

MEMORANDUM

TO: Claire Powell, City Manager

FROM: Marichelle Samples, Economic Development Director

DATE: August 17, 2022

SUBJECT: **Approval of an Economic Development Agreement Between the City of Lewisville and MM Lewisville 7, LLC; and Authorization for the City Manager, or Her Designee, to Execute the Agreement.**

BACKGROUND

In December of 2019, the Northern Gateway was identified as a major zone for development due to the proximity to surrounding amenities, including Lewisville Lake and the transit station. Efforts towards the development of this area were directed towards strengthening this district through new investment, new development and area landscaping. Specifically, this involves working with the private sector to create a mixed-use district on the west side of the gateway that would be marked by residential, retail and office uses, as well as a major regional hospitality development on land along the lake.

MM Lewisville 7, LLC (“Developer”) owns 7.4-acres located in the Northern Gateway at 1951 North Summit Avenue in Lewisville, TX (“Property”). The Developer intends to develop the Property as an entertainment destination known as the Gas Monkey Bar & Grill. Gas Monkey Bar & Grill will promote local economic development and stimulate business and commercial activity within the City by operating a full service restaurant and entertainment venue. Phase I will include a full-service restaurant, collector vehicles display, outdoor stage for performances, and a renovated putt-putt golf course and go-kart track. Phase II will include a mega drop tower amusement ride or an alternative amusement ride, subject to prior city approval.

ANALYSIS

The Developer will invest a minimum of \$5,000,000 in the Property and will generate a minimum of \$5,000,000 in annual taxable sales. As part of the proposed project, the Developer is seeking economic development incentives. Based on City Council direction from the December 20, 2021 meeting, staff is proposing the following performance-based incentives for the project as described below:

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1. An annual grant for ten (10) years:
 - a. Years 1 - 5 = 75% of the Local Sales Tax Receipts and the City Mixed Beverage Tax Receipts.
 - b. Years 6 - 10 = 50% of the Local Sales Tax Receipts and the City Mixed Beverage Tax Receipts.
2. A start-up grant to reimburse up to \$150,000 in construction cost.

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.