

MEMORANDUM

TO: Claire Powell, City Manager

FROM: Chris McGinn, Director of Neighborhood & Inspection Services

DATE: July 7, 2025

SUBJECT: **Ratification of the Bill of Sale and Assignment and Assumption Agreement By Serve Lewisville, Inc. and the City of Lewisville, the Release of Deed of Trust, and Two Leases Agreements with Boys & Girls Clubs of Greater Tarrant County and Adoption of a Resolution Ratifying the First Amendment to the Agreement Between City of Lewisville and Boys & Girls Clubs of Greater Tarrant County to Address Food Insecurity.**

BACKGROUND

In November 2022, the City of Lewisville entered into an agreement with Serve Lewisville to provide a ten-year forgivable loan to acquire property at 1001 S. Edmonds Lane, renovate the existing building, and operate a nonprofit center (the “Property”). The agreement further provided the City with a lien on the Property. The Property housed several tenants including the Boys & Girls Clubs of Tarrant County (the “Boys & Girls Clubs”) and the CoCare office.

ANALYSIS

In May 2025, Serve Lewisville notified the City that it would cease all operations by June 30, 2025, allowing the City to foreclose on the Property. In lieu of foreclosure, Serve Lewisville requested to transfer all of its assets, including the Property, to the City.

In response, City staff engaged in due diligence including reviewing Serve Lewisville’s expenditures, liabilities, and contractual obligations, inspecting the Property, and obtaining a title policy. The Bill of Sale and Assignment and Assumption Agreement provides, in relevant part, that in partial repayment of the forgivable loan, Serve Lewisville conveys to the City the following: the Property; the fixtures, chattels, furniture, equipment, supplies, inventory and articles of personal property attached to or located on the Property; and all cash and accrued interest in Serve Lewisville’s bank account. Because the Property has been conveyed to the City, the City’s lien against the Property can be released which is achieved with the Release of Deed of Trust. None of these documents waive the remaining debt owed by Serve Lewisville to the City, which will be collected by the City to the extent allowed by law. The acceptance of the Property, which was transferred on July 1, 2025, was expedited to protect the City’s interests and avoid the time and legal fees associated with foreclosure.

Prior to acceptance of the Property, Serve Lewisville terminated all its leases and all its tenants moved out except for the Boys & Girls Clubs. To maintain continuity of services (including the operation of the food pantry), City staff worked with the Boys & Girls Clubs to establish new lease

agreements covering their office space and food pantry located at the Property. The Boys & Girls Clubs also had a pre-existing agreement with the City allowing for the reimbursement of food purchases in support of the food pantry. This agreement was originally set to expire on July 1, 2025. However, with \$22,000 in unspent funds still dedicated to the initiative, the City is extending the agreement's term through December 2025 to allow those funds to be used effectively.

The CoCare office, which was located in the Serve Lewisville building, will be relocated to the Tittle McFadden Public Safety Center later this month.

Due to the unexpected nature of Serve Lewisville's closure, the City Manager executed the necessary agreements in advance of formal City Council action. These agreements are now being presented for Council ratification and the resolution is presented for Council adoption.

CITY STAFF'S RECOMMENDATION

That the City Council ratify the agreements and release as set forth in the caption above and adopt the resolution as set forth in the caption above.