

## **MEMORANDUM**

**TO:** Claire Powell, City Manager

**FROM:** Marichelle Samples, Director of Economic Development & Tourism

**DATE:** October 6, 2025

**SUBJECT:** **Approval of the Assignment and Assumption Agreement Between the City of Lewisville, Mallard Supply Company, L.P. d/b/a REW Materials, and Foundation Building Materials, LLC; and Authorization for the City Manager, or Her Designee, to Execute the Agreement.**

### **BACKGROUND**

Mallard Supply Company, L.P. d/b/a REW Materials (“Company”) entered into an Economic Development Agreement with the City of Lewisville on January 8, 2018. The agreement provided for the relocation of its facility from 535 S. Mill Street to a larger site, suitable for expansion of their business, located at 801 Mario Court. In exchange, the following incentives were provided under the Economic Development Agreement: (1) an annual grant not to exceed \$50,000 for 10 years; and (2) a one-time development fee credit equivalent to the City development fees paid by REW, not to exceed \$50,000. The Company completed relocation in December of 2019.

### **ANALYSIS**

The agreement allows the Company to assign or transfer its rights to successors and assigns with the City’s prior approval. The City may not unreasonably withhold approval, so long as the assignee agrees to comply with all terms and conditions.

The Company desires to assign and transfer all its rights and obligations under the Economic Development Agreement to Foundation Building Materials, LLC (“Assignee”) and Assignee desires to assume and accept all of the Company’s rights and obligations under the Economic Development Agreement. The Assignee has been serving Lewisville since 2019 as a leading local supplier of building materials at 500 East State Highway 121 in Lewisville. Through their partnership with the Company, they have now acquired the Company, further expanding their operations, supply chain, and employment base.

The Assignee will be eligible to receive annual grant payments beginning in grant year 2025 and continuing through the remainder of the term, which terminates in 2031.

### **CITY STAFF’S RECOMMENDATION**

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