



Legislation Text

File #: Res. 2019-225R, **Version:** 1

AGENDA CAPTION:

Consider approval of Resolution 2019-225R, approving a Chapter 380 Economic Development Incentive Agreement with Katerra Construction, LLC to locate an automated building component manufacturing and distribution facility within the Whisper Planned Development District (PDD) located near IH-35 and Yarrington Road, which the agreement provides incentives over ten years in the form of annual refunds of a portion of new property taxes generated from the facility; granting a variance from the PDD Standards to allow parking for the facility in the first layer; rescinding a prior Chapter 380 Economic Development Incentive Agreement with the company approved by Resolution No. 2018-184R; authorizing the City Manager to execute the agreement; and declaring an effective date.

Meeting date: November 6, 2019

Department: City Manager's Office, Steve Parker, Assistant City Manager

Amount & Source of Funding

Funds Required: N/A

Account Number: N/A

Funds Available: N/A

Account Name: N/A

Fiscal Note:

Prior Council Action: City Council approved a Chapter 380 agreement with Katerra on October 16, 2018 for their site at the S.M.A.R.T. Terminal location

City Council Strategic Initiative: [Please select from the dropdown menu below]

Choose an item.

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

☐ Economic Development - Choose an item.

☐ Environment & Resource Protection - Choose an item.

☐ Land Use - Choose an item.

- ☐ Neighborhoods & Housing - Choose an item.
- ☐ Parks, Public Spaces & Facilities - Choose an item.
- ☐ Transportation - Choose an item.
- ☐ Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

Katerra is a “technology-driven offsite construction company,” based in Menlo Park, California. The City Council approved a Chapter 380 agreement with Katerra on October 16, 2018 based on the proposal for Katerra to construct an approximately \$600,000 square foot facility to manufacture a wide range of building components and materials, including wall panels, floor systems, roof truss assemblies, windows, cabinets and finishes. Katerra proposes to create at least 542 full-time jobs and make a capital investment of at least \$109,000,000. That agreement called for the project be located in the S.M.A.R.T. Terminal which is in Caldwell County. Katerra has made a business decision to locate to the Whisper Development which is located in Hays County. This project is located in the Loop 110 TRZ which limits the amount of real property rebate that the company can receive because 50% of the real property increment goes to the State to reimburse them for the Loop 110 infrastructure. City staff is recommending that the previous agreement percentages be reduced by 50% for real property. The updated percentages are updated in the agreement and are shown in a table which is attached.

The Whisper PDD does not allow parking in the front of the building. Katerra is also asking for a waiver that would allow the parking in the front of the building. An attachment of the building design is also attached.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

Click or tap here to enter text.