

City of Mesquite, Texas

Legislation Text

File #: 20-4952, **Version:** 1

Conduct a public hearing and consider a resolution approving the terms and conditions of a program to promote local economic development and stimulate business and commercial activity in the City, authorizing the City Manager to finalize and execute an Economic Development Program Agreement (Chapter 380 Agreement) and related Lease Agreement for such purposes with ADJ Restaurant Group, LLC, for the development of a restaurant in a City-owned building located in downtown Mesquite at 117 West Main Street, Mesquite, Texas (the “Premises”), providing for the lease of the Premises with an option to purchase the Premises for such price and upon such terms and conditions as set forth in the Agreement and Lease, and authorizing the City Manager to administer the Agreement and Lease on behalf of the City.

In 2018, the City of Mesquite purchased the property located at 117 West Main Street in Downtown Mesquite with the goal of utilizing the property for downtown development purposes. In 2019, the City issued a Request for Qualifications to seek respondents interested in developing a restaurant at the property.

In Executive Session, Council directed staff to enter into negotiation with ADJ Restaurant Group to locate a restaurant at 117 West Main Street. Upon request, the restaurant prepared a business plan and staff and restaurant ownership negotiated lease agreement terms, which were reviewed with Council in Executive Session on June 15, 2020.

ADJ Restaurant Group requests to partner with the City of Mesquite through a Chapter 380 Agreement outlining the terms and obligations necessary to execute development of a restaurant at 117 West Main Street.

Conditions include:

- ADJ Restaurant Group to provide all tenant finishes in addition to all fixtures, equipment, fittings and furnishings as detailed in Exhibit E of the Lease.
- ADJ Restaurant Group to operate full-service restaurant with bar, indoor and outdoor dining and live entertainment.
- ADJ Restaurant Group will receive a Certificate of Occupancy and be in operation on or before Jan. 31, 2021

The lease agreement provides for ADJ Restaurant Group to operate a restaurant at the site for an initial lease period of five years. The first installment of rent will be due 10 days after achieving a Certificate of Occupancy or January 31, 2021, whichever occurs first.

City of Mesquite will be responsible for bringing the property to “white box” status and ready for tenant finish-out. This includes asbestos abatement, wall preparation, electrical upgrades, patio area improvement and fencing and all normal HVAC and roofing maintenance. The tenant will be responsible for all tenant finishes, tenant equipment, furniture, fixtures, etc.

Financial Implications

Funding for this project is available through the Town Centre TIRZ No. 2 fund.

Recommended/Desired Action

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

Attachment(s)

Resolution

Drafter

Beverly Abell

Head of Department

David Witcher