

Economic Development Work Session

December 3, 2019



Policy Item

Reauthorization of Business Tax Abatement Policy

Project Item

ZINKPOWER – Business Grant & WMCEDC Grant



Tax Abatement Policy - Reauthorization

- Required every two years by state law
- Current policy expires January 3, 2020
- Anticipating changes in conjunction with Strategic Economic Development study
- Proposed changes today as well



Proposed Changes

- Updated Designated Areas Map – new CDBG area
- Add the City Core Map
 - Add definition for “City Core”
 - Add references to “City Core” in the policy
- Add the City Core Opportunity Bonus
 - 10% bonus for 1/3 of employment filled by residents from within the City Core
- Traditional Commercial Corridors map



Designated Areas

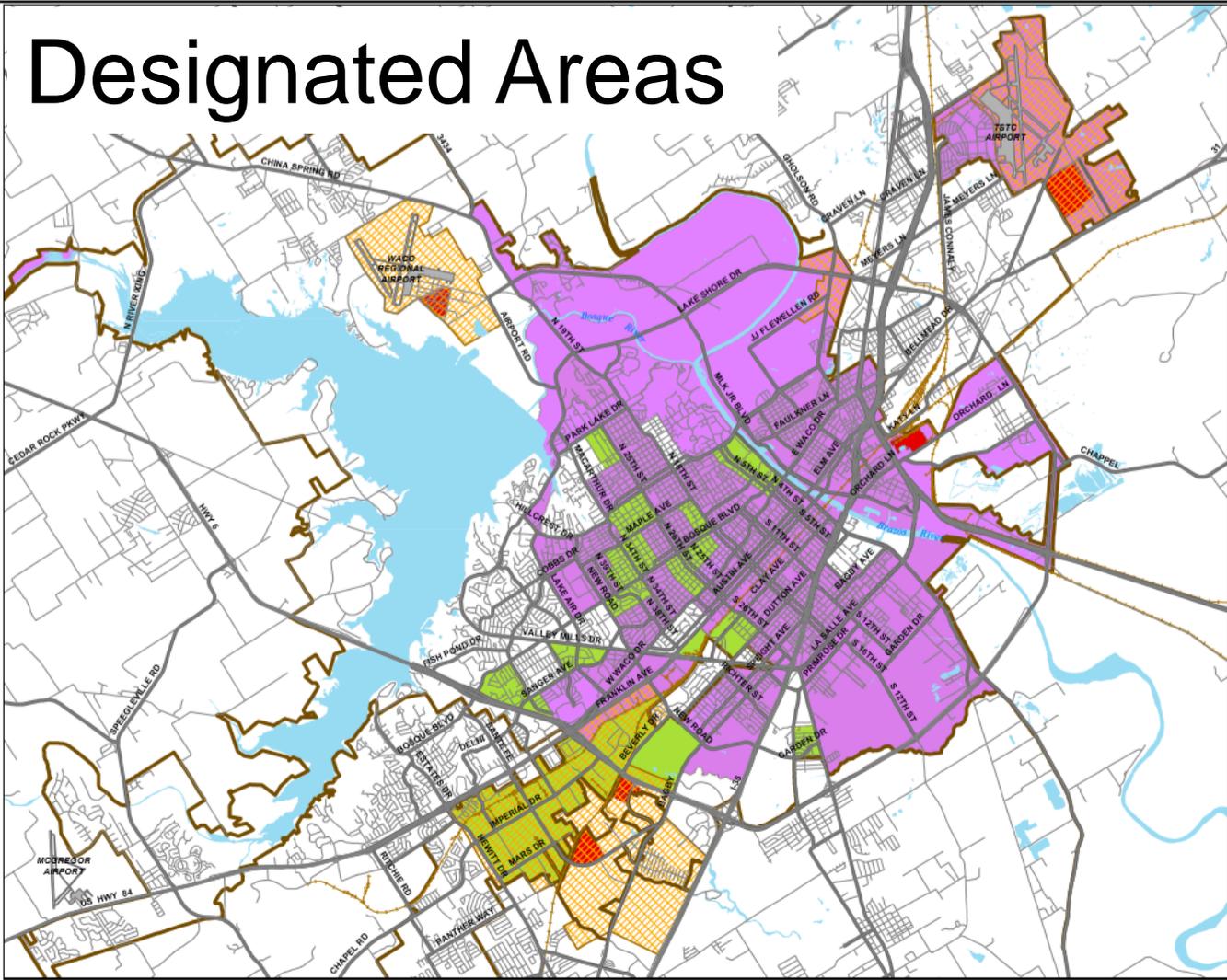
City of Waco Designated Areas For Economic Development

2020



Designated Areas

-  Waco City Limits
-  Waco Industrial Park
-  Foreign Trade Zone
-  Enterprise Zone 2014
-  CDBG Outside Enterprise Zone



Addresses ~13,631

Census Tracts

1,2,3,4,5,98,7,8,9,10,11,12,
13,14,15,16,17,18,19,21

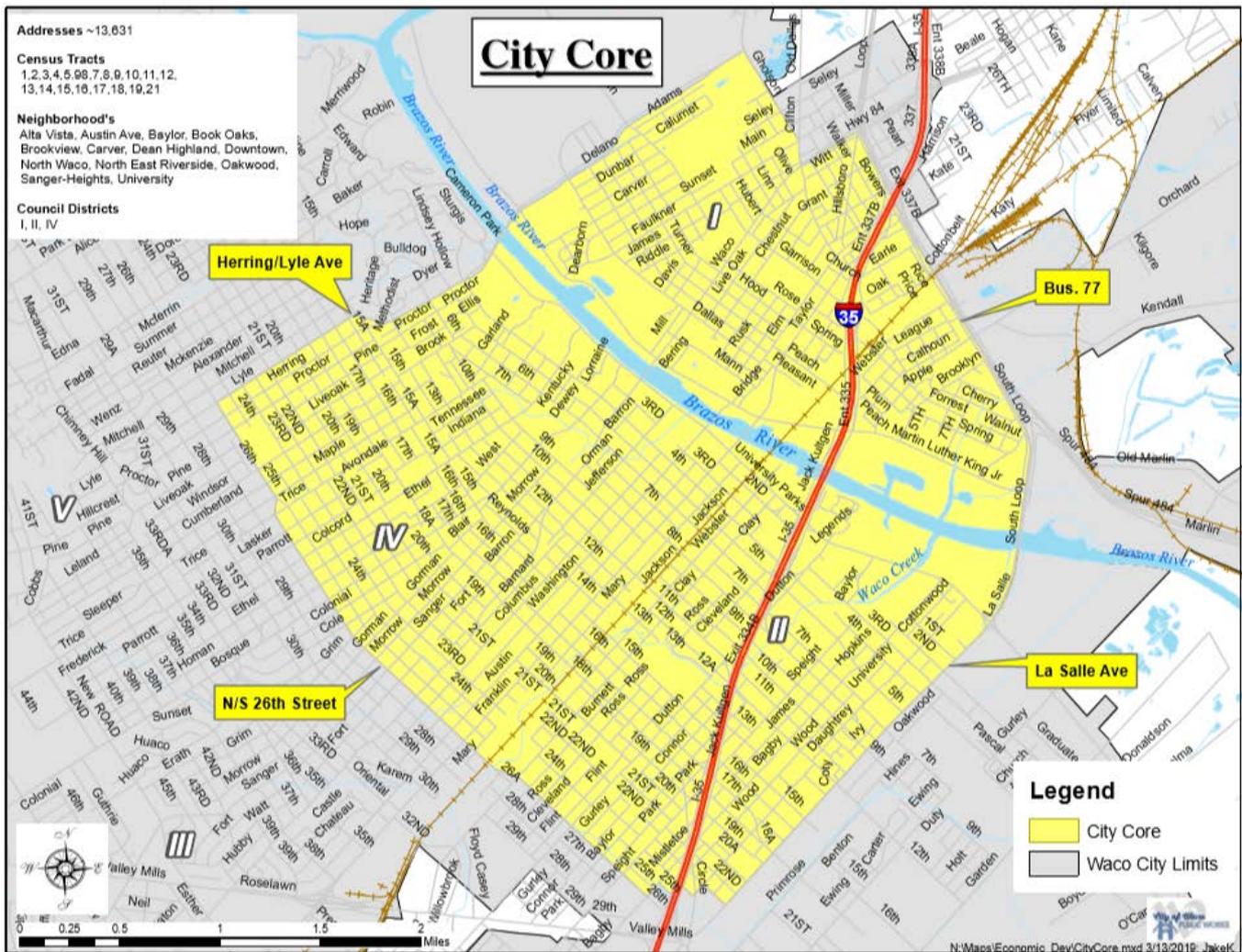
Neighborhood's

Alta Vista, Austin Ave, Baylor, Book Oaks,
Brookview, Carver, Dean Highland, Downtown,
North Waco, North East Riverside, Oakwood,
Sanger-Heights, University

Council Districts

I, II, IV

City Core



Legend

- City Core
- Waco City Limits

Economic Development Project

ZINKPOWER



Project Location



Imperial Dr

Mars Dr.

Texas Central Pkwy

Duruy Ob/Gyn & Supply

Mars Wrigley Confectionery

Waco Express (AAFES)

Marshalls

Smile Direct Club

Joseph S. Moore, MS

Waco Ob/Gyn at Hillcrest

Concept Renderings



Company Summary

- Established 1973
- Headquartered in Stuttgart, Germany
- European leader in hot-dip galvanizing and powder-coating services
- First U.S. operation
- ZINKPOWER Waco



Project Background

- Site selected in Texas Central Park
- Supporting manufacturers from Dallas to San Antonio
- Proposed new building construction
- Proposed new job creation



Project Details

- \$32.2 million total capital investment
- 23 acres site (\$1.2 million)
- Approximately 161,000 SF facility
- \$18 million in real property improvements
- \$13 million in business personal property
- 100 new full-time jobs by 2023



Incentives Proposed

- Business Grant – City of Waco
- WMCEDC Grant – Waco McLennan County Economic Development Corporation
- Business Grant – McLennan County



City of Waco Business Grant

- Real Property - \$18 million
 - 5 years at 90%
 - Benefit to City over 10 years: \$768,000
 - Benefit to Company over 10 years: \$628,000
- Personal Property - \$13 million
 - 7 years at 40, 30, 20, 15, 5, 5, 5%
 - Benefit to City over 10 years: \$538,000
 - Benefit to Company over 10 years: \$100,000



Proposed Job Creation

- 100 full-time jobs with benefits
 - 25 jobs per year in 2020, 2021, 2022, 2023
- Average Annual Salary: \$33,000
- Minimum wage of all workers: \$12/hr
- Average annual Payroll: \$972,608 - \$1,050,400
- Jobs must be retained through 2027
 - contract term of Business Grant



WMCEDC Grant

- \$700,000 grant - \$350,000 from City and \$350,000 from County
- To be paid after real and personal property investments
- To be paid on a per job creation basis of \$7,000 per job
 - All jobs are to be created by 2023
- All jobs must be retained for 3 years after full employment is achieved (2026)
- At least 75% of jobs must be created, or the grant will be canceled and recaptured



Thank You

