

MEMORANDUM

TO: Claire Powell, City Manager

FROM: Marichelle Samples, Director of Economic Development & Tourism

DATE: January 26, 2026

SUBJECT: **Approval of the First Amendment to the Economic Development Agreement Between the City of Lewisville and Wells Fargo Bank, N.A.; and Authorization for the City Manager, or Her Designee, to Execute the First Amendment.**

BACKGROUND

Wells Fargo Bank, N.A. (“Company”) entered into an Economic Development Agreement with the City of Lewisville on December 6, 2022 (“Agreement”). The Agreement provided for the construction of a 146,000 square foot data center at 2501 Edmonds Lane, Lewisville, TX. The Agreement required the Company to construct real property improvements on the property with a minimum capital investment of \$470,050,000 and hire fifty-seven (57) full-time employees with a weighted average base salary of \$128,300.

In exchange, the following incentives were provided under the Economic Development Agreement: (1) an annual grant equal to 50% of the ad valorem property taxes paid to the City for 5 years; (2) an annual grant equal to 50% of the business personal property taxes paid to the City for 5 years; (3) a one-time grant equal to 100% of all fees paid to the City at the time of applying for a building permit for the real property improvements; and (4) a one-time grant equal to 100% of the local sales tax on any taxable items related to the construction and installation of the improvements.

Since execution of the Agreement, construction progressed as anticipated, and the Company timely achieved substantial completion; however, the Company failed to meet the minimum capital investment requirement at the time of substantial completion.

ANALYSIS

The proposed First Amendment to the Economic Development Agreement reflects changes related to the Company’s internal restructuring and provides the City with express authority to extend the deadline for the minimum capital investment. Although the minimum capital investment was not met by the original deadline due to supply chain disruptions affecting the procurement, delivery, and installation of key equipment, it was subsequently achieved on September 30, 2025, after substantial completion was timely reached.

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The Company and the City desire to make the following amendments:

- Update all references to Digital Lewisville, LLC, the owner, to refer to DDI Lewisville, LLC.
- Extend the date by which the minimum capital investment must be achieved.
- Require an additional capital investment of \$100,000,000 as consideration for extending the date by which the minimum capital investment must be achieved, including associated provisions related to such requirements.
- Extend the date by which certain documents must be submitted to the City in connection with the Building Permit Fee Grant to coincide with achievement of the required capital investment.

These amendments ensure the Agreement accurately reflects the current status of the project, brings the Company into compliance, and allows the City to continue providing incentives, while also securing additional capital investment and protecting the City's financial interests.

CITY STAFF'S RECOMMENDATION

That the City Council approve the first amendment and authorize the City Manager, or her designee, to execute the first amendment as set forth in the caption above.