

Meeting Date (?) 11/21/2016

Subject Matter* (?) Chapter 380 Agreement with ViaSat
This must match rolling agenda entry

Department of Origin* ECONOMIC DEVELOPMENT

Submitted By* Kevin Russell

Type of Meeting* BCD Special Regular

Classification* Public Hearing Consent Statutory Regular

Ordinance* None First Read Second Read First & Only Read

Strategic Initiative* Public Safety Economic Development Service Quality of Life Infrastructure

Agenda Item Description* Consider approving a Chapter 380 Agreement between the City of Bryan and ViaSat, Inc. to allow the City the ability to offer a reimbursement of the revenues the City of Bryan receives from the City of College Station per the terms in the Interlocal Agreement between the City of Bryan and the City of College Station.

Summary Statement* The proposed Chapter 380 Agreement allows the City to reimburse ViaSat for reaching and maintaining benchmarks. Below are the minimum benchmarks ViaSat must meet to qualify for a reimbursement of a portion of the revenue the City of Bryan will receive from College Station:

- Begin construction no later than January 31, 2017.
- Obtain at least \$15,000,000.00 in additional taxable value.
- Must occupy and use the improvements being constructed.
- Create 150 new full-time jobs with an average salary of \$64,500.
- Must have at least \$17,200,000.00 in payroll by the end of the second year following the end of construction.

The City of Bryan reimbursements to ViaSat are proposed to follow the same percentages as offered by the City of College Station:

Year - Annual Cash Incentive
 First Year of Cash Incentives -80%
 Year 2 - 60%
 Year 3 - 40%
 Year 4 - 30%
 Year 5 - 20%
 Year 6 - 10%

The amount collected and reimbursed are as follows:

Year - Revenue Collected - Reimbursement - City's Portion of Rev.
First Year -\$18,000.00- \$14,400.00 -\$3,600.00
Year 2 - \$18,000.00 -\$10,800.00 -\$7,200.00
Year 3 - \$18,000.00-\$7,200.00 -\$10,800.00
Year 4 - \$18,000.00 -\$5,400.00 -\$12,600.00
Year 5 - \$18,000.00 -\$3,600.00 -\$14,400.00
Year 6 - \$18,000.00 -\$1,800.00 -\$16,200.00
TOTAL - \$108,000.00 -\$43,200.00 -\$64,800.00

The total amount to be reimbursed is not to exceed \$43,200.00.

Staff Analysis & Recommendation* Staff recommends approval of the proposed Chapter 380 Agreement. The community is positioned for growth in the BioCorridor, and this project will serve to continue job growth and economic development on Bryan's west side.

This project will allow a business that has thrived and outgrown its current location in Bryan the opportunity to expand and invest in the community. Additionally, this is an opportunity to retain a business in the BioCorridor that – without this type of assistance – could relocate from Bryan to other metro areas in Texas.

Options*

(In Suggested Order of Staff Preference)

1. Approve the Chapter 380 Agreement.
2. Modify the Chapter 380 Agreement, which may require consideration at a future City Council meeting.
3. Deny the Chapter 380 Agreement and provide direction to City staff.

Funding Source*

Future shared revenue received from the City of College Station.

Attachments

EDABryan Viasat final.docx

6.66MB

Please detail attachments and note attachments available for viewing in City Secretary's Office:

1. Proposed Chapter 380 Agreement

Dept. Head Signature



Kevin Russell

Deputy City Manager Signature



City Manager Signature



Hugh R. Walker

City Attorney Signature



Thomas A. Leeper