

Legislation Text

File #: 19-4324, **Version:** 1

Conduct a public hearing and consider a resolution repealing Resolution No. 44-2019 and approving a Chapter 380 Agreement with MM Mesquite 50, LLC, (the “Developer”), authorizing the City Manager to negotiate, finalize and execute all documents necessary or advisable to complete the sale of an approximately 5.315-acre tract of City-owned property located within the Mesquite Rodeo City Reinvestment Zone Number One, to the Developer, providing a grant to the Developer, the City tract to be developed as part of the Iron Horse Project and authorizing the City Manager to administer the agreement on behalf of the City.
(This item was postponed at the July 15, 2019, and August 5, 2019, City Council meetings.)

On June 3, 2019, the City Council held a public hearing and passed Resolution No. 44-2019 adopting an economic development program agreement to authorize the sale of a 5.315-acre tract of City-owned property to the Iron Horse Village Developer and grant to the Developer under the terms of a Chapter 380 Agreement the purchase price of the property. The tract was acquired by the City on May 1, 2006, in the amount of \$950,000.00 for the purpose of either developing additional parking at the Convention Center or to hold as an incentive tool for future development on the abutting 56-acre vacant tract.

The Iron Horse Development Agreement requires that the Developer purchase the City tract in the amount of \$926,100.00, which is the fair market value as determined by a recent independent appraisal, in accordance with the terms of the proposed City Tract Economic Development Agreement (the “Agreement”). The City tract will be developed as part of the approved Iron Horse Village development, and under the terms of the Agreement, in consideration of the Developer’s timely construction of certain public improvements within the development of Iron Horse Village, the City will grant the \$926,100.00 fair market purchase price of the City tract to the Developer. The City tract may revert back to the City if certain conditions and milestones are not met.

Resolution No. 44-2019 authorized the City Manager to finalize and execute the Agreement; however, the City Council did not have the opportunity to review the proposed Agreement on June 3, 2019, because specific details regarding the default provisions and reversion of the City Tract were not yet finalized. A copy of the Agreement executed by the Developer is expected by Friday prior to the Council meeting.

Recommended/Desired Action

Staff recommends approval of the resolution.

Attachment(s)

Resolution [A copy of Exhibit B “the Agreement” will be sent in Council’s Friday mail packet pending execution by Developer]

Drafter

Ted Chinn

Head of Department

Ted Chinn