



MEMORANDUM

To: Mayor and City Council

From: Mindi Hurley, Director of Community Development

Date: October 24, 2023

Reference: PUBLIC HEARING:
Consider approval of an Ordinance designating Welbilt FSG Holding, LLC, Reinvestment Zone No. 115 pursuant to Section 312.201 of the Property Redevelopment and Tax Abatement Act; and authorizing the Mayor to sign.

2040: Create Business and Innovation Nodes

Introduction:

The purpose of this item is to hold the required public hearing of an Ordinance to create Reinvestment Zone No. 115 for Welbilt FSG Holding, LLC at the property located at 1010 W. Sandy Lake Rd.

Background:

Welbilt provides industry-leading foodservice equipment and solutions for the world's top chefs, premiere chain operators and growing independents. The company was established in 1929, and they have built 22 product brands that are designed to improve productivity, quality and profitability for its customer base in more than 100 countries. They are currently located in New Port Richey, Florida, but they will be moving their North American Headquarters, which will include their Global Destination Customer Facing Center and product distribution center, to Coppell.

Welbilt is looking to purchase the building located at 1010 W. Sandy Lake Rd. The building totals 130,030 square feet in size. The building was completed in 2023, and the current appraised value for the building is \$11,604,170. Welbilt will bring in visitors to their Global Destination Customer Facing Center throughout the year, and they will invest an additional \$7,000,000 in tangible personal property.

In order to grant a tax abatement, a reinvestment zone must be created by ordinance. In order to create a reinvestment zone by ordinance, a public hearing must be held. This item satisfies both of those requirements. A public hearing is held to determine if the improvements in the zone are feasible, practical and of benefit to the land. The ordinance will create Reinvestment Zone No. 115.

Analysis:

The Public Hearing Notice was published in The Rambler on Saturday, October 14, 2023. The public hearing is for the designation of a reinvestment zone for Welbilt FSG US Holding, LLC, property described as West Sandy Lake Road Addition II, Lot 1, Block A (8.945 acres), located north of Sandy Lake Road and east of State Highway 121.

The tax abatement agreement that coincides with this Reinvestment Zone will be brought forward to City Council for approval at your December meeting after notice has been posted on the City's website for 30 days. An Economic Development Incentive Agreement will also be brought forward at that time. The City is offering the following incentive package: an 8-year, 75% abatement on the City's portion of taxes on the furniture, fixtures and equipment; an 8-year, 90% rebate on the City's portion of real property taxes; a cash grant of \$250,000.

Legal Review:

This item was reviewed by the City Attorney.

Fiscal Impact:

N/A

Recommendation:

Staff recommends approval.