

Legislation Text

File #: 2378, **Version:** 1

CC MEETING: December 1, 2015

DATE: November 23, 2015

TO: Leonard Martin, City Manager

FROM: Andrea Roy, Economic Development Manager

Consider A **Resolution Authorizing The City Manager To Enter Into A Tax Incentive Agreement With The Billingsley Development Corporation.**

BACKGROUND:

Billingsley Development Corporation has requested a tax incentive and reimbursement of building permit fees for a proposed 350,000 square foot warehouse/distribution facility located on approximately 23.4 acres at the southwest corner of Parker Road and Plano Parkway (Austin Ranch), for the purpose of locating Interceramic's US headquarters and distribution operations to this facility.

Interceramic currently occupies two North Texas facilities (headquarters/distribution and manufacturing), and, due to its extensive growth, needs to expand its headquarters and distribution facility. Interceramic is a manufacturer and distributor of ceramic tile and stone in the US, Canada, Mexico, and Central America. The company was founded in 1979 in Mexico and has grown to total annual sales of over \$500 million. Interceramic will occupy the facility for a lease term of no fewer than fifteen (15) years, employing approximately 130-150 people with an estimated average annual salary of \$51,400.

In addition to the City's proposed incentives, the Billingsley Development Corporation has also provided concessions in order to attract the tenant to the Carrollton site, including free rent, land cost reduction, and a generous tenant finish-out budget.

The facility will be constructed in a manner similar and complimentary to the immediately adjacent building, occupied by BeautiControl, which is also owned by Billingsley. Of the proposed 350,000 square feet of building space, approximately 40,000 square feet will be dedicated to office, located along the entire front of the building, providing enhanced architectural design to the most visible portion of the facility.

FINANCIAL IMPLICATIONS:

The total cost of the building is about \$25,000,000, which will generate approximately \$26,000 annually in property taxes to the City during the term of the agreement, increasing to approximately \$157,000 annually thereafter. Taxable business personal property will generate approximately \$67,700 annually, including inventory.

IMPACT ON COMMUNITY SUSTAINABILITY:

In accordance with the City of Carrollton's goal of enhancing the tax base through new development and

attraction of quality employers, this project meets all criteria.

STAFF RECOMMENDATION/ACTION DESIRED:

Staff recommends that City Council approve a resolution authorizing the City Manager to enter into an incentive agreement with Billingsley Development Corporation providing a seven (7) year, eighty percent (80%) real property tax rebate and reimbursement of 100% of building permit fees associated with the project, not to exceed \$100,000.