

# Economic Development Work Session

July 7, 2020



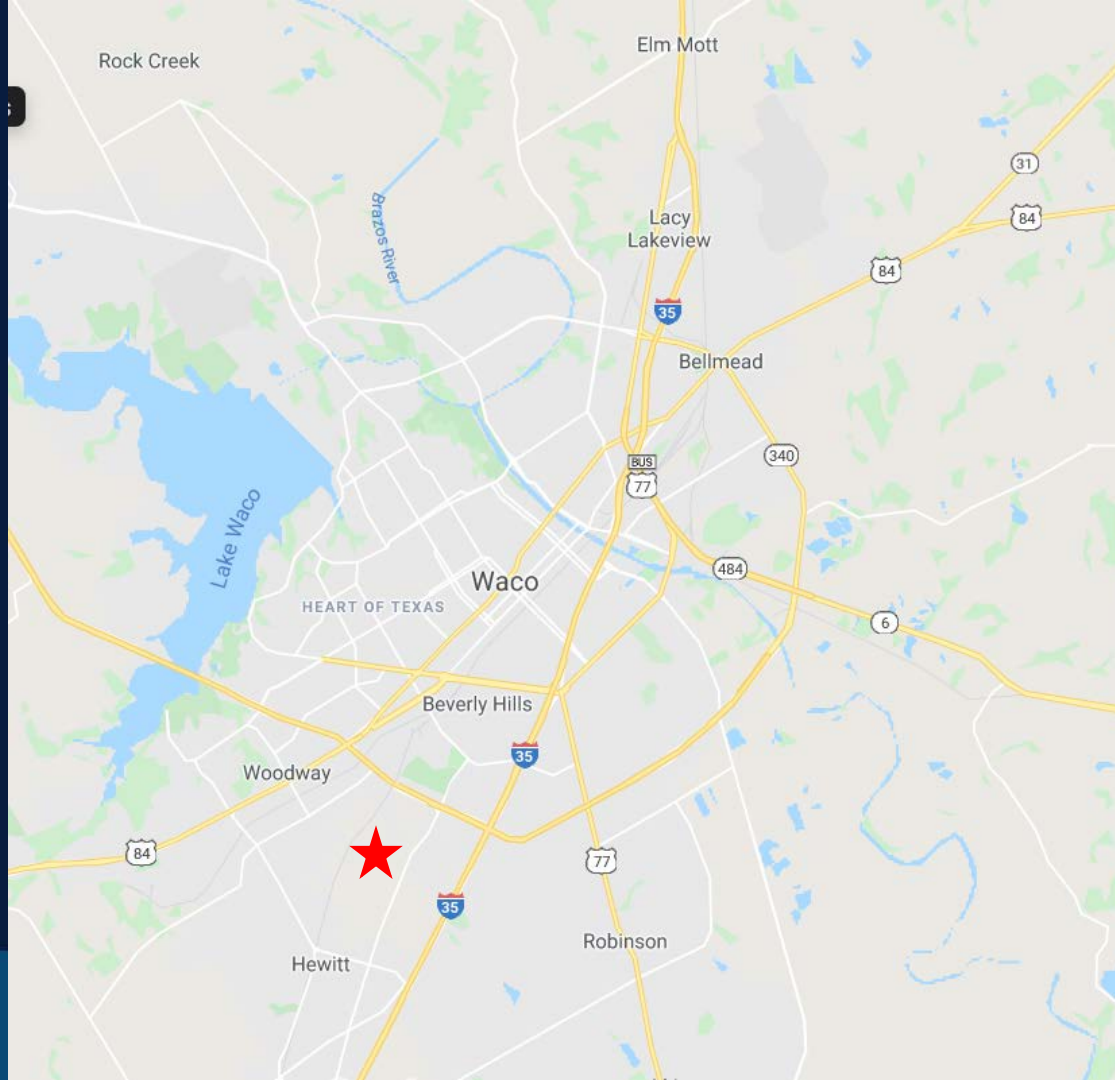
# Items for Consideration

1. Aspen Custom Trailers US – Tax Abatement & WMCEDC Grant
2. Timber US – Tax Abatement
3. Ryonet Corporation – WMCEDC Grant
4. 720 Elm Avenue – TIF Grant Amendment
5. 215-217 S 4th St – TIF Grant Amendment
6. Riverfront - TIF Funding Reallocation



# Aspen Custom Trailer US Inc and Timber US Inc



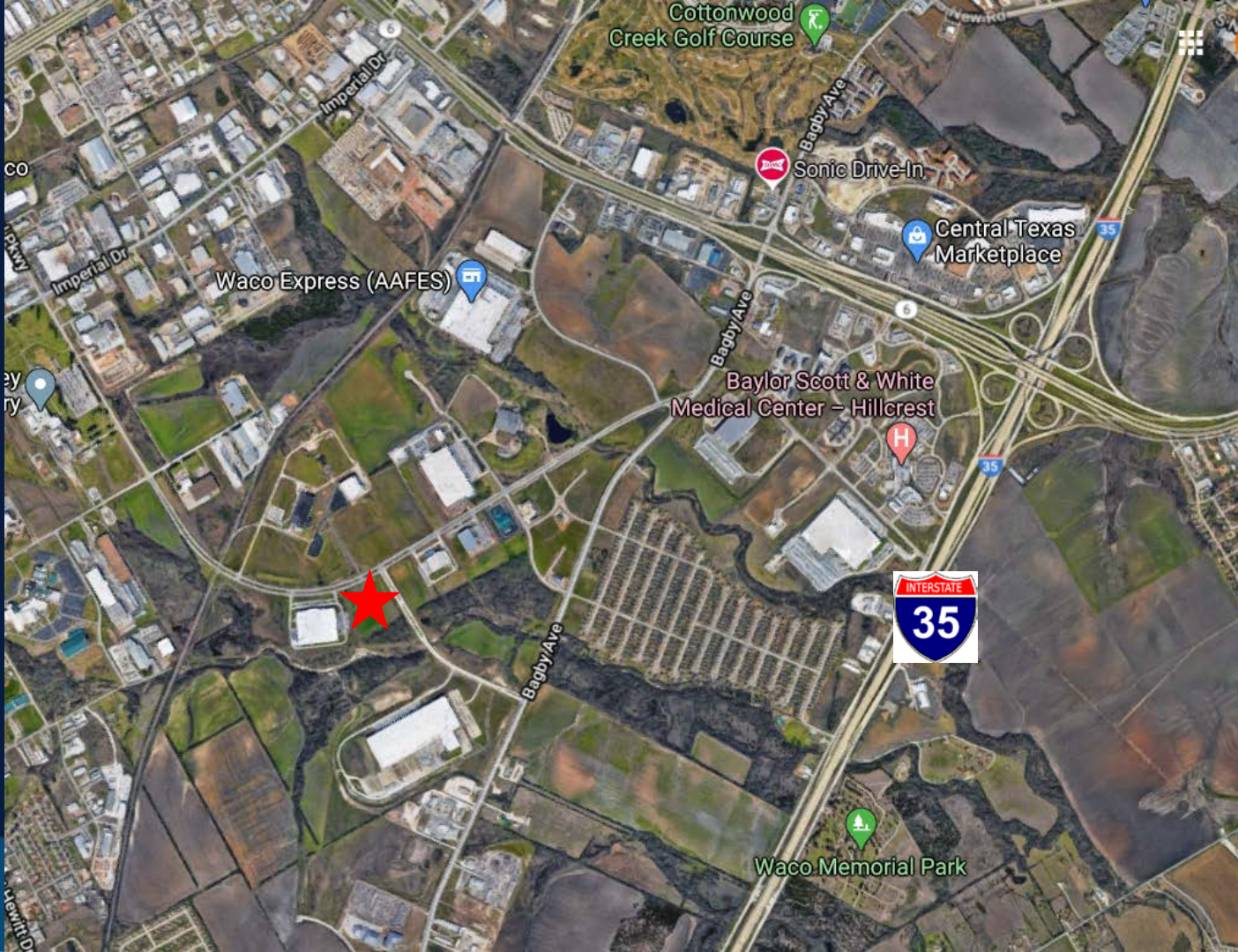


# Location

Corner of  
Texas Central Parkway  
& Gateway Blvd







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Corner of  
Texas Central Parkway  
& Gateway Blvd



# Project Description

- Custom commercial trailer manufacturer
- Currently based in Alberta, Canada
- Purchasing land (16.9 acres) & will build new facility
- Two Companies, One Project
  - Timber US Inc
    - real property
  - Aspen Custom Trailers US Inc
    - personal property
    - jobs



# Real Property - Capital Investment

## Timber

- Real Property - \$6,865,000 to \$8,245,000

### Phases 1 & 2

- 58,000 SF manufacturing facility
- \$6,865,000

### Potential Phase 3

- \$1,380,000



# Personal Property - Capital Investment

## Aspen Trailer

- Personal Property - \$1,400,000 to \$3,025,000

### Phases 1 & 2

- \$1,400,000
- 49 Full-time jobs (WMCEDC eligible)

### Potential Phase 3

- \$1,625,000
- 21 Full-time jobs (total of 70 jobs)







ASPEN -- Wages		Pay Range (Hourly)		
	Low	High	Number	
New Full-Time Jobs				
Business Development Manager	\$60.00	\$90.00	1	
Sales Person	\$30.00	\$40.00	2	
Operations Manager	\$30.00	\$40.00	1	
Supervisor	\$23.00	\$28.00	1	
Accounting Clerk	\$15.00	\$20.00	1	
Parts Person	\$14.00	\$16.00	1	
Welders (Journeyman/Apprentice)	\$15.00	\$22.00	16	
Paint and Blast Operators	\$15.00	\$20.00	4	
Trailer Mechanics (Journeyman/Apprentice)	\$15.00	\$25.00	6	
Trailer Assembler	\$12.00	\$18.00	12	
General Laborer	\$12.00	\$13.00	2	
Machine Operator	\$13.00	\$16.00	2	
New Jobs Created				
Year 1-2 (2020-21)			49	
Year 3 (2022)			30	
Year 4 (2022+)			TBD	
TOTAL			79	

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	Low	High	Number	
<b>New Full-Time Jobs</b>				
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<b>TOTAL</b>			<b>79</b>	



# Abatements for Consideration

- Real Property to Timber
  - 5 years at 40%
  - Benefit to Timber \$106,000 to \$123,000
  - Revenues for City \$159,000 to \$185,000
- Personal Property for Aspen Trailer
  - 5 years at 40, 30, 20, 10, 5%
  - Benefit to Aspen \$9,700 to \$16,000
  - Revenues for City \$33,000 to \$65,000



# WMCEDC Board Recommends

Proposed Grant of up to \$500,000 (\$250,000 from City)

- Phases 1 & 2 = \$350,000 grant upon completion of:
  - \$6,856,000 real property by Timber
  - \$1,400,000 personal property by Aspen
  - 49 new FT jobs by Aspen
- Phase 3 = \$150,000 grant upon completion of:
  - \$1,380,000 real property by Timber
  - \$1,625,000 personal property by Aspen
  - 21 new FT jobs by Aspen
- ROI (Return on Investment) = 24.5% in 5 years (combined rate)
  - City ROI 28.6% in 4.2 years



# Ryonet Corporation



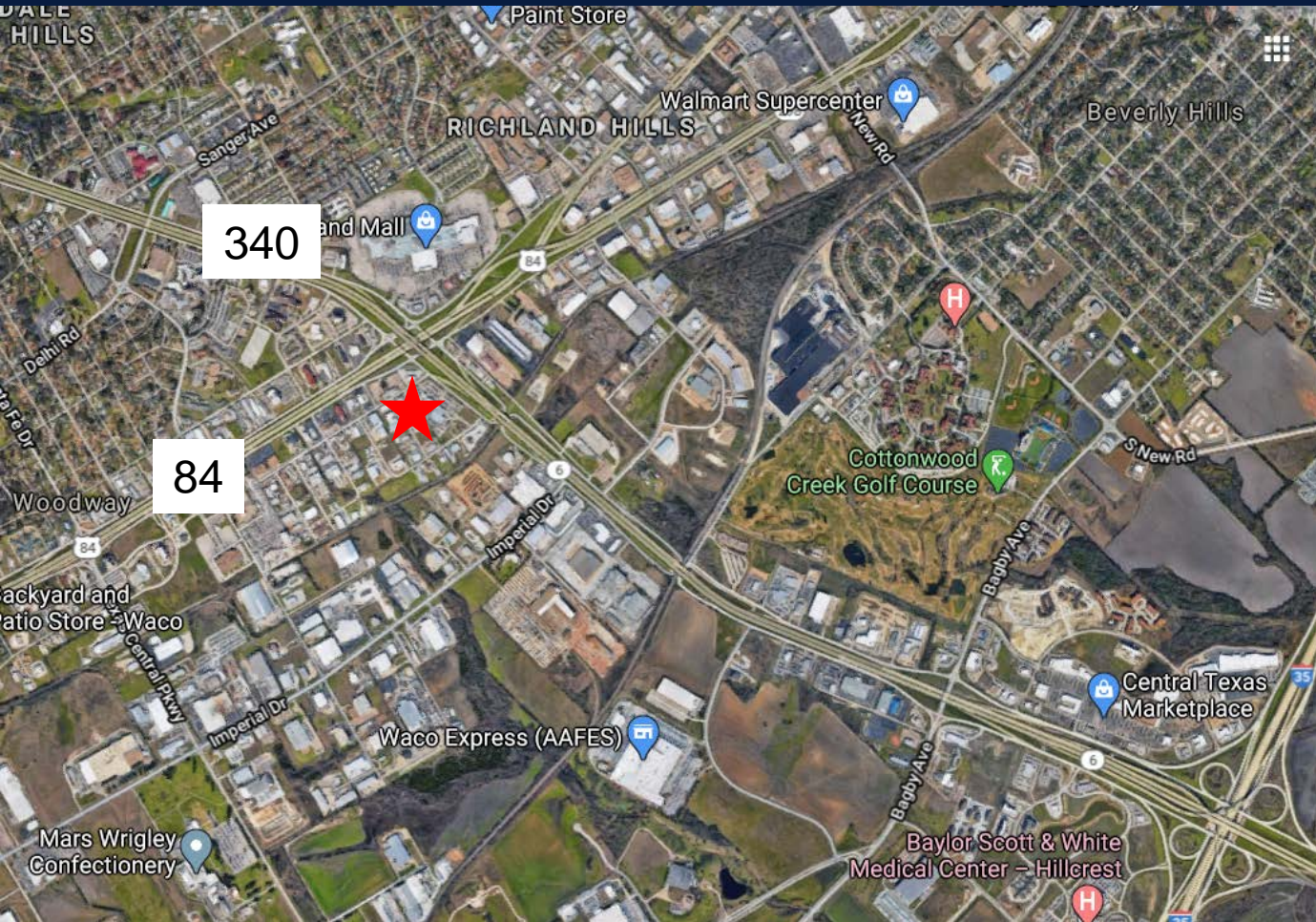


# Location

215 Cotton Drive







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215 Cotton Drive



# Project Description

- Ryonet - national distributor of commercial screen printing supplies and equipment headquartered in Vancouver, WA
- Founded in 2004; growing from \$100,000 in annual sales to over \$50 million
- E-commerce business - DIY screen printing supplies
- Will relocate Georgia and Kansas operations to Waco
- Existing building – 30,000 SF (will be leased)



# WMCEDC Grant for Consideration

- Proposed Grant of up to \$110,000 (\$55,000 from City)
  - May be less, depending on actual relocation costs
- Contingent upon improvements, jobs, relocation
  - ESTIMATED \$230,000 total capital investment
    - No less than \$30,000 real property
    - No less than \$90,000 personal property
    - Estimated \$110,000 relocation expenses
    - 10 full-time jobs
      - \$12.50/hr min. wage and \$32,000 average annual wage



# Wage Information

RYONET	Pay Range (Hourly)		Number
	Low	High	
<b>Existing Jobs</b>			
Digital Product Manager	\$33.65	\$43.27	1
<b>New Full-Time Jobs</b>			
Sales Person	\$24.00	\$34.50	1
Warehouse Supervisor	\$24.00	\$31.25	1
Technician	\$18.75	\$26.50	1
Warehouse	\$12.50	\$15.75	4-5
Repack Assembler	\$12.50	\$15.75	2
<b>New Jobs Created</b>			
Year 1 (2020)			9
Year 2 (2021)			1
<b>TOTAL</b>			<b>10</b>



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Repack Assembler	\$12.50	\$15.75	2
<b>New Jobs Created</b>			
Year 1 (2020)			9
Year 2 (2021)			1
<b>TOTAL</b>			<b>10</b>



# WMCEDC Board Recommends

- Proposed Grant of up to \$110,000
  - Up to \$55,000 to be paid by City and County each
- If Ryonet spends less on relocation; grant will be less
- The Grant will be structured on a forgivable basis
  - If \$110,000, up to \$15,714.29 per year of forgiveness (7 yrs)
  - If the grant is less than \$110,000, the grant forgiveness will correspond
- ROI = 14.6% over 7 years (City & County combined rate)
  - City ROI = 17.9% over 5.7 years





# TIF items

- AAMB1375, LLC - Amendment
  - 720 Elm Avenue
- Behrens Lofts Partners, LLC – Amendment
  - 215-217 S 4<sup>th</sup> Street
- Riverfront - Funding Reallocation



# 720 Elm Avenue

## Contract Extension

### AAMB1375, LLC





**720 Elm**

**Total project cost: \$354,814      TIF grant: \$87,225**

**Timeline:**

- 7.17.18 – City Council approved funding
  - Original Completion date 10.31.19
  - Extension provided by City Manager until 4.30.20
- Requesting new Completion Date of 10.30.20



# TIF Board Recommendation

- Approval of the contract extension to 10.31.20
- Includes the extension of the contract monitoring phase to continue for 3 years (until 10.31.23)



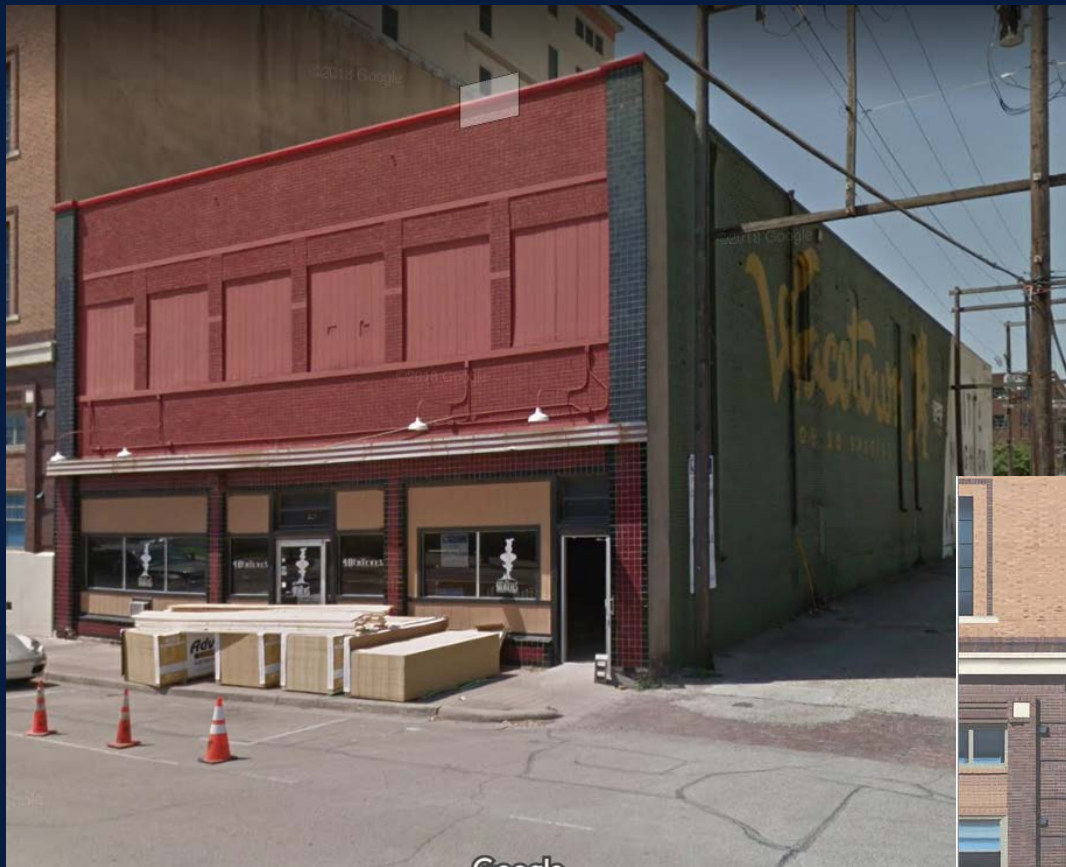
215-217 S. 4<sup>th</sup> Street

Contract Extension

Behrens Lofts Partners, LLC







GRAPHIC SCALE  
0 1 2 3 4 5

FABLED BOOKSHOP & CAFE / 4TH ST. LOFTS  
ELEVATION RENDERING

rbdr LLC - Architects  
1000 N. 10TH ST., SUITE 100, DENVER, CO 80202  
303.733.1111  
WWW.RBDRLLC.COM



**215-217 S. 4<sup>th</sup> Street**

**Total project cost: \$2,048,000      TIF grant: \$602,168**

## **Timeline:**

- 3.20.18 – City Council approved funding
  - Original Completion date 6.30.19
  - Extension provided City Manager until 12.27.19
- 11.19.19 - Amendment by Council increasing the total grant amount from \$556,267 to \$602,168 (specific to sidewalks)
- 4.9.20 - Request for additional extension to 12.31.2020
- First payment of \$273,771 payment completed 4.18.20 (sidewalks)



# Note: Change of Original Project Scope

- The 2<sup>nd</sup> floor – original plan for luxury lofts
- Previous owner notified the City on 10.15.18 - changing to office or other commercial space
- If Project spends < \$2,048,000, but at least 75% (\$1,536,000), the TIF grant will be reduced accordingly.
- If Project spends < \$1,536,000 (75%) the grant will be canceled (and the prior payment may be recaptured).



# TIF Board Recommendation

- Approval of the contract extension to 12.31.20
  - includes extension of the contract monitoring phase for 5 years (until 12.31.25)
  - and clarifying that the 2<sup>nd</sup> (final) payment will not be provided without full completion and C.O. (Certificate of Occupancy) of the entire 2<sup>nd</sup> floor
  - New project completion deadline 12.31.20
  - Anticipated 2<sup>nd</sup> payment date is no sooner than 4.18.21



# Riverfront

## Funding Reallocation

### City of Waco





# TIF Grant Summary

• City of Waco - Environmental	\$8,000,000
• City of Waco - Off Site	\$6,243,522
• Catalyst Urban - On Site	\$6,001,228
• City of Waco – Electrical	\$2,000,000
• Total:	\$22,244,750



# Funding Reallocation Request

- |                             |                        |              |
|-----------------------------|------------------------|--------------|
| • City - Environmental      | <del>\$8,000,000</del> | \$5,161,123  |
| • City - Off Site           | <del>\$6,243,522</del> | \$9,082,400  |
| • Catalyst Urban - On Site  |                        | \$6,001,228  |
| • City of Waco – Electrical |                        | \$2,000,000  |
| • Total:                    |                        | \$22,244,750 |
- \$2,838,877 to be taken from “Riverfront Development Site Remediation” (Environmental) and provided to “Brazos Promenade Riverfront – City - Off-Site Public Improvements”
  - If approved, the current remaining balance in Environmental project fund would be \$4,156,657



# TIF Board Recommendation

- Recommending approval of the funding allocation changes to the City grants as follows:
  - Remove \$2,838,877 from the Environmental Grant
  - Provide \$2,838,877 to the Off-Site Construction Grant



Thank you

