

Legislation Text

File #: 22-6196, **Version:** 1

Conduct a public hearing and consider a resolution approving a First Amendment to the Amended and Restated Chapter 380 Economic Development Program Agreement Three between the City of Mesquite, Texas and MMAH Rodeo Land Holdings, LLC (“Company”), clarifying payment terms of Company’s obligations regarding the electronic Freeway-Oriented Marquee Sign, and authorizing the City Manager to execute the First Amendment.

On September 21, 2020, the City Council approved an amended and restated Chapter 380 Economic Development Agreement with MMAH Rodeo Land Holdings, LLC (Rodeo) to allow the Rodeo to replace its original electronic sign near LBJ Freeway with a *Freeway-Oriented Marquee Sign* which uses more modern and advanced electronic video screens, and to allow the Rodeo to transfer ownership of the sign to OUTFRONT Media, Inc., a billboard company that specializes in electronic advertising.

The change was made to generate more advertising revenue for both the Rodeo and City. The City’s share (17.5 percent of gross advertising revenues) would flow back to the Rodeo City Tax Increment Reinvestment Zone (TIRZ) to reimburse the City its \$883,920.67 incentive for the cost of the original freeway sign.

In December 2020, construction of the new sign was completed and advertising began in January, and by April 2021, the sign was advertising at 75 percent capacity. To date, in just over one year of full operation, the City has collected \$19,568.19 for its share of advertising revenue, which is almost double the amount (\$10,639.42) the City collected from the old sign over a ten-year period.

This First Amendment to the current Chapter 380 Agreement is merely a housekeeping revision to Section 10.5 of the Agreement to define the frequency of reimbursement to the City on a quarterly basis, with payments due on January 1, April 1, July 1 and October 1 of each year. No other changes to the terms and conditions of the Agreement are proposed.

Recommended/Desired Action

Following the public hearing, City staff recommends approval of the resolution.

Attachment

Resolution

Drafter

Ted Chinn

Head of Department

Ted Chinn