City of Pflugerville

Legislation Text

Approving an Economic Development Performance Agreement between Pflugerville Community Development Corporation, a Texas Type B Economic Development Corporation ("PCDC") and MDC VACUUM PRODUCTS, LLC, ("MDC") a Texas corporation (Project RUTL), not to exceed $250,000, for the purpose of primary jobs.

An Economic Development Performance Agreement (EDPA) between the Pflugerville Community Development and MDC VACUUM PRODUCTS, LLC, is forwarded to City Council for consideration. See Deal Points Sheet attached.

Status: On Thursday, March 4, 2021, the PCDC Board unanimously approved, during a Special Called PCDC Board Meeting, an EDPA between the PCDC and MDC not to exceed $250,000, for the purpose of primary jobs. The cost of EDPA will be addressed in future FY21 budget amendments as needed. MDC plans to bring up to 90 jobs to the City over five years and to make a capital investment of $4,450,000. PCDC will provide up to $250,000 in incentive after all requirements are met.

Prior City Council Action
PCDC Executive Director reviewed the Deal Points for this EDPA during a previous City Council Executive Session. Council approval is required for all PCDC EDPAs.

Deadline for City Council Action
Consideration requested for March 9, 2021 Regular Council Meeting.

PCDC Fiscal Impact: Total possible impact is $250,000 paid out as: Year One: Up to $75,000 (relocation grant); Year Two - Four: Capped at $50,000 ($2,500 per NEW job created); Year Five: Capped at $25,000 ($2,500 per NEW job created). Upon approval of the EDPA, the first payment of $75,000 will be eligible for funding in the PCDC FY21 budget. Any budget amendment will be brought forward as needed in Quarter 4 per the PCDC Bylaws. Remaining funding will be budgeted annually.

Supporting documents attached:
Agreement
Deal Points
Presentation Slides

Recommended Action
The PCDC Board and staff recommend approval.