

## Legislation Text

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**File #:** 21-5438, **Version:** 1

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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 Chapter 380 Agreement (“380 Agreement”) with LF Gateway LP, for the construction and development of the property located at 3201 East Cartwright Road, in the City of Mesquite, Texas, and authorizing the City Manager to finalize, execute and administer the agreement on behalf of the City.

LF Gateway LP purchased a 6.787-acre tract at 3201 East Cartwright Road in 2017, noting a market need in the area for new commercial development and in anticipation of future residential development in Southeast Mesquite. The site is located at the southeastern corner of the intersection of Cartwright Road, and Faithon P. Lucas, Sr., Boulevard, adjacent to John D. Horn High School.

The proposed development includes five to six freestanding retail buildings to be leased and/or sold to medical office, local retail, and restaurant concepts.

Exceptional costs of developing the site to improve ingress and egress include modifications to East Cartwright Road and the entrance to John D. Horn High School from Faithon P. Lucas, Sr., Boulevard. Proposed landscape enhancements and rod iron fencing provide screening along the John D. Horn High School entrance and campus.

The Chapter 380 Agreement provides an incentive package consisting of Grants based upon Real and Business Personal Property Tax paid to the City as a result of the development over ten years, as well as Water, Sewer and Roadway Impact Fees paid to the City during the development process. Roadway Impact Fees will be granted back to the developer 100% during the first five years of the project, and 50% years six through ten. All other tax and fee-based Grants will have a performance-based cap of \$500,000 or \$600,000 (a \$100,000 increase if a Fast Casual or Table Service Restaurant is constructed within the first five years.)

The current value of the site is \$739,000. The estimated value of the Real Property Improvements is \$16 million and estimated Annual Sales are \$13 million at full build-out. The payback period for the incentive package is approximately six years.

### **Recommended/Desired Action**

Staff recommends approval of the resolution.

### **Attachment(s)**

Resolution

### **Drafter**

Kim Buttram

### **Head of Department**

Kim Buttram