

MEMORANDUM

TO: Donna Barron, City Manager

FROM: Nika Reinecke, Economic Development Director

DATE: August 6, 2018

SUBJECT: **Approval of an Economic Development Agreement Between the City of Lewisville and REDevX 1 LP, and Authorization for the City Manager to Execute the Agreement.**

BACKGROUND

REDevX 1 LP owns approximately 8.67 acres of land located at the northwest corner of College and Railroad Streets and intends to construct a 363-unit residential project. The property is adjacent to the Old Town Design District and near the DCTA rail station. Staff has been working with this developer for the past year to finalize plans for the project. The property was zoned Warehouse and Light Industrial which would have not produced the desired development adjacent to the Old Town rail station. This proposal is a catalyst development for the TOD area.

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

ANALYSIS:

Currently, the property is vacant and has a taxable value of \$1.9 million which equates to approximately \$8,000 in property taxes collected annually for the City of Lewisville per our current property tax rate. The proposed development has an estimated value of \$30 million and will provide needed residential units in the area. The estimated annual taxes from the new project will be \$129,000. The City also received \$3 million in grant funding from NCTCOG, to re-construct College Street with new parking, bike lanes, landscaping and sidewalks, primarily due to the TOD projects proposed for this area.

Based on City Council direction from their April 16, 2017 executive session, this agreement includes provisions for waiver or reimbursement of certain development fees and allowing the developer to use a portion of the City's property for construction staging.

Development Incentives:

- Waiver of all fees collected at the time of building permit including park development fees, and reimbursement of water and sanitary sewer impact fees upon completion of the project;

- The City will construct the College Street improvements including landscaping, lighting and parking at City's cost at a time determined by the City;
- The City will allow the developer to use the City property for staging purposes for phase I improvements, at no cost to the developer;

RECOMMENDATION:

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