

MEMORANDUM

TO: Claire Powell, City Manager

FROM: Marichelle Samples, Economic Development Director

DATE: March 4, 2024

SUBJECT: **Approval of an Economic Development Agreement Between the City of Lewisville and WesternTechSystems, Inc., and Authorization for the City Manager, or Her Designee, to Execute the Agreement.**

BACKGROUND

WesternTechSystems, Inc. (“Company”) provides professional IT services to a wide range of industries, including IT asset management, device repair and refresh, asset recovery, and recycling. The Company has been in operation since 2009 and currently occupies 30,000 square feet, with 68 employees, in Coppell. The Company is proposing to relocate and construct a new 60,000 square feet office/warehouse facility on the property at the southwest corner of Spinks Road and S. Valley Parkway.

The Company will occupy approximately 37,000 square feet and lease the remaining 23,000 to one or more tenants. In addition, the agreement requires the Company to construct real property improvements on the property with a minimum capital investment of \$13,000,000 and hire an additional 142 full-time employees (“FTE”), for a total of 210 FTEs by 2028. The Company will have a local hiring preference for Lewisville residents and will hold a minimum of two outreach events and/or job fairs targeting Lewisville residents until it meets the required 210 FTEs.

ANALYSIS

The Company is seeking economic development incentives. Staff is proposing the following performance-based incentives for the project as described below:

- A grant equal to 50% of the value of taxes paid on the real property taxes paid to the City for a period of 10 years.
- A 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, excluding any capital recovery fees for water and sanitary sewer.
- A grant equal to 100% of the capital recovery fees for water and sanitary sewer paid to the City at the time of applying for a building permit.

The Company’s relocation and expansion in Lewisville will further the city’s goals under the Economic Vitality Big Move pursuant to the Lewisville 2025 Vision Plan. This Big Move encourages stronger and more diverse businesses that will further strengthen Lewisville’s economy and tax base. This project will also contribute to the long-term financial stability of our

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city by accommodating additional employment centers and business locations in close proximity to our existing neighborhoods, while providing employment opportunities for local residents.

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.