

## **MEMORANDUM**

**TO:** Claire Powell, City Manager

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

**DATE:** September 21, 2022

**SUBJECT:** **Approval of an Economic Development Agreement Between the City of Lewisville and 280 Corporate, LLC; and Authorization for the City Manager, or Her Designee, to Execute the Agreement.**

### **BACKGROUND**

280 Corporate, LLC (“Developer”) owns the property located at 280 E. Corporate. The Developer intends to develop an office/warehouse facility, providing for approximately 117,843 square feet of space.

Since the site lies in the I-35E Corridor Overlay Transition Sub-District, the Developer is required to construct the improvements in accordance with enhanced design requirements for the area. The City’s Master Trail Plan contains a public trail along Timber Creek. The Developer will therefore provide a 15-foot-wide trail easement throughout the property, in accordance with alternative standards and variances to the I-35E Corridor Overlay District approved by the City Council in March of 2021.

The seven alternative standards are as follows:

- To allow the narrow end of the building to be placed parallel to the street.
- To allow the block perimeter to exceed 2,400 feet.
- To provide a cross access easement rather than construct the cross access.
- To allow a driveway spacing of 70 feet between the northeastern driveway and the driveway on the adjacent property in lieu of the required 300 feet.
- To allow a parking rate of 1 space per 250 square feet for the office portion of the building and a parking rate of 1 space per 2,000 square feet for the warehouse portion of the building.
- To reduce the percent of brick/stone to twenty percent for the front and rear façade and zero percent for the side facades in lieu of the required 80% brick/stone.
- To waive the open space amenity requirements for required Open Space.

The three variances are as follows:

- To allow pavement over a restricted water line easement.
- To allow a modified deceleration lane configuration.
- To allow a driveway radius to exceed the maximum turning radii of 25 feet.

The easement will provide a valuable access point to that trail from East Corporate Drive. As part of the 10-Minute Walk to a Park program, many residents of the area would be able to walk

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to this open space. The Developer will also redesign and construct a retaining wall in a manner that will more easily accommodate for construction of the future hike and bike trail.

Construction for the office/warehouse facility is approximately 60% complete.

### **ANALYSIS**

The Developer is seeking economic development incentives. Based on input from the City Council, staff is proposing the following performance-based incentives for the project as described below:

- A grant equal to 50% of the value of property taxes paid on the real property improvements to the City for a period of 5 years.
- A one-time grant in an amount equal to the increase in design and construction cost to shift the location of the retaining wall from its original location to the new location, not to exceed \$10,000. Relocation of the retaining wall is necessary to ensure that it will not be constructed in a manner that impedes on the hike and bike trail easement dedicated to the City.
- For prospective tenants, economic development incentives (tenant grant) may be awarded to a tenant that (1) occupies 90% or more of the square footage within the building; (2) maintains a minimum of \$15,000,000 in Business Personal Property value or Inventory Value; or (3) maintains \$25,000,000 in Annual Taxable Sales each grant year. The tenant grant would in an amount equal to 50% of the value of business personal property taxes paid to the City and is subject to separate City Council approval.

### **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.