



City of Smyrna

City of Smyrna
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Legislation Text

File #: 2020-158, Version: 1

WARD / COUNCILMEMBER: Ward 2

\$ IMPACT: \$180,950

Approval of the Building Permit Fee Waiver Request for UCB Pharmaceuticals

ISSUE AND BACKGROUND: UCB is a global pharmaceutical company based in Belgium and is the largest pharmaceutical company in the State of Georgia. The U.S. Headquarters has been based in Smyrna for the last 16 years. The corporate campus is situated on 47 acres located on Lake Drive. It currently has 110,000 square feet of workspace and is home to over 400 employees, making it one of Smyrna's largest employers.

In 2019, the existing UCB Campus was appraised at a Fair Market Value (FMV) of \$39,983,220 by the Cobb County Tax Assessor. It currently generates \$143,780/year in property taxes for the City of Smyrna.

Phase One of this project will re-purpose an existing structure and provide an additional 60K square feet of quality workspace. This cutting edge facility will be the first WELL and LEED certified structure in the State of Georgia. The Phase One project cost is estimated to be \$23.5 Million. It will allow the UCB campus to accommodate 100 additional employees. The average annual salary for these additional employees will be more than \$100,000.

Phase One is scheduled to break ground this Summer and be completed in approximately 18 months. Phases Two and Phase Three of this corporate campus expansion will add an additional \$24M In construction and infrastructure investment (no time frame for the next two phases has been established).

The Fee Waiver Request (see the attached Fee Waiver Request letter) is being made under the City Incentive Program outlined in Chapter 79 - Planning and Development; Economic Development Program; Article II Section 79-28 (b.8) of the City Code. The request for waiver of Building Permit Fees and related Recording Fees is authorized under the aforementioned ordinance. Building Permit Fees are assessed at \$7/\$1000 of estimated construction cost. Recording fees are calculated based on 10% of estimated Building Permit cost.

The Phase One project cost for purposes of calculating Building Permit and Recording Fees is: **\$23.5M**. Building Permit Fees (\$7/\$1000) will be: **\$164,500**. Recording Fees (10% of Building Permit Fee) will be: **\$16,450**. The Total Fee Waiver Request (Building Permit + Recording Fees) is: **\$180,950**. The cost of the incentives will be recaptured in **26 months**. Only the **additional** property taxes generated by the Phase One project are used in the recapture calculation. *See the attached Incentive Recapture Spreadsheet for details.*

RECOMMENDATION / REQUESTED ACTION: It is recommended that the Mayor and Council take action to approve the Building Permit Fee Waiver request from UCB Pharmaceuticals in the amount of \$180,950.