



## Legislation Text

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**File #:** 17-2501, **Version:** 1

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Resolution - A Resolution of the City Council of the City of Mansfield, Texas, Approving an Economic Development and Performance Agreement by and Between the Mansfield Economic Development Corporation ("MEDC") and UTEX Industries, Inc. and Authorizing its Execution by the President of the MEDC; and Providing an Effective Date

Consider Economic Development Agreement with UTEX Industries, Inc.

Approval of a \$350,000 Economic Development Agreement with UTEX Industries, Inc. to be paid in installments over 3 years after receiving a CO.

SteelTex, a division of UTEX Industries, has been located in Venus since 2009 and was acquired by UTEX in 2016. They began as a steel fabrication supplier, later transforming into a manufacturer of specialty metal coatings used in high pressure pumping applications. Local operations include welding, fabrication, various types of machining and general assembly. SteelTex currently employs 75 and anticipates growing to 130 within 5 years.

One of several options SteelTex is considering is a long-term lease of the former Valmont building at 102 Sentry. This building has been vacant for nearly 2½ years due to functional obsolescence. SteelTex proposes to completely repurpose the building with a total new capital investment commitment of \$10,558,600 (real property improvements and BPP).

On June 20, 2016, the City council approved \$100,000 for building improvements subject to Peyco acquiring an eligible tenant or purchaser. SteelTex is an eligible user.

If approved, MEDC will have a commitment to this project of \$450,000 (\$100,000 to Peyco and \$350,000 to SteelTex). Peyco has now submitted an additional request of \$150,000 for the MEDC board to consider at the October 3, 2017 board meeting to comply with additional city requirements.

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Scott Welmaker, Director, MEDC