

Mayor and Council Communication

DATE: 06/22/21

M&C FILE NUMBER: M&C 21-0497

LOG NAME: 17WESCOAMEND

SUBJECT

(CD 4) Amend Mayor and Council Communication 20-0696, an Economic Development Program Agreement with Wesco Aircraft Hardware Corp. or an Affiliate, to Revise the Employment Commitment and the Associated Economic Development Program Payment Structure

RECOMMENDATION:

It is recommended that the City Council amend Mayor and Council Communication 20-0696, an economic development program agreement with Wesco Aircraft Hardware Corp. or an affiliate, to revise employment commitment and the associated economic development program payment structure as set forth below.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to revise M&C 20-0696, an Economic Development Program Agreement (Agreement) with Wesco Aircraft Hardware Corp., or an affiliate, (Company) employment commitment and the associated economic development program payment structure.

On September 22, 2020, the City Council approved M&C 20-0696 authorizing the execution of the Agreement, which included the requirement that the Company employ a minimum of 239 full-time jobs in the leased space by December 31, 2021 and that the Company employ a minimum of 539 full-time jobs (cumulative) by December 31, 2023. Among other requirements, the Company was also required to relocate its corporate headquarters to Fort Worth by no later than December 31, 2021, which has been satisfied in accordance with the terms of the Agreement set out in M&C 20-0696.

Although the Company has successfully relocated its corporate headquarters to Fort Worth, for reasons largely associated with COVID-19, the Company has encountered certain delays in the relocation of its employees from the Company's previous headquarters in Valencia, California. The Company maintains its commitment to the employment of at least 539 full-time jobs in Fort Worth. However, the experienced delays necessitate a revision to the timing of the employment commitments.

Therefore, staff recommends that the City Council approve the following changes to the Company requirements:

Year*	Cumulative Full-Time Employment (Original)	Cumulative Full-Time Employment (As Amended)
2020	0	0
2021	239	64
2022	239	118
2023	539	158
2024	539	229
2025	539	239
2026	539	539

*Each deadline refers to December 31 of that particular year

0696, the City will continue to provide a cash grant out of the Designated Project Fund in Quarter 1 of 2022 based on December 31, 2021 employment data and will provide its second cash grant in Quarter 1 of 2026 based on December 31, 2025 employment data in association with the year five employment commitment by the Company upon confirmation of job creation and retention. A third and final cash grant will be based on cumulative employment as of December 31, 2026. In all cases, the value of each grant payment will be directly tied to the number of verified full-time employees pursuant to Section 14 of the Economic Development Program Policy utilizing the Employment Designated Project Fund.

The project is located in COUNCIL DISTRICT 4.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that approval of this agreement will have no material effect on the Fiscal Year 2021 Budget. While no current year impact is anticipated from this action, any effect on expenditures and revenues will be budgeted in future Fiscal Years and will be included in the long-term financial forecast.

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