



ITEM REPORT
ECONOMIC DEVELOPMENT AUTHORITY

Agenda Date: 6/7/2022
Agenda Section: New Business

Department Origination: Administration

Agenda Item: Approve Option Agreement for Lot 1, Block 1, Fourth Addition to Baxter Industrial Park Phase 3

Approval Required: Simple Majority Vote

BACKGROUND

Attached is a copy of a proposed option agreement between the Baxter EDA and T & E Properties, LLC. If executed by both parties, the agreement would provide the LLC the exclusive right to acquire Lot 1, Block 1, Fourth Addition to Baxter Industrial Park through 2026 with the ability to extend the agreement for an additional two years (through 2028). In exchange for the right, the company will pay the EDA \$1,250 upon execution of the agreement and an additional \$1,250 if the company extends the agreement through 2028. The \$1,250 payment represents approximately 0.5% of the current appraised value and established asking price for the subject property, which is \$241,200. The agreement was drafted by the City Attorney.

T & E Properties, LLC, is the real estate holding company for Lindar, Avantech, Triven and others. The LLC is currently completing an addition to its building located at 7794 Hastings Road and has interest in the property directly north of this site from the Baxter EDA for a future expansion. While they are not in a position to purchase the property immediately, the LLC is requesting the EDA consider entering into the option agreement. The option would allow the LLC to complete their due diligence on the EDA property, properly plan its next expansion, and proceed with the acquisition when its ready to proceed with the expansion sometime prior to the end of 2028.

FINANCIAL IMPLICATIONS

STAFF RECOMMENDATIONS

Staff recommends approval of the Option Agreement between the Baxter EDA and T & E Properties, LLC for Lot 1, Block 1, Fourth Addition to Baxter Industrial Park Phase 3.

ACTION REQUESTED

Approve the attached Option Agreement.