



Legislation Text

File #: 19-3121, **Version:** 1

Resolution - A Resolution of the City Council of the City of Mansfield, Texas, Approving the First Amended and Restated Economic Development and Performance Agreement by and Between the Mansfield Economic Development Corporation ("MEDC") and LG BROAD CANNON, LLC; and Authorizing Its Execution by the President of the MEDC; and Providing an Effective Date

Consider approval of the First Amended and Restated Economic Development and Performance Agreement by and between MEDC and LG Broad Cannon, LLC

Approval of the First Amended and Restated Economic Development and Performance Agreement by and between MEDC and LG Broad Cannon, LLC

In September 2017, MEDC entered into an Economic Development and Performance Agreement with LG Broad Cannon, LLC (Leon Capital Group) for the development of the Market Street anchored shopping center at East Broad Street and Cannon Drive. The agreement requires a \$38,500,000 capital investment and the first Certificate of Occupancy to be obtained by June 30, 2018. Market Street received their CO on May 24, 2018 but Leon has not yet met their required capital investment but believe they will meet that requirement by the time the project is complete. The agreement states that MEDC will reimburse Leon for actual costs not to exceed \$355,000 for sanitary sewer and road improvements.

Leon was required to make certain drainage improvements to the west side of the property near Mansfield High School and recently learned that the cost of these improvements has increased by nearly \$120,000. Leon has agreed to contribute \$40,000 of the cost. Leon is requesting a partial payment of \$40,000 of the \$355,000 MEDC incentive at this time to help offset the cost of these drainage improvements. In order to do so the MEDC Board voted on May 2nd 5 to 0, to amend the existing agreement with the following:

- Amend definition of Improvements to include the required drainage improvements.
- Add language authorizing MEDC to immediately pay Company \$40,000 for the drainage improvements. This \$40,000 will be deducted from the overall Grants total, which is the lesser of (i) 100% of the actual cost of the Improvements; or (ii) \$355,000.
- Company will still be required to achieve full Capital Investment before receiving any of the Grants under the Agreement as currently written. With the deduction of the \$40,000, Company will only be entitled to a maximum of \$315,000 for the remaining Grants.

Leon has developed a high quality shopping center with desirable tenants and will exceed their capital investment.

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