

MEMORANDUM

TO: Claire Powell, City Manager

FROM: Marichelle Samples, Director of Economic Development

DATE: September 9, 2024

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

BACKGROUND

TSMA Holdings, LLC is the owner of Sullivan Old Town BBQ (“Owner”) located at 301 S. Mill Street. Sullivan Old Town BBQ (“Sullivan BBQ”) opened its doors in 2020 and has made its mark in Old Town by creating a family-friendly hometown environment with great food. Due to growing demand from its customers, the Owner is seeking to improve the building's exterior to better accommodate its customer base. To support these improvements, the Owner applied for a façade grant aimed at upgrading the exterior of the building. Proposed enhancements include, but are not limited to, the replacement of glass and doors, extension of the patio, new signage, improved lighting, painting, and various other repairs. In addition to the façade improvements, the Owner has agreed to activate the adjoining City park (“Pocket Park”) and maintain the cleanliness of the park for a minimum of five years.

ANALYSIS

The Owner is seeking the following economic development incentives for the project:

1. A grant up to 50% of the costs for tenant and/or facade improvements, not to exceed a total of \$40,000. The anticipated total cost for eligible façade improvements is approximately \$100,000; therefore, the grant is estimated to equal the maximum amount of \$40,000.
2. A cash grant equal to \$40,000 for activation and maintenance of the Pocket Park. The Owner must activate and maintain the Pocket Park for a minimum of five years in order to keep the \$40,000 cash grant. At the Owner’s sole cost and expense, shall host a minimum of six (6) events in the Pocket Park during each calendar year following the effective date of the Old Town Pocket Park License and Maintenance Agreement (“License and Maintenance Agreement”).

Subject: Approval of an Economic Development Agreement Between the City of Lewisville and TSMA Holdings, LLC

September 9, 2024

Page 2

- a. Park events (1) shall not include any event co-hosted with Mill Old Town; (2) may include, but are not limited to, live music and classes; and (3) must be open to the public, free to attend, and may not include any money-making activities without approval of the Lewisville City Council.
- b. Maintenance will include litter pickup, sweeping, spot-checking for issues, and routine inspections by the Parks and Recreation Department. The frequency and scope of these activities are outlined in the agreement.

Consistent with other façade improvement grants approved by the City Council, all work must be paid up front by the Owner and upon completion, along with the submittal of any required documents or approvals, the City provides payment in accordance with the agreement. The cash grant for maintenance and activation will be paid following the later of execution of the License and Maintenance Agreement by both parties and substantial completion of the façade improvements.

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.