

Legislation Text

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CC MEETING: August 4, 2015**DATE:** July 29, 2015**TO:** Leonard Martin, City Manager**FROM:** Andrea Roy, Economic Development Manager

Consider A **Resolution Authorizing The City Manager To Enter Into A Chapter 380 Economic Development Grant Incentive Agreement With Murata Electronics, North America, Inc.**

BACKGROUND:

Murata Electronics is an established international electronics company headquartered in Smyrna, Georgia. Murata intends to relocate its Dallas Area Product Development and Research and Development facility to Carrollton to meet its growth needs. The company will lease approximately 28,000 square feet of office space in the International Business Office Park Complex (4100 Midway Road), with employment growing from approximately 85 employees to up to 130 employees within 4 years. The company is engaged in the design, manufacture, and supply of advanced electronic materials for mobile phones, home appliances, automotive applications, energy management systems, and healthcare. With an annual estimated payroll of \$17 million, Murata wages will exceed the current average annual wage of the Dallas-Plano-Irving metro area.

Chapter 380 Incentive Agreement

- *Performance-Based Job Creation Grant:* Minimum 100 jobs and up to 130 jobs, with \$1,000 per job payable annually to Murata over a 4-year period upon confirmation that the jobs have been created and retained.
- *Grant Incentive:* Equivalent to 100% of building permit fees, not to exceed \$10,000, provided after receipt of Certificate of Occupancy.
- *Expedited Permitting Process:* A single point of contact plans examiner will be assigned to the project to coordinate all details regarding tenant finish-out in order to expedite the review and permitting process.

FINANCIAL IMPLICATIONS:

Under the city's grant program, Murata is eligible to receive a grant not to exceed a total of \$140,000 (job creation grant + building permit fees) over the life of the incentive agreement (January 1, 2016 to February 15, 2020).

IMPACT ON COMMUNITY SUSTAINABILITY:

In accordance with the Economic Development plan of enhancing the tax base and attracting quality employers, this project meets all criteria. Attraction of quality employers will enhance the city's economic base while diversifying and expanding job opportunities.

STAFF RECOMMENDATION/ACTION DESIRED:

Staff recommends that City Council approve a resolution authorizing the City Manager to enter into an economic development grant incentive agreement with Murata Electronics, North America, Inc.