

Legislation Text

File #: 17-2361, **Version:** 1

Staff Update and Board Discussion on Project 16-12, Assignment of Economic Development Agreement.

Consider assignment of development agreement.

- (1) Assign partial agreement from Heritage Parkway Partners, LLC to RMA Holdings, LLC, d/b/a AM-C Warehouse.
- (2) Extend the date for completion of the drainage channel to October 31, 2017.

There are two development agreements associated with the AM-C cold storage project. In order to accommodate the land owner/developer and RMA, an agreement was approved with Heritage Partners, LLC (land owner/developer) to reimburse up to \$400,000 in costs associated with the drainage, mitigation credits and some water and sewer extensions. \$200,000 of this agreement is for completion of a drainage channel along the north part of the property. This portion of the property is under option, but not yet sold, to RMA.

Heritage Partners has come to an agreement with RMA to sell the remaining land to RMA, and for RMA to complete the drainage work that Heritage Partners has started. Heritage Partners is requesting that RMA reimburse \$122,551.12 to Heritage for work done so far. RMA would then request reimbursement of up to \$200,000 (including the \$122,551.12) from MEDC upon completion of the drainage improvements.

Heritage Partners wishes to (1) assign to RMA only the \$200,000 for drainage. They have further requested (2) an extension to October 31, 2017 to complete the drainage improvements.

If the parties reach an agreement and MEDC agrees that the \$122,551.12 are eligible expenses for reimbursement, Heritage has stated that they will release any claim to the remaining \$200,000.

City staff can't allow construction of the buildings to go forward without an acceptable drainage plan. MEDC staff has been mediating for the past six months and believes this is a workable solution.

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Scott Welmaker, Director of Economic Development, MEDC