

City of Mesquite, Texas

Legislation Details (With Text)

File #:	18-3434	Version:	1	Name:	IDI Assignment
Type:	Agenda Item	Status:	Passed		
File created:	4/26/2018	In control:	City Council		
On agenda:	5/7/2018	Final action:	5/7/2018		
Title:	A resolution consenting to the assignment by Industrial Developments International (Texas), L.P., ("IDI") to IDIL Skyline D, LLC ("IDIL Skyline"), of IDI's interest in that certain economic development program agreement (Chapter 380 Agreement) dated January 26, 2018, between IDI and the City of Mesquite, Texas, relating to an industrial building project located at 2250 Skyline Drive, Mesquite, Texas, and authorizing the City Manager to execute all documents necessary or requested in connection therewith.				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	1. Resolution - IDI, 2. IDI Entity Structure				

Date	Ver.	Action By	Action	Result
5/7/2018	1	City Council	Approved	Pass

A resolution consenting to the assignment by Industrial Developments International (Texas), L.P., ("IDI") to IDIL Skyline D, LLC ("IDIL Skyline"), of IDI's interest in that certain economic development program agreement (Chapter 380 Agreement) dated January 26, 2018, between IDI and the City of Mesquite, Texas, relating to an industrial building project located at 2250 Skyline Drive, Mesquite, Texas, and authorizing the City Manager to execute all documents necessary or requested in connection therewith.

Jeff Upshaw of Alston & Bird, LLP, attorney representative for Industrial Developments International (Texas), L.P., contacted the City regarding a transfer of the property at 2250 Skyline Dr., Mesquite, Texas, from Industrial Developments International (Texas), L.P., to a single purpose entity borrower, IDIL Skyline D, LLC, relative to a Chapter 380 Agreement for an economic development incentive with the City of Mesquite, executed January 26, 2018.

The incentive provides a reimbursement of water, sewer and roadway impact fees, not to exceed \$340,000, for constructing a 487,000-square-foot industrial building with a capital investment of at least \$15 million, as well as executing a three-year lease of at least 25 percent of the building by December 31, 2020.

Article X, Section 1 of the Chapter 380 Agreement states that "...this Agreement and the rights and obligations of the Company hereunder may not be assigned or transferred by the Company to any Person without the prior written consent of the City, which consent shall not be unreasonably withheld, conditioned or delayed."

The property would remain within the sole control of IDI Logistics, LLC, the parent company owner. The transfer is a requirement of IDI's lender, Compass Bank, in order to provide construction financing for the project. The loan value is \$18,781,073 and the land and improvements provide security for the loan.

Alston & Bird, LLP, request that the consent be expedited in order to move forward with the completion of the project.

Recommended/Desired Action

Staff recommend consent to transfer the Chapter 380 Agreement entity from Industrial Developments International (Texas), L.P. to IDIL Skyline D, LLC.

Attachment(s)

Resolution

IDI Entity Structure

Drafter

Kim Buttram

Head of Department

David Witcher