

Legislation Text

File #: 18-434, **Version:** 3

Presenter/Contact

Victor Garza, Economic Development Manager
(830) 221-4621 - vgarza@nbtexas.org

SUBJECT:

Discuss and consider approval of a resolution recommended by the New Braunfels Economic Development Corporation to provide up to \$500,000 in financial incentives to Season Group USA LLC for the creation and retention of up to 200 new jobs.

BACKGROUND / RATIONALE:

Season Group USA LLC is a global, vertically integrated Electronic Manufacturing Services (EMS) provider, with manufacturing facilities in USA, Canada, Mexico, UK, China and Malaysia with 1800 employees worldwide. Their current USA operations are in San Antonio but the facility there cannot meet their future needs. The company is looking to build a new facility in New Braunfels totaling approximately a \$9 million dollar investment.

The company would grow the manufacturing base in New Braunfels. Additionally, the expanded facility would allow growth in their corporate leadership, sales, and research and development teams.

The grant would be performance based and work out to \$2,500 per job. The company will start with 90 employees and ramp up to 200 in year 10 of the agreement.

ADDRESSES A NEED/ISSUE IN A CITY PLAN OR COUNCIL PRIORITY:

Strategic Priorities	Growth & Development	Work with existing entities to ensure balanced economic development
-------------------------	----------------------	---

FISCAL IMPACT:

The maximum grant would total \$500,000 from EDC funds and is performance based, meaning that it will be paid out as the job requirements are met. The total net benefits over the 10-year period have been estimated at \$1,155,248 and the payback period for these incentives is approximately 5.4 years - see attached impact summary.

COMMITTEE RECOMMENDATION:

NBEDC recommended approval of the incentives 6-0 on August 1, 2018.

STAFF RECOMMENDATION:

Staff recommends approval of the incentive package as it meets our Strategic Priorities and Economic Development Strategic Plan.