



CITY COUNCIL COMMUNICATION

April 14, 2009

SUBJECT: AUTHORIZE THE CITY MANAGER TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT WITH REDICO, INC.

SUBMITTED BY: Mike Collins, Director of Planning and Development

REFERENCE NO: 09-06-CC

ACTION REQUESTED:

Approve motion authorizing the City Manager to negotiate and execute a professional services agreement with Redico, Inc.

ALTERNATIVES:

1. Approve the request – *simple majority*
2. Approve the request with modifications – *simple majority*
3. Deny the request – *simple majority*

SUMMARY OF SUBJECT:

The City of Euless has identified an area generally bounded by Airport Freeway, S.H. 10. and F.M. 157 for potential long term redevelopment. Towards this objective, the City of Euless desires to engage in a professional services contract with Redico, Inc.(Redico), a real estate, construction, and property management firm. Redico is a successful nationwide development company with a real estate portfolio that exceeds \$2 billion in value and contains over 16 million square feet of diverse commercial space. With current development projects proposed at the D/FW International Airport and within the City of Southlake, Redico possesses current and direct knowledge of the local and regional commercial office and retail market place. It is our intention to capitalize on this knowledge and experience.

Redico would be hired to provide predevelopment consulting and related services that would be broken into two phases: Phase I would be to conduct a feasibility study based on a determination of the highest and best land uses, market evaluation, and financial analysis. Simply stated, the product of Phase I will be a listing of land uses that are most

likely to locate in the target area and the type and amount of public financial incentive that would likely be required to encourage the development to actually happen. After completion of Phase I, a critical decision point would be reached. If the City Council determines that it is favorable to those land uses and generally supports the financial incentives required, the City of Euless would then and only then, give the go ahead to Redico to begin Phase II.

Phase II would consist of developing a conceptual site layout of the proposed land uses, prepare a draft Planned Development Ordinance that would establish entitlements for the property and development standards under which the project would be constructed, and complete an environmental assessment. Coupled with the work product contained in Phase I, development of a Master Developer's Agreement would begin as well.

Redico would be paid \$100,000 for each phase. Phase I would be completed in FY 2009 and Phase II would be completed on or before April 1, 2010. Redico would reimburse the City of Euless for those fees upon completing financing of the contemplated development.

Staff is recommending that the City Council authorize the City Manager to enter into a professional services agreement with Redico for amount not to exceed \$100,000 for each phase completed, and which allows up to an additional \$5,000.00 to be spent on other architectural and site plan services. Expenses above \$5,000.00 will require City Manager approval.

SUPPORTING DOCUMENTS:

- Professional Services Contract with Redico, Inc.
- Map

APPROVED BY:

_____ **LG** _____

City Manager's Office

_____ **SC** _____

City Secretary's Office