

Item H-5

Consider a resolution approving a Chapter 380 Economic Development Program Agreement, pursuant to Chapter 380 of the Texas Local Government Code, and pursuant to the city's economic development policy, with KP Bowden, LLC, owner of a proposed regional headquarters office building located at 1807 Keller Parkway on 2.428 acres known as lot 3, block A, Bowden Event Center Addition, Keller, Texas; and authorizing the city manager to execute said documents on behalf of the City of Keller, Texas.

Project Phoenix, Regional Headquarters



- 1801 Keller Pkwy. (in front of The Bowden)
- 17,000 sq. ft. Office Building for Regional Headquarters of Financial Company
- 50 employees on opening + 15 within 5 years (total 65 anticipated employees)
- Average salary >\$100,000

Project Phoenix, Regional Headquarters

| Incentive Request | Ad Valorem*** Tax Grant - 100% | Private Property* * Tax Grant - 100% | City Sales Tax Revenues* - 100% Construction | Permit Fees, Connection Fees - 100% | Keller Impact Fees - 100% | Fast Track Permitting | Total Request |
|--------------------|-----------------------------------|-----------------------------------------|----------------------------------------------|-------------------------------------|---------------------------|-----------------------|---------------|
| Construction Phase | \$ 2,124.49 | \$0 | \$42,000 | \$76,006 | \$120,038 | \$0 | \$ 240,168.49 |
| Year 1 | \$ 16,800 | \$ 223 | \$0 | \$0 | \$0 | \$0 | \$17,023 |
| Year 2 | \$ 17,304 | \$ 230 | \$0 | \$0 | \$0 | \$0 | \$17,533 |
| Year 3 | \$ 17,823 | \$ 237 | \$0 | \$0 | \$0 | \$0 | \$18,059 |
| Year 4 | \$ 18,357 | \$ 244 | \$0 | \$0 | \$0 | \$0 | \$18,601 |
| Year 5 | \$ 18,908 | \$ 251 | \$0 | \$0 | \$0 | \$0 | \$19,159 |
| Year 6 | \$ 19,475 | \$ 259 | \$0 | \$0 | \$0 | \$0 | \$19,734 |
| Year 7 | \$ 20,060 | \$ 266 | \$0 | \$0 | \$0 | \$0 | \$20,326 |
| Year 8 | \$ 20,661 | \$ 274 | \$0 | \$0 | \$0 | \$0 | \$20,936 |
| Year 9 | \$ 21,281 | \$ 283 | \$0 | \$0 | \$0 | \$0 | \$21,564 |
| Year 10 | \$ 21,920 | \$ 291 | \$0 | \$0 | \$0 | \$0 | \$22,211 |
| DECADE TOTALS | \$ 194,713 | \$2,558 | \$42,000 | \$76,006 | \$120,038 | \$0 | \$435,315 |

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Project Phoenix, Regional Headquarters

| RECOMMENDATION | | | | | | | |
|-----------------------|------------------------------------|--------------------------------------------------|---------------------------------------------------------|---------------------------------------------|-----------------------------|--------------------------|------------|
| | Ad Valorem* Tax Grant - 100% | Private Property* * Tax Grant - 100% | City Sales Tax Revenues*** - 100% Construction | Permit Fees, Connection Fees - 50% | Keller Impact Fees - 50% | Fast Track Permitting | Total |
| Construction Phase | \$ 2,124 | \$0 | \$42,000 | \$38,003 | \$60,019 | \$0 | \$ 142,146 |
| Year 1 | \$ 16,800 | \$ - | \$0 | \$0 | \$0 | \$0 | \$16,800 |
| Year 2 | \$ 15,498 | \$ - | \$0 | \$0 | \$0 | \$0 | \$15,498 |
| Year 3 | \$ 14,120 | \$ - | \$0 | \$0 | \$0 | \$0 | \$14,120 |
| Year 4 | \$ 12,664 | \$ - | \$0 | \$0 | \$0 | \$0 | \$12,664 |
| Year 5 | \$ 11,126 | \$ - | \$0 | \$0 | \$0 | \$0 | \$11,126 |
| Year 6 | \$ - | \$ - | \$0 | \$0 | \$0 | \$0 | \$0 |
| Year 7 | \$ - | \$ - | \$0 | \$0 | \$0 | \$0 | \$0 |
| Year 8 | \$ - | \$ - | \$0 | \$0 | \$0 | \$0 | \$0 |
| Year 9 | \$ - | \$ - | \$0 | \$0 | \$0 | \$0 | \$0 |
| Year 10 | \$ - | \$ - | \$0 | \$0 | \$0 | \$0 | \$0 |
| DECADE TOTALS | \$ 72,332 | \$0 | \$42,000 | \$38,003 | \$60,019 | \$0 | \$ 212,354 |

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| ROI (Primary Impacts) | No Improvement Revenues | Improvement Revenues |
|-----------------------|-------------------------|----------------------|
| Year 0 | \$0 | \$ 98,022 |
| Year 1 | \$0 | \$ - |
| Year 2 | \$0 | \$ 1,730 |
| Year 3 | \$0 | \$ 3,565 |
| Year 4 | \$0 | \$ 5,507 |
| Year 5 | \$0 | \$ 7,563 |
| Year 6 | \$0 | \$ 19,475 |
| Year 7 | \$0 | \$ 20,060 |
| Year 8 | \$0 | \$ 20,661 |
| Year 9 | \$0 | \$ 21,281 |
| Year 10 | \$0 | \$ 21,920 |
| TOTALS | \$0 | \$ 219,784 |

Project Phoenix, Regional Headquarters

Secondary and Tertiary Potential Impacts

- 12 months of construction that generates construction material sales, restaurant and retail activity estimated at \$980,000*;
- New residential relocations from Houston and Austin;
- Hotel occupancy for visitors, corporate meetings;
- 65 employees – average annual wage >\$100,000 – generates residential, restaurant and retail activity

*Economic impact analysis based on Three Rivers Model



Questions?

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