



CITY COUNCIL COMMUNICATION

January 11, 2011

SUBJECT: Economic Development Agreement Amendment

SUBMITTED BY: Gary McKamie, City Manager

REFERENCE NO:

ACTION REQUESTED:

Consider approval of Second Amendment to the Economic Incentive Agreement by and between the City of Euless, Vineyard Village MSV, LLC, and Big Vineyard Village, LLC.

ALTERNATIVES:

- Do not approve

SUMMARY OF SUBJECT:

Pursuant to an Economic Development Agreement, "the Agreement", dated September 1, 2006 by and between the City of Euless and Burk Collins & Co, LTD, amended to Vineyard Village MSV, LLC, the City of Euless was notified that the Shops at Vineyard Village was being sold to Big Vineyard Village, LLC. The Agreement requires that the City of Euless approve any new owner. The agreement further contemplates that the new owner would assume all rights and obligations. However, the new owner and Vineyard Village MSV, LLC have mutually agreed that the sales tax rebate due under the Agreement shall remain with Vineyard Village MSV.

While the majority of the developer's obligations have been fulfilled, this Second Amendment, affirms that Vineyard Village MSV, remains obligated under the terms of the original agreement; establishes the maximum amount of the remaining liability associated with required infrastructure improvements; and includes provisions that the new owner must also meet certain obligations as a condition of payment of any incentive due.

The new owner will be required to continue to assure that the anchor tenants and center occupants will meet co-tenancy requirements; provide an annual list of tenants remitting sales tax to the comptroller; and timely pay all ad valorem taxes.

Staff recommends approval of the new owner through this second amendment.

FINANCIAL CONSIDERATIONS:

Revenue Sources:

Expenditure Accounts:

Budgeted Fiscal Year(s):

Estimated Expenditure:

Over/Under Projection By:

Other Comments:

SUPPORTING DOCUMENTS:

APPROVED BY:

_____ **LG** _____

City Manager's Office

_____ **SC** _____

City Secretary's Office