



TOWN COUNCIL COMMUNICATION

DATE May 16, 2023

FROM: Tammy Dixon, Town Secretary

AGENDA ITEM: Second reading of a resolution concerning the approval of a Type B Economic Development Project and Performance Agreement by and between the Bartonville Community Development Corporation and Cloud 9 Management LLC.

SUMMARY:

On May 10, 2023, the Bartonville Community Development Corporation Board approved a Performance Agreement for Cloud 9 Management LLC to provide financial assistance for Cloud 9 Salon and Spa, in the amount of \$45,000.

Section 505.158 of the Texas Local Government Code provides that a Type B corporation may not undertake a project that requires an expenditure of more than \$10,000 until the governing body of the corporation's authorizing municipality adopts a resolution authorizing the project after giving the resolution at least two separate readings. There are no provisions that prohibit both readings to occur during the same meeting.

The agreement proposes a total incentive of \$45,000. \$22,500 to be paid within 30 days of commencing construction on the property and \$22,500 paid within 30 days after the issuance of a Certificate of Occupancy. The agreement includes a five-year clawback provision in the event of default.

In accordance with the Development Corporation Act, Section 505.159(a) of the Texas Local Government Code, a public hearing is required to receive public input regarding the funding of the project. The BCDC conducted the public hearing on April 12, 2023. One person spoke in favor, and no one spoke in opposition to the project.

FISCAL INFORMATION: BCDC Budget \$45,000

LEGAL REVIEW: The resolution and performance agreement were prepared by Jeff Moore, BCDC Attorney.

RECOMMENDED MOTION OR ACTION: Second reading of resolution.

ATTACHMENTS:

- Resolution