

MEMORANDUM

TO: Mayor TJ Gilmore
Mayor Pro Tem Kristin Green
Deputy Mayor Pro Tem Brandon Jones
Councilmember Bob Troyer
Councilmember William Meridith
Councilmember Ronni Cade

FROM: Donna Barron, City Manager

DATE: August 12, 2021

SUBJECT: **Approval of an Economic Development Agreement Between the City of Lewisville and Bright Realty, LLC; and Authorization for the City Manager to Execute the Agreement.**

BACKGROUND

The previous TIRZ 3 Project and Finance Plan approved on January 28, 2019, did not allow for Zone financing of economic development grants. The recommended Amended and Restated Project and Finance Plan considered by the TIRZ Board and the City Council at this same meeting includes the allowance for Zone financing of economic development grants. In order to provide assurances to the Developer, this economic development agreement provides the types of economic development grants and incentives that are available to the Developer.

ANALYSIS:

The proposed Economic Development Agreement includes a structured parking garage grant, corporate relocation incentive grants, infrastructure reimbursements, City fee reimbursements, and a park fees waiver. Specific dollar amounts and definitions are supplied for each of these categories in the agreement. The Developer will submit requests for grants and reimbursements no more often than quarterly. Payment will be made after verification by staff that all requirements outlined in the agreement have been met and will be made from dollars available in the Economic Development Account. Any deficit or balance will be carried forward to the next fiscal year.

Economic Development grants and reimbursements can only be paid from the City Base Increment and City Tax Increment. The grant cap of \$54 million applies to dollars paid in economic development grants as well as public infrastructure reimbursements. The County increment cannot be used for economic development grants.

RECOMMENDATION:

Page 2

It is city staff's recommendation that the City Council approve the agreement as set forth in the caption above and authorize the City Manager to execute the agreement.