

Economic Development Work Session

July 7, 2020



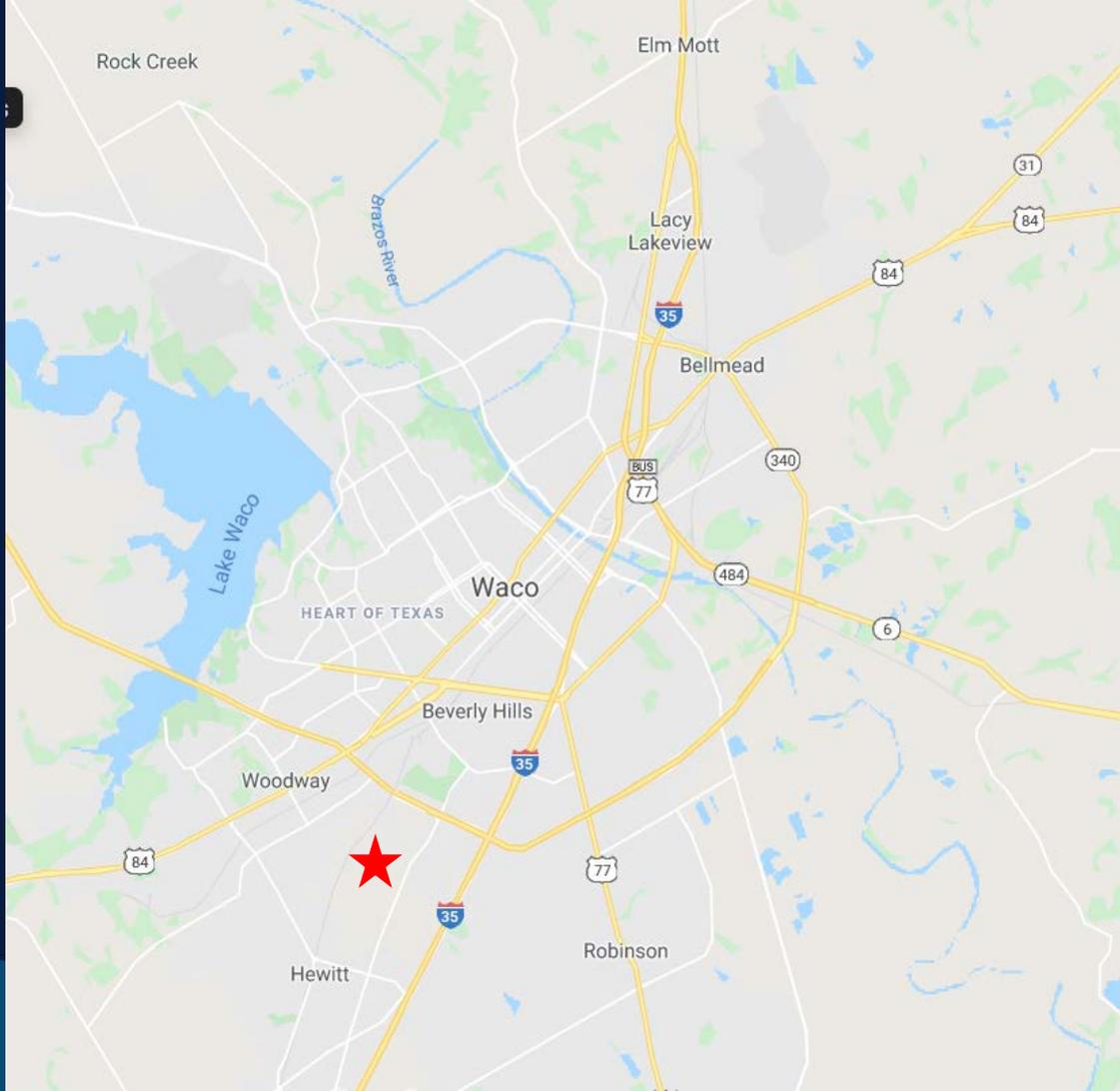
Items for Consideration

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

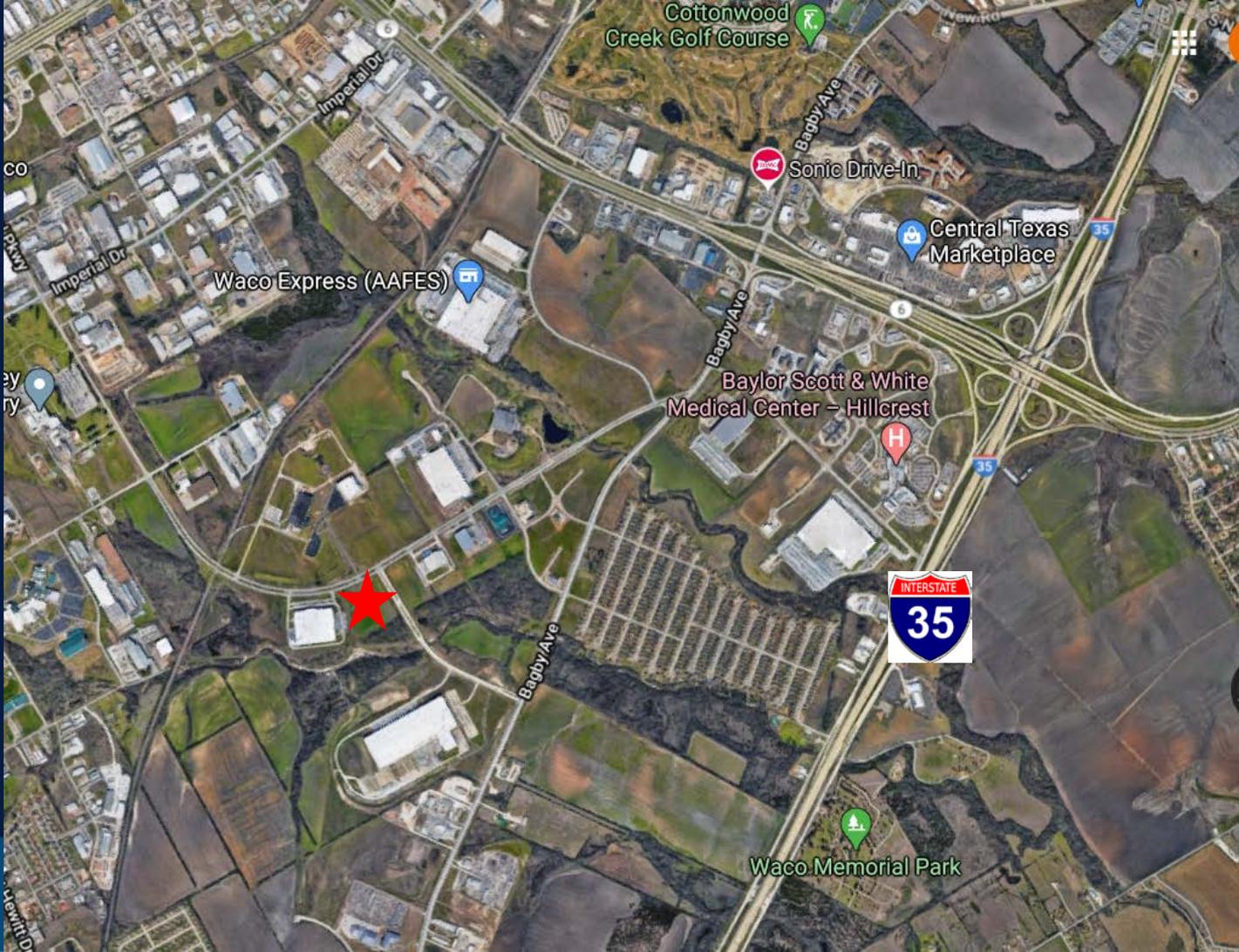




Location

Corner of
Texas Central Parkway
& Gateway Blvd





Location

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)		Number
	Low	High	
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



ASPEN -- Wages	Pay Range (Hourly)		Number
	Low	High	
New Full-Time Jobs			
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Sales Person	\$30.00	\$40.00	2
Operations Manager	\$30.00	\$40.00	1
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New Jobs Created			
Year 1-2 (2020-21)			49
Year 3 (2022)			30
Year 4 (2022+)			TBD
TOTAL			79



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

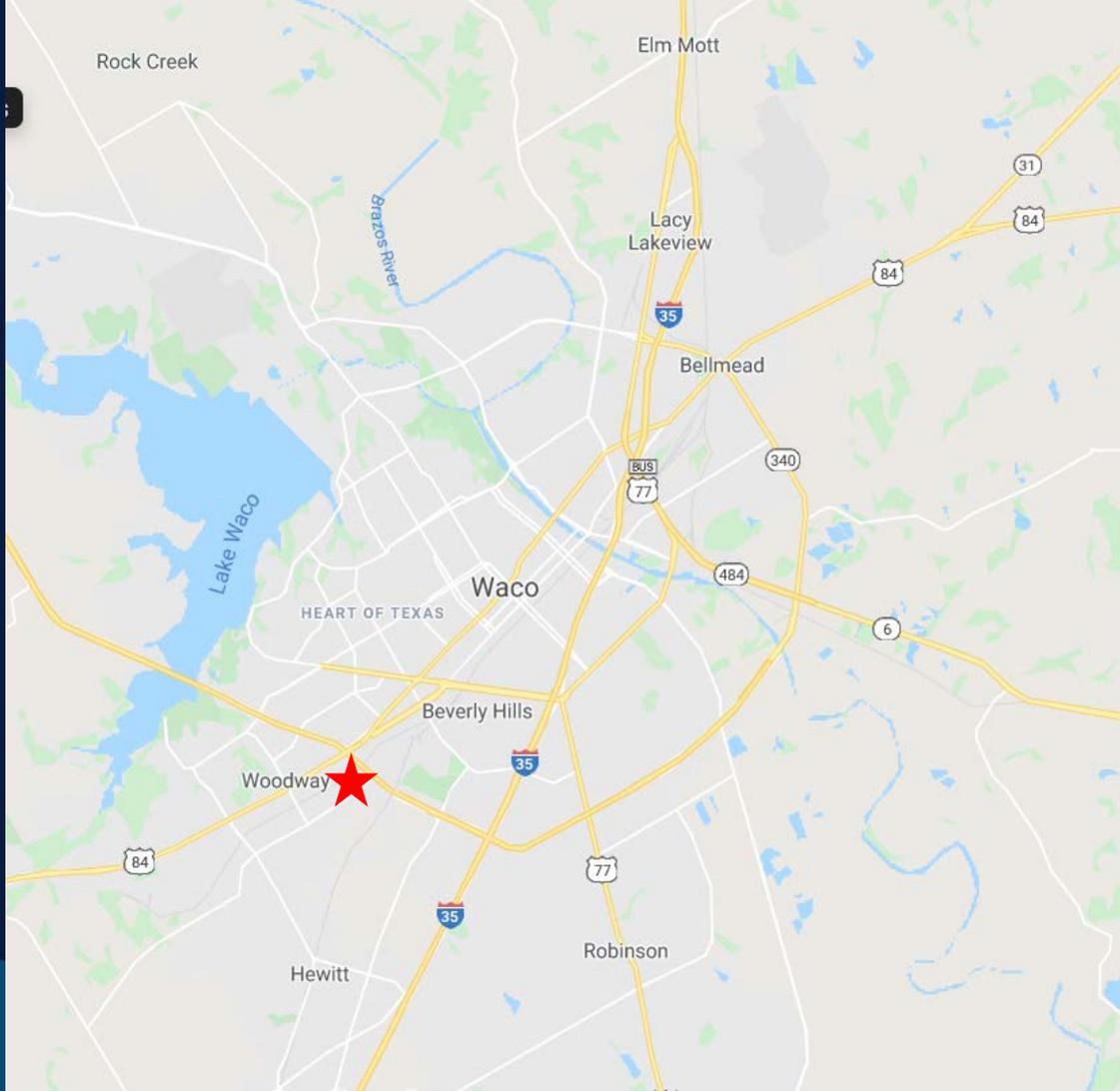
Proposed Grant of up to \$500,000 (\$250,000 from City)

- 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





Location

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	
Existing Jobs			
Digital Product Manager	\$33.65	\$43.27	1
New Full-Time Jobs			
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
New Jobs Created			
Year 1 (2020)			9
Year 2 (2021)			1
TOTAL			10



Wage Information

RYONET	Pay Range (Hourly)		Number
	Low	High	
Existing Jobs			
Digital Product Manager	\$33.65	\$43.27	1
New Full-Time Jobs			
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
New Jobs Created			
Year 1 (2020)			9
Year 2 (2021)			1
TOTAL			10



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 4th 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)

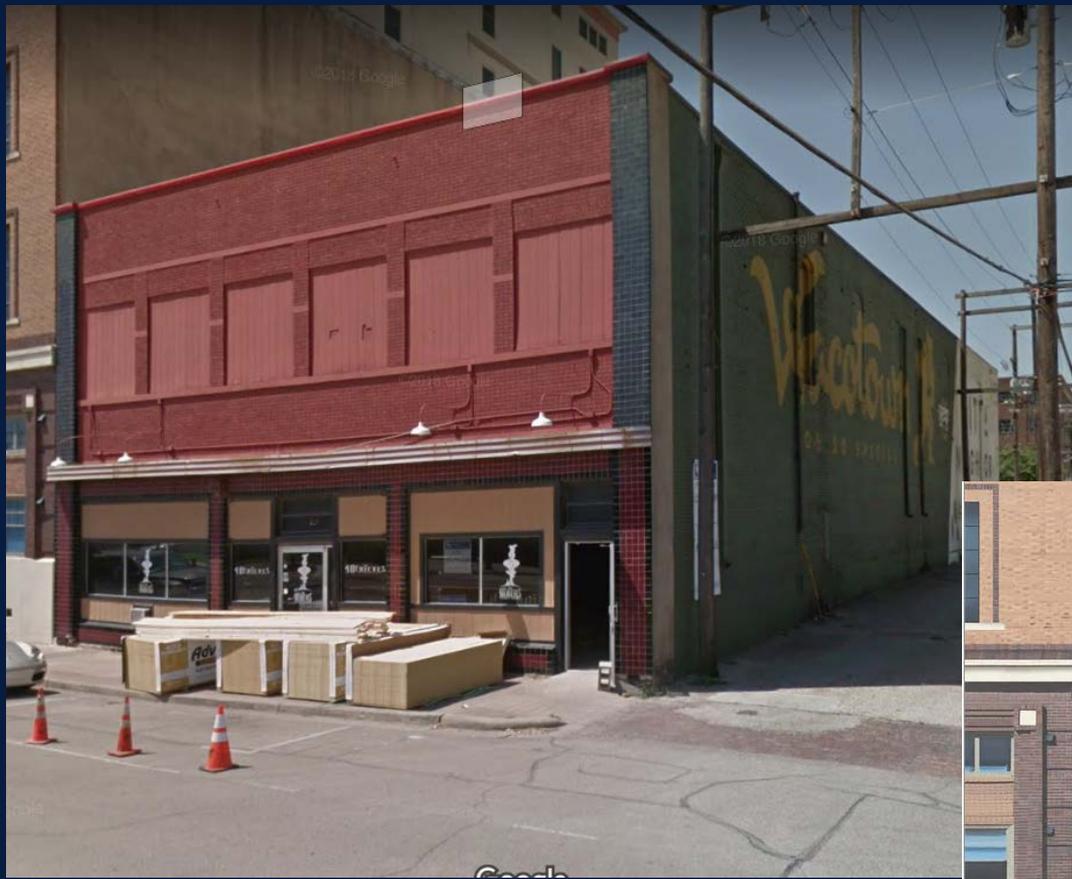


215-217 S. 4th Street

Contract Extension

Behrens Lofts Partners, LLC





GRAPHIC SCALE
0 1 2 3 4

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

rbdr LLC - Architects
10000 N. UNIVERSITY, SUITE 1000, DALLAS, TEXAS 75243
PH: 214.736.7800 FAX: 214.736.7801



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215-217 S. 4th 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 2nd 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 2nd (final) payment will not be provided without full completion and C.O. (Certificate of Occupancy) of the entire 2nd floor
 - New project completion deadline 12.31.20
 - Anticipated 2nd 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 ~~\$8,000,000~~ \$5,161,123
- City - Off Site ~~\$6,243,522~~ \$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

