

Legislation Text

File #: 20-3771, **Version:** 1

Staff Report, Board Discussion and Possible Action Regarding Approval of a Termination Agreement with RMA Holdings, LLC

Consider approving the termination of the economic development and performance agreement with RMA Holdings, LLC

Approve the termination of the economic development and performance agreement with RMA Holdings, LLC

In 2016, MEDC entered into an economic development agreement with RMA Holdings, LLC (AM-C Warehouse) for the development of a large cold storage facility. The agreement called for the facility to be developed in four phases and the incentives were to be paid at the conclusion of each phase. The agreement was amended in 2017 to change the deadlines for completion of Phase III and Phase IV. RMA completed Phase I and Phase II of the project and satisfied all of the requirements to receive the incentives for those phases.

RMA has now been sold to Americold - the world's largest REIT focused on owning and operating temperature controlled warehouses. As a result, RMA will no longer be able to fulfill their commitments for Phase III and IV.

This would allow MEDC to retain \$750,000 of the funds dedicated to the payment of future incentives. RMA is also requesting termination of a tax abatement agreement which will place the full value of Phase I and Phase II, approximately \$34 million, on the tax rolls immediately.

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