



STAFF REPORT

MEETING DATE: June 11, 2024

TITLE:

Consider action to approve Resolution No. R-2024-65 of the City Council of the City of Bastrop, Texas, approving amendments to the real estate purchase contract and performance agreement between the Bastrop Economic Development Corporation and Acutronic Real Estate, Inc; authorizing all necessary actions, including execution of necessary documentation; repealing all resolutions in conflict; and providing an effective date.

AGENDA ITEM SUBMITTED BY:

Sylvia Carrillo-Trevino, ICMA-CM, CPM, Interim Director of the BEDC and City Manager

BACKGROUND/HISTORY:

The BEDC Board of Directors approved an Economic Development Performance Agreement with The Acutronic Company and Acutronic Real Estate Group (“Developer”) at a board meeting on September 25, 2023. The Bastrop City Council approved the agreement on October 10, 2023.

Since that time, there have been three amendments to the agreement. On April 15, 2024, the BEDC approved an amendment to the Purchase Contract extending the Inspection Period until May 9, 2024 (the “First Amendment”), and on May 8, 2024, the BEDC approved an amendment to the Purchase Contract extending the Inspection Period until May 22, 2024 (the “Second Amendment”).

Since that time, staff have worked with Acutronic and the legal team to draft an amended contract that meets the intent of the law, BEDC requirements, and Acutronic needs. A brief summary of the amendments is as follows:

1. Amend the contract to clarify the BEDC contribution toward infrastructure is up to \$1M.
2. BEDC agrees to grant any offsite easements needed for the installation of utilities, etc., to make the site shovel ready.
3. BEDC agrees to facilitate the application through coordination with the City.
4. Grant the seven variances Acutronic requested.
5. Amend the commencement date to match the variance requested to match the existing performance agreement.

Through the performance agreement, the BEDC is offering incentives to the Developer by rebating the purchase price of the property they are purchasing in the Bastrop Business and Industrial Park, upon the Developer’s successful completion of the project. The purchase price of the 13.84-acre tract is \$1,089,000. Acutronic commits to building a minimum 20,000-square-foot production and manufacturing facility with a minimum capital investment of \$4,000,000, as well as hiring at least 50 full-time employees with an average total compensation of at least \$56,240.

FISCAL IMPACT:

The funding for the rebate will come from BEDC’s budget for the fiscal year in which the project’s commitments are met.

RECOMMENDATION:

Recommend approval of Resolution No. R-2024-65 of the City Council of the City of Bastrop, Texas, approving amendments to the real estate purchase contract and performance agreement between the Bastrop Economic Development Corporation and Acutronic Real Estate, Inc; authorizing all necessary actions, including execution of necessary documentation; repealing all resolutions in conflict; and providing an effective date.

ATTACHMENTS:

1. Draft City Council Resolution R-2024-65
2. BEDC Resolutions R-2024-0005 and R-2024-0006 approved by Board May 20, 2024
3. Amended Purchase and Sale Agreement and Performance Agreement with Acutronic

