

## **MEMORANDUM**

**TO:** Claire Powell, City Manager

**FROM:** Marichelle Samples, Economic Development Director

**DATE:** May 20, 2024

**SUBJECT:** **Approval of an Economic Development Agreement Between the City of Lewisville and CC Hwy 121 Lewisville LLC, and Authorization for the City Manager, or Her Designee, to Execute the Agreement.**

### **BACKGROUND**

In 2022, CC Hwy 121 Lewisville LLC (“Developer”) approached staff about a 251-unit, 4-story multifamily residential community for the properties located at 1910 and 1914 E State Highway 121 Business. Identified as one of the gateways into the City, properties along State Highway 121 Business in the eastern part of Lewisville have historically been used for auto, manufacturing, and distribution uses. These particular properties are currently being utilized as salvage yards.

This development will also include flexible live-work units for a portion of the ground floor facing SH 121 Business, amenities such as a 1400 square foot dog park with a washing station, a 940 square foot residential amenity area, and a pool courtyard.

The Developer worked with staff to request a zone change from Light Industrial (LI) to Planned Development Multi-Family Three (PD-MF3). The ordinance was approved by City Council on October 2, 2023. Over the last few years, properties adjacent to the site have been redeveloped and will continue to be redeveloped as part of Crown Centre.

### **ANALYSIS**

The Developer is seeking economic development incentives. Staff is proposing the following performance-based incentives for the project as described below:

- A one-time grant equal to 100% of the capital recovery fees for water and sanitary sewer paid to the City at the time of applying for a building permit (estimated \$146,410).
- A waiver of 100% of all fees collected at the time of building permit (estimated \$65,347).
- A waiver of all park fees associated with construction of the units (estimated \$841,900). The Developer will bridge the gap between the sidewalk it will install as part of this project along Midway Road to the existing sidewalk that leads to the Crown Centre Park, making the path walkable and meeting the 10-Minute Walk to a Park initiative.
- An annual grant equal to 100% the property taxes paid to the City on real property improvements not to exceed \$617,079 (up to \$198,000 for environmental remediation and \$419,079 for underground detention).

Subject: Approval of an Economic Development Agreement Between the City of Lewisville and CC Hwy 121 Lewisville LLC.

May 20, 2024

Page 2

Upon completion, the proposed improvements are expected to generate a taxable value of approximately \$49,440,000, resulting in an estimated annual real property tax revenue of \$207,000 for the City. This initiative will further the city's ongoing efforts to beautify the city and revitalize SH 121 Business, aligning with the 2024 City Council focus areas, and the Lewisville 2025 Plan.

#### **CITY STAFF'S RECOMMENDATION**

That the City Council approve the agreement and authorize the City Manager, or her designee, to execute the agreement as set forth in the caption above.