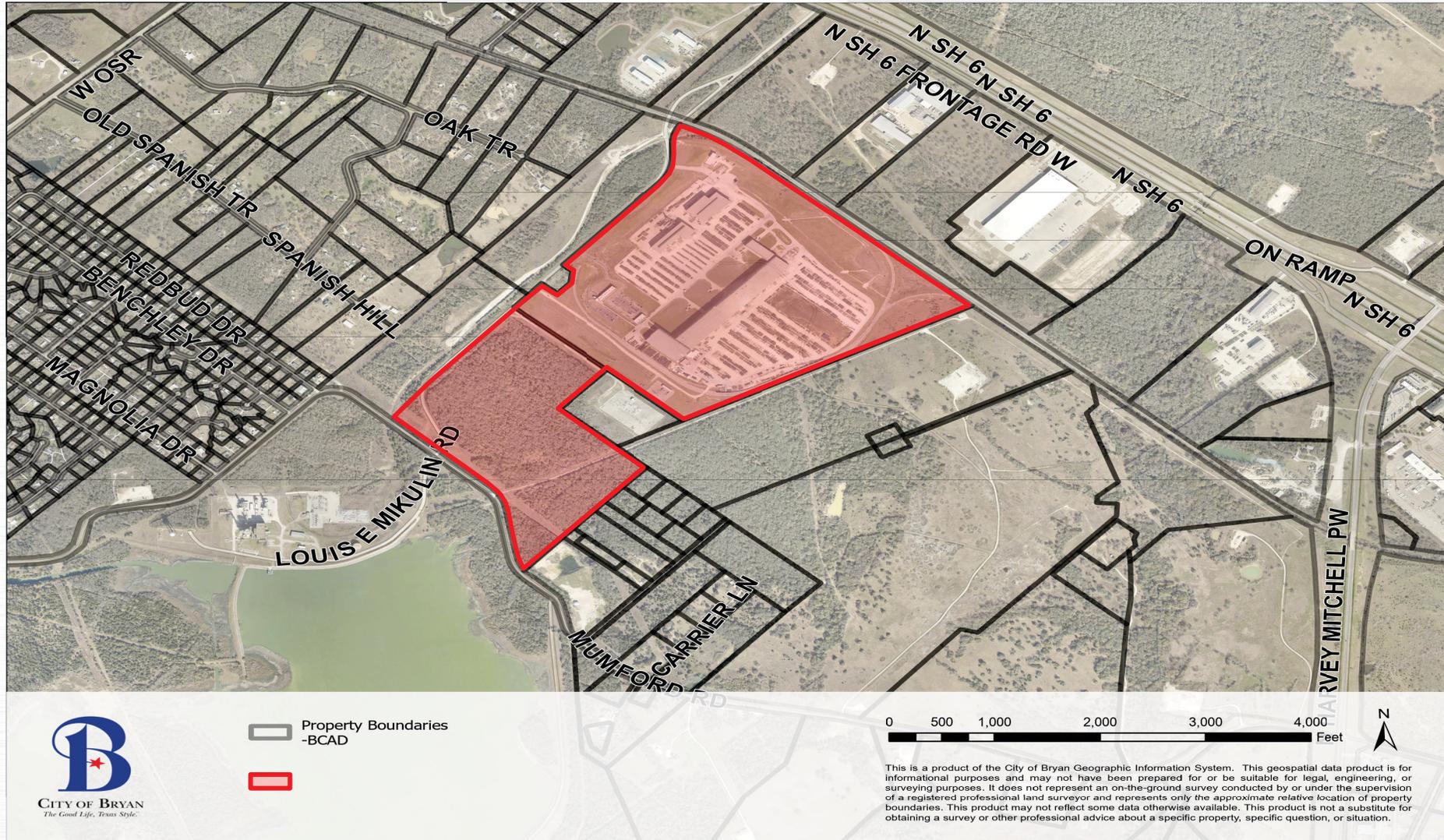
Project Scope

- \$110,000,000 New Minimum Guaranteed Value
- \$4,000,000 in new FTE payroll
- Adding a new Mills and new Coating Facility with associated machinery and equipment with outside storage within Texas Triangle Park Reinvestment Zone No. 1

Two Incentives (Modeled after Original Agreements)

- City (BTU) Land Grant via Chapter 390 Economic Development Agreement of 86.09 Acres +/- @ \$1 sf
- Value = \$3,750,080.40
- 10 Year Tax Abatement at 50% (M&O Only)

TTP Reinvestment Zone No. 1



PSA and 380 Agreement

PSA

- City (BTU) is conveying 86.09 acres to Axis at no cost per the Chapter 380 Agreement at no cost
- Agreed value of \$1/s.f. (\$3,750,080.40)
- City reserves oil/gas/minerals, well as groundwater rights
- Axis to pay \$10,000 in earnest money to cover closing costs
- Easement Reservations for BTU and City Public Works
- BTU Board of Directors voted unanimously to Approve

Chapter 380 Agreement

380

- City (BTU) is conveying 86.09 acres to Axis at no cost per the Chapter 380 Agreement at no cost
- Agreed value of \$1/s.f. (\$3,750,080.40)
- Axis has 18 months to commence construction of the coating facility to be located on the property
- If construction has not commenced within 18 months, the City has a right to repurchase the property for \$100.
- New Real and Personal property must total a minimum of \$110,000,000 in BCAD Value (includes both new mills on existing Axis property and new coating facility on the 86.09 acres)
- The project must create \$4,000,000 in annual payroll for new full-time employment positions

Chapter 380 Agreement cont....

Performance Benchmarks

- City right to repurchase at \$100 if no commencement of construction within 18 months
- If value and payroll benchmarks fall short by more than 20%, Axis will pay the agreed value of \$1/s.f. (\$3,750,080.40)
- If value and payroll benchmarks fall short by 20% or less, Axis will pay \$0.60/s.f.
- If one benchmark is met and the other falls short (either value and payroll), Axis will pay 0.40/s.f.
- At minimum \$110,000,000 value, equals new tax revenue to the City of \$686,400
- Interesting fact – If they don't perform the City's payback is sooner.

Tax Abatement Agreement

Key Terms

- 10 Year Term
- Axis to build new mill (real and personal property) on existing 180 acres and new coating facility on land acquired from the City/BTU;
- 60 Months, following the Deed recording date, to substantially complete the project (Owner has obtained CO's)
- Guaranteed value of the new improvements shall be at least \$110,000,000;
- Axis shall create at least \$4,000,000 in payroll for new full-time employees associated with the project;
- The City is to abate 55% annually of M&O ad valorem taxes from increased taxable value; City receives 45% of both M&O and IS = \$412K annually
- Axis shall make a Payment in Lieu of Taxes equal to 5% of M&O tax revenue from the increased value = approximately \$25K