



Legislation Text

File #: 17-2470, **Version:** 1

Resolution - A Resolution of the City Council of the City of Mansfield, Texas, Approving an Economic Development and Performance Agreement by and Between the Mansfield Economic Development Corporation ("MEDC") and RMA Holdings L.L.C. and Authorizing its Execution by the President of the MEDC; and Providing an Effective Date

Consider an amended development agreement with AM-C Warehouse dba RMA Holdings

Reimbursement of up to \$214,000 to RMA Holdings for site improvements associated with the AM-C Warehouse project

There are currently two development agreements associated with the \$67.4 million AM-C cold storage project. In order to accommodate the land owner/developer and RMA, Council approved an agreement with Heritage Partners, LLC, the owner of the north portion of the land to reimburse up to \$400,000 in costs associated with overall site drainage, mitigation credits and some water and sewer extensions.

Heritage Partners is no longer the developer on the project. The Heritage Partners portion of the property is under contract to RMA. RMA and Heritage Partners cannot agree on the amount owed by RMA to Heritage Partners. Without the drainage on the Heritage Partners land, the project is slowing to a stop as the City cannot issue building permits without the drainage in place.

Heritage Partners will not close on the land until they are reimbursed \$122,551.12 by RMA. At the July MEDC Board meeting, the Board authorized a partial assignment of the Heritage Partners agreement to RMA. However, the two parties could not come to terms on a course of action.

MEDC staff has negotiated an agreement with Heritage Partners to close on the remaining land to RMA, contingent on Heritage Partners being reimbursed \$122,551.12 by MEDC for invoices presented to MEDC.

RMA is requesting an addendum to their agreement for reimbursement of up to \$214,000 from MEDC upon completion of the remaining drainage, water and sewer improvements. This amount is in addition to the \$1.65 million previously approved that MEDC will reimburse as phases of the \$67.4 million project are completed between now and 2023.

At the September 5 MEDC Board meeting, the Board voted 6/0 to authorize staff to present this solution to the City Council for their consideration. The settlement agreement with Heritage Partners is also on this agenda. The total amount of the combined incentives actually decreases by \$63,448.88 under this plan and moves the project forward.

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Scott Welmaker, Director, MEDC