

MEMORANDUM

TO: Donna Barron, City Manager

FROM: Jason Moore, Economic Development Manager

DATE: April 15, 2019

SUBJECT: **Approval of the First Amendment to the Economic Development Agreement, Approved on September 10, 2018, Between DFW Lewisville Partners, GP and the City of Lewisville; and Authorization for the City Manager to Execute the Amendment.**

BACKGROUND

The City and DFW Lewisville Partners, GP, (Majestic Realty) entered into an economic development agreement for the development of Majestic Building 7, a 306,280 square foot building for office, warehousing and distribution uses located in the southwestern gateway at the northeast corner of Spinks Road and Valley Parkway. The agreement calls for a minimum capital investment of \$22,000,000 in real property improvements. In late 2018, Majestic Realty sent the Economic Development Department a request to amend the capital investment amount after realizing they inadvertently included the land and soft-costs (engineering, design, etc.) in the Real Property calculations. Their actual capital investment on the Real Property Improvements would be \$13,000,000. They have asked the City to consider amending the amount.

The reason this amendment is important and required is because the company must maintain a specific minimum real property value as a condition of the agreement throughout the five-year term.

ANALYSIS

In reviewing their request, staff agrees that the \$13,000,000 value is in-line with similar projects that Majestic Realty has completed within the DFW Majestic Airport Center business park to date and still meets standards as set forth in the speculative buildings section of the City's adopted Economic Development Incentive Policy. Therefore, amending the amount of minimum capital investment, on the real property improvements, from \$22,000,000 to \$13,000,000 is appropriate.

The request to lower the minimum real property improvements value is the only change and staff believes this to be a fair request.

RECOMMENDATION

It is City staff's recommendation that the City Council approve the amendment to the agreement; and authorize the City Manager to execute the amendment.