



**CITY COUNCIL COMMUNICATION**

February 23, 2016

**SUBJECT:** Construction, Funding and Development Agreement by and Between the City of Euless, the Board of Directors of Tax Increment Reinvestment Zone Number Four and the CADG 901 AIRPORT FREEWAY, LLC

**SUBMITTED BY:** Loretta Getchell, City Manager

**REFERENCE NO:**

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**ACTION REQUESTED:**

Consider authorizing the Mayor to negotiate and execute an amended Construction, Funding and Development Agreement (CFDA) by and between the City of Euless, the Board of Directors of Tax Increment Reinvestment Zone Number Four (the "TIRZ") and CADG 901 AIRPORT FREEWAY, LLC and rescinding the Agreement as approved on January 26, 2016.

**ALTERNATIVES:**

- Table the request
- Deny the request

**SUMMARY OF SUBJECT:**

Staff is recommending that the CFDA as approved by City Council on January 26<sup>th</sup> be rescinded and that the Mayor be authorized to negotiate and execute an amended Agreement. Subsequent to the approval, staff and the developer have continued discussions about the terms of the Promissory Note that is required pursuant to Section 3.07. Staff recommends amending the agreement to include provisions regarding additional security and collateral. Additionally, staff is recommending clarification in the Agreement regarding the terms of delivery and payment for Authorized Improvements under Section 6.01 and the related requirement that funds be set aside for a Debt Service Reserve. Staff is not recommending any change regarding the amount of the Improvements to be funded or the nature of the improvements to be funded. Staff recommends authorizing the Mayor to negotiate and execute an amended CFDA.

**APPROVED BY:**

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City Manager's Office

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City Secretary's Office