

MEMORANDUM

TO: Donna Barron, City Manager

FROM: Jason Moore, Economic Development Manager

DATE: August 6, 2018

SUBJECT: **Approval of an Economic Development Agreement Between the City of Lewisville and Rockbrook Development LLC; and Authorization for the City Manager to Execute the Agreement.**

BACKGROUND

Rockbrook Development is a residential developer working on various projects throughout the metroplex. The company representative, Jason Rose, has worked with staff on other residential development projects in Old Town Lewisville. The company identifies smaller tracts of property and works to plat and zone for higher density development. One recent project being the five townhomes on E Main Street (the northeast corner of Henrietta and Main).

The property located at 522 Edna Avenue is within Old Town but just outside of the TIRZ #1 District. Being just over 0.2 acres, the developer proposes to build six attached single-family residences on the site. While Edna Avenue is unimproved at this time, the Old Town Development Ordinance (Chapter 9.5) requires ½ the cost of paving improvements for a property's proportionate share be submitted as an escrow payment for future improvements.

The developer has requested a waiver of fees or other incentives for their development.

ANALYSIS

Currently, the vacant land located at 522 Edna Avenue has a taxable value of \$40,960 which equates to approximately \$178.62 in property taxes collected annually for the City of Lewisville per our current property tax rate. As part of their proposed construction, Rockbrook Development will construct six attached, single-family homes at a value of \$250,000 each (including land). Therefore, the project will total an approximate taxable value of \$1,500,000, which equates to \$6,541.29 in annual property taxes to the City.

Based on City Council direction from their May 7, 2018 executive session and because the project will bring higher values and density to Old Town, staff is proposing an incentive for this project as described below:

Developer will construct six attached single-family units designed in craftsman/cottage style architecture at 522 Edna Avenue by December 31, 2019. The City will waive the Street Escrow Fee as required per Chapter 9.5 of the City's Codes of Ordinances.

The value of the street escrow fee was calculated by City Engineering as follows: approximately 128 linear feet of frontage along Edna, multiplied by \$270/linear foot cost for ½ of the street improvements, equals \$34,560. This is the only fee that is waived as part of the agreement.

The proposed agreement has been reviewed by the City Attorney and signed by Rockbrook Development LLC. It is attached for your review and consideration.

RECOMMENDATION

That the City Council approve the agreement and authorize the City Manager to execute the agreement.