

Economic Development Commission
October 1, 2019

A meeting of the Economic Development Commission was held on Tuesday, October 1, 2019 at 1:00 p.m. in the City Council Conference Room, 401 South Rogers, Waxahachie, Texas.

Members Present: Mackey Morgan, President
David Hill, Mayor
Mary Lou Shipley, Mayor Pro Tem
Rick Keeler, Chairman of Planning & Zoning
Rhyan Phillips

Ex-officio
Member Present: Michael Scott, City Manager

Others Present: Doug Barnes, Economic Development Director
Albert Lawrence, Assistant City Manager
Lori Cartwright, City Secretary

1. Call to Order

President Mackey Morgan called the meeting to order, gave the invocation, and introduced new members of the Board.

2. Public Comments

None

3. Approve minutes of the Economic Development Commission meeting of January 15, 2019

Action:

Mayor Pro Tem Mary Lou Shipley moved to approve the minutes of the Economic Development Commission meeting of January 15, 2019. Mayor David Hill seconded, All Ayes.

4. Consider incentives for Showbiz Cinemas to construct an entertainment center at 108 Broadhead Road and take any necessary action

Mr. Doug Barnes, Director of Economic Development, introduced Mr. Kevin Mitchell, CEO and Mr. Greg Ellis, CFO of Showbiz Cinema noting they are here to add a third addition to Showbiz Cinema.

Mr. Mitchell stated when they first opened they projected 450,000 attendees and when they added the expansion, with the city's help, they saw a 20% increase in attendees. He stated the new expansion will make Showbiz Cinema a destination of entertainment and add an additional 20% in attendance. Mr. Mitchell showed a video noting they intend to add a bowling alley, arcade game room, and banquet room. He stated they will lose some parking and by redoing each movie location and lose 60% of the seating. Mr. Mitchell explained the occupancy stays high because with advanced booking of seating, if that seat is taken, the customer will come back during the week to see a movie.

Mr. Greg Ellis stated the proposed addition will cause revenue to increase up to 50%. He stated they have estimated 9 million for the project and have 10 million slated for the project. Mr. Ellis stated the project will bring 130 – 150 employees with an hourly rate of pay ranging from \$8.00 to \$15.00.

Mr. Barnes reviewed the Chapter 380 Economic Development Agreement noting Showbiz Cinemas' Obligations include:

- 11,000 s/f family entertainment center expansion and amenities
- Construct the improvements with a finished appraised value of at least \$9,400,000
- Increase total annual employment hours which estimates to approximately 140 jobs

Mr. Barnes stated the City's obligations include:

- Provide an incentive to Showbiz Cinemas equivalent to 85% of the new Business and Personal Property Tax earned by Showbiz during each calendar year of the 10-year agreement. The payment of this incentive will be based on new appraisal value.
- Provide an incentive to Showbiz Cinemas equivalent to 85% of the municipal sales tax earned by Showbiz during each calendar year of the 10-year agreement.
- Total incentives not to exceed \$1,000,000.

Mr. Barnes stated the Chapter 380 Economic Development Agreement was developed based on an estimate of additional annual taxable sales of \$4,188,887. The City's 15% share of additional sales tax estimated to be \$94,250 during the 10-year agreement. The Waxahachie Community Development Corporation will receive a 100% of their half-cent portion of sales tax; which is an estimated \$209,444 during the 10-year agreement. Additionally, City's 15% share of new Ad Valorem revenues on the improvements are estimated to be \$82,487 during the 10-year agreement.

Action:

After further discussion, Mayor David Hill moved to approve a Chapter 380 Economic Development Agreement with Showbiz Cinema as presented. Mayor Pro Tem Mary Lou Shipley seconded, All Ayes.

5. Adjourn

There being no further business, the meeting adjourned at 1:48 p.m.

Respectfully submitted,

Lori Cartwright
City Secretary