

City of Mesquite, Texas

Legislation Text

File #: 19-4032, **Version:** 1

Conduct a public hearing and consider a resolution approving the terms and conditions of a program (Chapter 380 Agreement) to promote local economic development and stimulate business and commercial activity in the City, authorizing the City Manager to finalize and execute an agreement for such purposes with Elements International Group, LLC, and IDIL Skyline D, LLC, for the proposed relocation of the headquarters of Elements International Group, LLC, to a new industrial building in the Skyline Industrial District located at 2250 Skyline Drive, Mesquite, Texas and authorizing the City Manager to administer the agreement on behalf of the City.

Elements International Group, LLC, is a furniture industry leader providing exceptional value, unparalleled customer support and successfully serving the “Top 100” furniture retailers in North America. The company has 180 employees worldwide, is service and logistics centered, provides “mass fashion” style as a price leader and ships over 1,400 containers per month. Five offices worldwide include the Texas headquarters plus additional foreign offices from China to Malaysia. Element’s customer base includes Lowe’s, Best Buy, Sam’s Club and Conn’s Home Plus.

Elements International Group, LLC, is relocating the Texas headquarters with consolidation of all Texas operations to 2250 Skyline Drive, Suite 100, Mesquite, Texas, in the Skyline Industrial District. The company has a multi-year lease with extension options.

The terms of a Chapter 380 Agreement provide City participation in a tax reimbursement of new real property and business personal property (BPP) for a period of 10 years, incrementally reimbursed as follows:

- Years one - three: 80 percent
- Years four - seven: 70 percent
- Years eight - ten: 60 percent

The approximate total value of the incentive is \$1.4 million and the net benefit from the project to the City is approximately \$1.7 million. Additionally, the company will create 110 new jobs in Mesquite, Texas.

Recommended/Desired Action

Following the public hearing, staff recommends approval of the resolution.

Attachment(s)

Executive Summary
Resolution

Drafter

David Witcher

Head of Department

David Witcher