

Economic Development Commission
October 3, 2022

A meeting of the City of Waxahachie Economic Development Commission was held on Monday, October 3, 2022 at 10:00 a.m. in the City Council Conference Room, 401 South Rogers, Waxahachie, Texas.

Members Present: David Hill, Mayor
Travis Smith, Council Member, Place 5
Rick Keeler, Planning & Zoning Commission Chairman
Tamika Ayers
Travis Villanueva

Ex-officio
Members Present: Michael Scott, City Manager

Ex-officio
Members Absent: Dr. Jerry Hollingsworth, Waxahachie ISD Superintendent
Waxahachie ISD Board Trustee

Others Present: Albert Lawrence, Deputy City Manager
Warren Kettelman, Senior Director of Economic Development
Kassandra Carroll, Economic Development Coordinator
Jami Bonner, Assistant City Secretary

1. Call to Order

Mayor David Hill called the meeting to order.

2. Public Comments

None.

3. Reorganize the Board

Action:

Mr. Rick Keeler moved to nominate Mayor David Hill as President. Mr. Travis Villanueva seconded, All Ayes.

Mayor David Hill moved to nominate Rick Keeler as Vice President. Ms. Tamika Ayers seconded. All Ayes.

4. Approve minutes of the Economic Development Commission meeting of February 9, 2021

Action:

Vice President Rick Keeler moved to approve the minutes of the Economic Development Commission meeting of February 9, 2021. Mr. Travis Villanueva seconded, All Ayes.

{Council Member Travis Smith arrived at 10:10 am}

5. Consider tax abatement incentives for Cardinal IG (Insulated Glass) for a proposed expansion at their current facility

Senior Director of Economic Development Warren Kettman explained the Economic Development Commission (EDC) serves as a recommending body to the City Council when the Economic Development Department receives applications from businesses that are expanding or relocating to Waxahachie and are interested in a tax abatement. Once applications are vetted by City staff, the application is presented to the EDC to consider a recommendation for City Council for final consideration. Mr. Kettman welcomed applicant, Mr. Erik Shoquist, Plant Manager for Cardinal IG.

Mr. Shoquist shared Cardinal IG's history noting the Waxahachie plant began operations in 1999 and primarily supplies glass to the residential window market. Currently, the Waxahachie Cardinal IG plant is located on approximately 38 acres and is 300,000 sq. ft. He explained in 2019, the plant expanded 100,000 sq. ft. and added a fourth production line. Cardinal IG is planning to expand the Waxahachie plant again by adding a fifth production line by the end of 2023 and a sixth production line in 2024 and adding an additional 150,000 sq. ft. to the facility. He noted the Waxahachie plant currently has 350 employees and plans to employ an additional 15 employees in 2023 and 15 employees in 2024 with an average salary of \$52,000. He stated Cardinal IG estimates expansion costs to include approximately \$40,000,000 in building costs, \$20,000,000 in new equipment costs, and \$2,000,000 in payroll additions.

President Mayor David Hill inquired about the tax abatement approved for Cardinal IG's 2019 expansion. Mr. Kettman replied Cardinal IG received a 60% tax abatement for seven years to terminate in 2026. He explained an abatement approved by the City Council is a foregoing of a percentage of City taxes over a specific period of time.

Ms. Kassandra Carroll, Economic Development Coordinator, reviewed the proposed Tax Abatement Agreement noting the abatement is related to the \$40,000,000 for building costs and \$20,000,000 for new equipment. She explained the proposed abatement recommends the following step-down model to consider appreciation of property and depreciation of equipment:

- 50% abatement for year one
- 40% abatement for year two
- 30% abatement for year three
- 20% abatement for years four and five

It was noted that the abatement would only apply to the new expansion and projected to begin in 2026. The abatement total over the five years is estimated to total \$586,870 with the City receiving an estimated \$1,228,500 in taxes.

Action:

Mr. Travis Villanueva moved to approve a recommendation for a Tax Abatement Agreement with Cardinal IG as presented. Council Member Travis Smith seconded. All Ayes.

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6. Adjourn

There being no further business, the meeting adjourned at 10:45 a.m.

Respectfully submitted,

Jami Bonner

Assistant City Secretary