



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Economic Development

ACM: Christine Taylor

DATE: July 15, 2025

SUBJECT

Consider adoption of an ordinance of the City of Denton approving an economic development agreement under Chapter 380 of the Local Government Code to promote economic development and to stimulate business activity and economic growth of the City of Denton between the City of Denton and PR Gypsum, LLC, regarding the expansion of operations and increase in the number of jobs in the City of Denton; authorizing the expenditure of funds therefore in an amount not-to-exceed \$236,857; and providing an effective date. The Economic Development Partnership Board recommends approval (9-0).

BACKGROUND

This is the first manufacturing expansion in the United States for a company that produces joint compound used in the construction of residential and commercial projects. The project involves Panel Rey, a subsidiary of Grupo Promax, the largest producer of gypsum drywall and joint compound in Latin America. Grupo Promax is a family-owned Mexican business conglomerate with over 100 years of market presence, operating 17 manufacturing facilities across five countries and serving customers in more than 40 countries worldwide. The company began working with Texas Governor's Office of Economic Development and Tourism and a site selector in January 2025 to identify suitable locations within Texas.

Project

Panel Rey is considering the purchase an existing 60,000 square foot building at 3651 Shelby Lane in Denton as Phase I of their U.S. expansion. The facility will be enhanced with a 34,000 square foot "patio cover" to protect the loading area on the east side of the building, along with the addition of two silos on the north end and upgraded electrical infrastructure to support new machinery. This strategic location was shortlisted due to Denton's proximity to the growing North Texas market, particularly the Dallas-Fort Worth area, allowing Panel Rey to better serve both new and existing customers in the region.

As Phase I of their manufacturing expansion in the US, Panel Rey plans to build one production line. Phase II could include a second production line and expansion of their steel support beam division. Panel Rey estimate that the investment in the building, machinery, and equipment for Phase I will be about a \$15 million investment. The project involves plans to create 20 jobs with a weighted salary of \$72,733.

STRATEGIC AND POLICY ALIGNMENT

City of Denton Strategic Plan

- Key Focus Area #3: Foster Economic Opportunity and Affordability

Economic Development Strategic Plan

- Goal 1: Accelerate Recovery
 - Business Retention and Workforce Development
- Goal 2: Foster Growth
 - Attract New Investment

Policy Considerations

The project NAICS falls under the Connected Strategic Growth Areas (SGAs) industry targets and addressed the following SGA considerations detailed in the Incentive Evaluation Matrix (Exhibit 3). The Incentive Evaluation Matrix score for the project is 89, which falls under the Excellent (85-175 points) category.

- Engages in sustainable practices: Project has adopted sustainable or green business practices (e.g. LEED certification, renewable energy commitment or use, energy efficient construction);
- Pays a living wage for all new employees in accordance with the current “Living Wage” from the MIT Living Wage Calculator for Denton County;
- Expands the tax base through property, sales, Hotel Occupancy Tax (HOT), or other taxes to the City, County, DISD, and DCTA through the development of property, facility or by making improvements to an existing property or facility, through the development of a new business or expansion of an existing business, through the development of a new multi-tenant complex where businesses can locate, or through the addition or increase in jobs available in the City;
- Provides benefits to employees that may include: on-site childcare services; adult care; vouchers or other financial assistance for child or adult care; backup or temporary childcare services; flexible hours or remote work accommodations; and flexible spending accounts; 401(k) matching/pension; tuition reimbursement; or other benefits.

Project Benefits

Staff conducted analysis on the information provided by the company to ensure stated policy criteria were met and determine both qualitative and quantitative public benefits. Staff also used an economic impact analysis model to quantify the economic impact and rate of return. Total Impact, by Austin-based Impact DataSource, is a customized economic development modeling tool that performs economic and fiscal impact analysis and incentive analysis. The economic impact is based on a Regional Input-Output Modeling System (RIMS II) created by the U.S. Department of Commerce, Bureau of Economic Analysis, which is widely used to estimate the direct and secondary impacts of an event on the regional economy using input and output methods. Scoring Matrix 89 – Excellent (85-155 points)

Quantitative Benefits and Economic Impact for the Community

- Capital Investment: \$15 million
- Total Jobs:
 - Direct Jobs: 20
 - Spin Off: 14.3
- 10-year net benefits estimated at \$617,617
- Rate of Return: 38.5%
- Payback period: 2.0 years

Qualitative Benefits and Community Impact

- Business retention and expansion
 - 20 new jobs created to help support the local economy
- Supply chain
 - Manufacturing company that is essential to the construction industry
- Engaging in sustainable practices and activities

- Corporate carbon footprint reduction policies

PRIOR ACTION/REVIEW

June 25, 2025: The Economic Development Partnership Board recommended approval (9-0).

STAFF RECOMMENDATION AND DIRECTION

Chapter 380 Grant: total not to exceed \$236,857

- Performance-based ad valorem tax rebate of 60% for five years on improvements (value: \$47,419)
- Performance-based ad valorem business personal property taxes (value: \$122,938)
- Jobs-Based grant on qualified jobs up to \$16,500 over four years
- One-Time Relocation Grant: \$50,000

EXHIBITS

Exhibit 1 – Agenda Information Sheet

Exhibit 2 – Ordinance and Agreement

Exhibit 3 – Incentive Evaluation Matrix

Exhibit 4 – Economic Impact Summary

Exhibit 5 – Presentation

Respectfully submitted:

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