



CITY COUNCIL COMMUNICATION

November 9, 2010

SUBJECT: Consider Termination of Economic Development Program Grant Agreement with Glade 121, L.P.

SUBMITTED BY: Loretta Getchell, Deputy City Manager

REFERENCE NO:

ACTION REQUESTED:

Consider authorizing the Mayor to execute an agreement terminating the existing Economic Development Program Grant Agreement with Glade 121, L.P.

ALTERNATIVES:

- Do not approve

SUMMARY OF SUBJECT:

Due to a change in economic conditions, the City of Euless has evaluated other economic development incentive tools to encourage the development of Glade Parks. In lieu of the existing Chapter 380 Agreement, the City Council will consider designating the geographical boundaries encompassing this development as Tax Increment Reinvestment Zone Number Three. Creation of this Zone will allow certain taxing entities to pledge a portion of new revenues generated from the development to the TIRZ to pay for certain public infrastructure improvements as defined in the Project and Financing Plan. The cost of the estimated public improvements is approximately \$12.1M.

Tarrant County has been asked to consider contributing 75% of the increment for a 15 year period and 50% of the increment for the remaining 10 year period. Tarrant County College District has been asked to consider contributing 50% of the increment for the full term of the TIRZ and the City of Euless participation is at 75% of the increment for the full term in addition to 30% of the unrestricted one cent sales tax for 15 years and 20% for the remaining 10 years. In exchange for this contribution, the City and Glade 121, L.P. have mutually agreed to revoke the current Chapter 380 Agreement which included a 50% rebate of the 1¢ sales tax for a 25 year period.

FINANCIAL CONSIDERATIONS:

Revenue Sources:

Expenditure Accounts:

Budgeted Fiscal Year(s):

Estimated Expenditure:

Over/Under Projection By:

Other Comments:

SUPPORTING DOCUMENTS:

- Agreement
- Exhibit "A"

APPROVED BY:

_____ **LG** _____

City Manager's Office

_____ **SC** _____

City Secretary's Office