

MEMORANDUM

TO: Claire Powell, City Manager

FROM: Marichelle Samples, Director of Economic Development

DATE: April 15, 2024

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

BACKGROUND

TSMJV LLC (“Developer”) owns a 3.21-acre property located at the northwest corner of S Charles Street and Lake Haven Drive (“Property”) and is proposing to build fifty-five (55) for-sale townhomes. The Developer has built various for-sale residential developments in Old Town. Most recently, seven (7) townhomes with private open space are under construction at the southeast corner of Harris Street and East Walters Street.

Following the City Council Spring Retreat held in March of 2023, City Council voted to prioritize the development of for-sale housing in Old Town, so staff has been in discussions with the Developer over the last year to bring more for-sale housing options to Old Town.

ANALYSIS

The Developer will construct fifty-five townhomes and each townhome unit will be approximately 2,000 square feet, with a minimum investment of \$27,000,000.00. As a condition of the below incentives, the Developer will execute private deed restrictions stating that no more than two townhome units can be sold to one individual or entity. As part of the proposed project, the Developer is seeking economic development incentives.

Staff is proposing the following performance-based incentives for the project as described below:

- A grant in an amount equal to 100% of the water and sanitary sewer impact fees for the project paid by the Developer to the City (estimated \$311,651).
- A grant in an amount equal to all fees paid to the City at the time of building permit (estimated \$61,600).

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- A waiver of all park fees associated with construction of the townhome units. There are two Lewisville Independent School District parks across the street and adjacent to the site that is available to the public during non-school hours (an estimated \$184,324).
- A grant in an amount equal to one hundred percent (100%) of the ad valorem property taxes owed and paid to the City, not to exceed \$400,000.

The Developer will begin construction by December of 2024 and will complete construction within three years or less.

The \$27M investment in the project will generate approximately \$124,000 each year in property taxes to the City and furthers the goals of the 2025 Plan and the City Council's priorities and missions.

CITY STAFF'S RECOMMENDATION

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