



# STAFF REPORT

---

**MEETING DATE:** April 15, 2024

**TITLE:**

Consideration and possible action on approving an amendment to the real estate purchase contract with Acutronic.

**AGENDA ITEM SUBMITTED BY:**

Sylvia Carrillo-Trevino, Interim Executive Director of the BEDC and City Manager

**BACKGROUND/HISTORY:**

The BEDC began working on an agreement with Acutronic in 2021 and an agreement was finally reached in January of 2023. The agreement was wrapped in the completion of the Industrial Park infrastructure. Due to the timing of the completion of that work, as well as a reduction of BEDC revenue, that project was shelved.

This agenda item is submitted because the existing agreement in place calls for Acutronic to be complete with their inspection period by April 9, 2024. Acutronic would like a thirty-day extension of that time frame to May 9, 2024.

Important to note, the Acutronic agreement calls for a shovel-ready site. To date, City staff have been working with the Acutronic design professionals to determine the best and most efficient layout.

Acutronic requires a variety of improvements including a wastewater line, pavement, curb and gutter, and a potential lift station. The estimated costs range from \$1,008,945 to \$1,025,073 and while it includes a 20% contingency, this is a rough estimate so an additional 20% has been incorporated into the budget.

In order to pay for this project, there previously existed a capital project for MLK/Technology extension in the amount of \$2,000,000. This project is on hold as the expansion that was planned has been paused due to the reduction in BEDC funding.

Additionally, Acutronic has also submitted a second amendment (not being considered at this time), which includes:

- 1) Edits to the Performance Agreement regarding water and wastewater (the need for a shovel ready site)
- 2) Subdivision Plat provision (No Public Improvement Plan Requirement (PIPA) as that cost should be borne by the BEDC)
- 3) Dedicated Paved Streets (Need for a shovel ready site)
- 4) Several exceptions to the BEDC's Restrictive Covenants for the Business Park

The complexity of this contract and amendments, while handled separately, both are informed by requirements to make the site shovel ready.

**FISCAL IMPACT:**

\$1,025,073 plus additional contingency of 20%, or \$205,015 for a total of \$1,230,088.  
The recommendation is to take this from the \$2M previously allocated to MLK/Technology extension.

**RECOMMENDATION:**

Approve the 30 day extension inspection period and direct staff to bring back an actionable plan to get the site shovel ready.

**ATTACHMENTS:**

1. Resolution R-20204-0003 approving the extension of the inspection period
2. First Amendment to Contract
3. Opinion of probable cost