



CITY COUNCIL COMMUNICATION

July 24, 2012

SUBJECT: Resolution Approving a Chapter 380 Agreement by and between the City of Euless and Evergreen Euless Senior Community, L.P.

SUBMITTED BY: Gary McKamie, City Manager

REFERENCE NO: Resolution No. 12-1317

ACTION REQUESTED:

Consider approval of Resolution No. 12-1317 approving a Chapter 380 Agreement by and between the City of Euless and Evergreen Euless Senior Community, L.P. and authorizing the City Manager to execute an agreement.

ALTERNATIVES:

- Table the request
- Deny the request

SUMMARY OF SUBJECT:

The proposed Chapter 380 Agreement between the City of Euless (City) and Evergreen Euless Senior Community, L.P. (Evergreen), provides a financial incentive related to the development of a senior living community at the southwest corner of Dickey Drive and East Euless Boulevard (TX Hwy 10). The financial incentive would be in the form of a short term loan. Major terms of the loan include:

- Maximum \$350,000; and,
- Proceeds to be used for the construction of infrastructure to serve the property; and,
- Property is pledged as collateral, secured by a Promissory Note and Deed of Trust; and,
- To remain eligible to receive the loan, construction must begin within 270 days from approval of Ordinance No.1960 (#12-03-PD) and must make request for funding no later than 30 days after issuance of Certificate of Occupancy, and,
- Three (3) year loan will be repaid with a two (2) percent annual interest rate and no pre-payment penalty.

Description of Project: Evergreen proposes to construct a four (4) story 170 unit senior living community on a vacant, undeveloped 6.25 acre tract of land. The property owner is seeking a zone change that will permit this land use. The parent company of Evergreen, Churchill Development, owns and maintains eleven (11) senior housing residential facilities in the Metroplex. Evergreen is securing federal tax credits through the Texas Department of Housing and Community Affairs towards the financing of this development. As a qualification for the tax credits, the apartment will be age restricted by deed to fifty-five (55) years and older, as well as income qualifications established for the tenants. The city believes that successful completion of this project would contribute substantially to the revitalization of this neighborhood in South Euless.

SUPPORTING DOCUMENTS:

- Resolution No. 12-1317

APPROVED BY:

_____ **LG** _____

City Manager's Office

_____ **KS** _____

City Secretary's Office