

Legislation Text

File #: 19-713, **Version:** 1

Presenter/Contact

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SUBJECT:

Approval of a resolution recommended by the New Braunfels Economic Development Corporation to approve a project expenditure for direct incentives not to exceed \$55,000 for Calendar Holdings, LLC for a project found to promote or develop new or expanded business enterprises that create or retain primary jobs

BACKGROUND / RATIONALE:

On September 10, 2018, the EDC entered into an economic development agreement with Calendar Holdings, LLC providing for a grant of up to \$550,000 with the promise of the creation of no fewer than 66 new primary jobs. The conditions of the incentive are outlined below:

- Calendar Holdings will employ no fewer than 66 full time employees by January 1, 2020.
- The EDC will grant the incentive as follows:
 - \$1.25 per square foot, up to a total of \$312,000.
 - Remaining \$238,000 will be delivered in annual payments of \$34,000 (\$515.15/job) for a period of seven years.

Calendar Holdings, LLC. has recently approached the NBEDC for an amendment to their existing agreement for additional funding as a result of expansion plans (an additional 29,120 sq. feet and additional 5 jobs). The additional funding request mirrors the original agreement and increases the grant amount to up to \$604,202 with the promise of the creation of no fewer than 71 full time jobs. The conditions of the incentive are outlined below:

- Calendar Holdings will employ no fewer than 66 full time employees by January 1, 2020.
- Calendar Holdings will employ no fewer than 71 full time employees by March 1, 2020.
- The EDC will grant the incentive as follows:
 - \$1.25 per square foot, up to a total of \$348,600.
 - Remaining \$255,602 will be delivered in annual payments of \$36,576 (\$515.15/job) for a period of seven years.

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

<input checked="" type="checkbox"/>	Yes	City Plan/Council Priority:	Strategic Priorities: 12 - Work with existing entities to ensure balanced economic development
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FISCAL IMPACT:

FY 2019/20: \$348,600

FY 2020/21: \$36,146

FY 2021/22: \$36,576

FY 2022/23: \$36,576

FY 2023/24: \$36,576

FY 2024/25: \$36,576

FY 2025/26: \$36,576

FY 2026/27: \$36,576

TOTAL OVER THE TERM: \$604,202

COMMITTEE RECOMMENDATION:

The NBEDC Board of Directors held a public hearing and approved this resolution at their September 16th special meeting.

STAFF RECOMMENDATION:

Staff recommends approval of the resolution.