

Legislation Details (With Text)

File #:	17-2588	Version:	1	Name:	Staff Update, Board Discussion and Possible Action on Economic Development Agreement with Hightower Salons, Inc.
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Title:	Staff Update, Board Discussion and Possible Action on Request from Hightower Salons, Inc.				
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Attachments:	1. Hightower Letter.pdf, 2. Turnkey Breach Letter.pdf				

Date	Ver.	Action By	Action	Result
1/22/2018	1	Mansfield Economic Development Corporation	Approved	Pass

Staff Update, Board Discussion and Possible Action on Request from Hightower Salons, Inc.

Approval of Request from Hightower Salons, Inc.

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On March 7, 2017, the MEDC Board approved an extension of the deadline for obtaining a CO in the agreement with Turnkey Development for the Hightower Salons project from December 31, 2016, to December 31, 2017. In addition, they approved an assignment of the agreement from Turnkey Development to Hightower Salons, Inc. Turnkey Development has been unwilling to execute the assignment document, therefore the original economic development agreement with Turnkey Development is still in place requiring a CO by December 31, 2016.

The project is still under construction, therefore no CO has been obtained. MEDC legal counsel sent a notification of breach letter to Turnkey Development on December 29, 2017. The breach letter gives Turnkey 30 days to come into compliance with the terms of the contract. The facility will not be completed within that time frame and therefore, Turnkey will be unable to comply.

Staff recommends entering into a new agreement with Hightower Salons, Inc. and that the deadline for obtaining the CO be December 31, 2018. There is no change to the required \$1,800,000 capital investment or the previously approved incentive amount of \$50,000. A letter explaining the reasons for the delay in completing the project is attached.

This project is a desirable project that will generate additional tax revenue for the City of Mansfield and create new jobs.

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