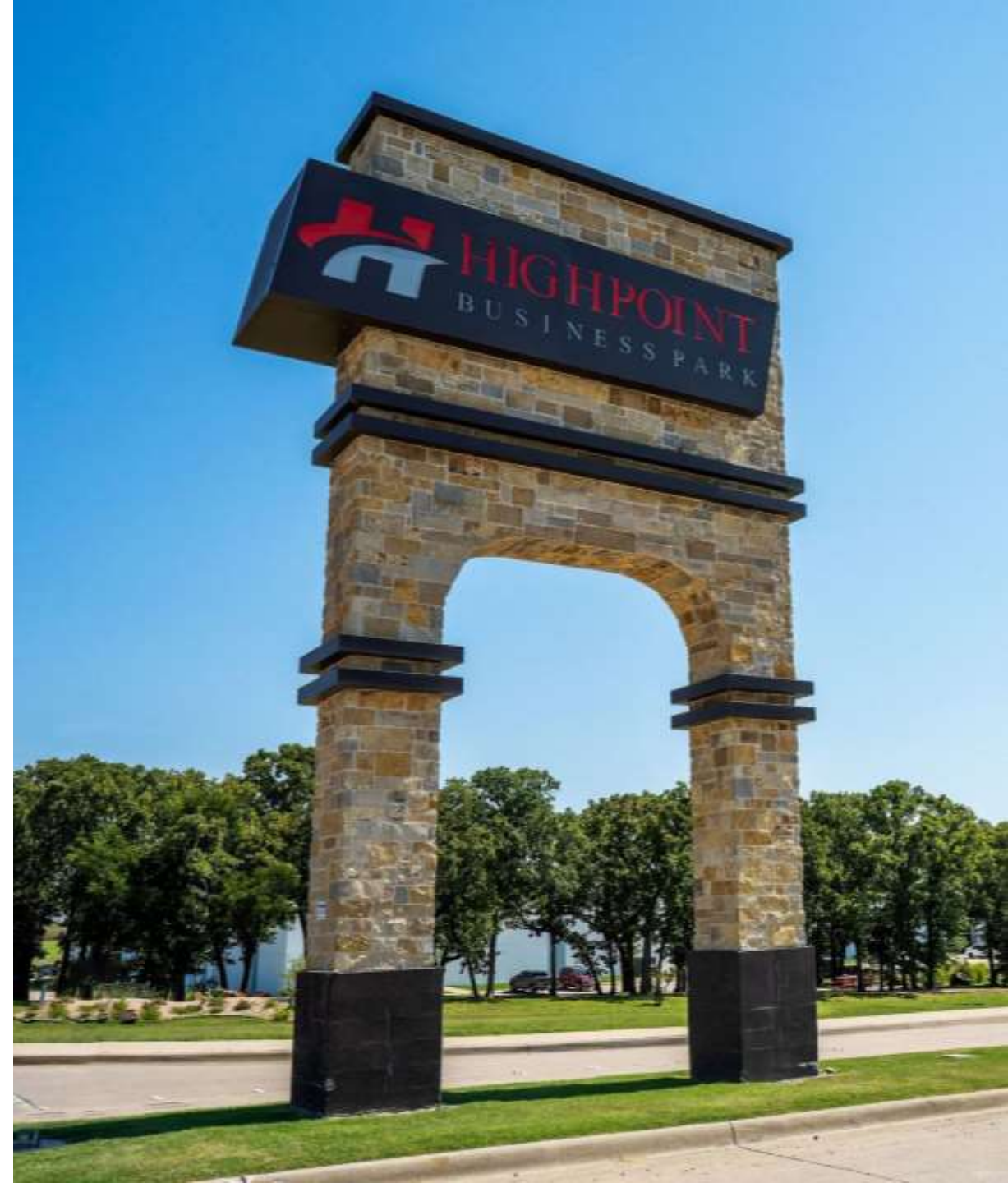




Economic
Development

Project Facelift Amendment



The Retail Connection

- Approximately 2 acre site
- It is 4 lots that have been vacant for over a year



- Developer will do the environmental and demolition of the site
- Developer is proposing 3 new to market sales tax users and a primary job tenant.

Proposed Development

- Developer is proposing 3 new to market sales tax users and a primary job tenant.

- Fatburger
- Cool Greens
- Hawaiian Bros.
- Athletico – Physical Therapy

- This site improvement would include the following:

- Access (Shared Drive)
- Environmental Cleanup
- Drainage
- Aesthetics
- New to market users
- **Traffic Improvements**

Approved Agreement

- Developer receives \$425,000 upon substantial completion of the development as a reimbursement of developer related expenses related to the site improvements
- Developer receives \$425,000 upon a receipt of a Certificate of Occupancy from four (4) new to market tenants in the development, the incentive is a reimbursement of developer related expenses related to the site improvements



Proposed Development

- Hawaiian Brothers
 - Hawaiian inspired cuisine
 - Rapidly growing since 2018
- Fatburger
 - Been in business since 1952
 - This will be the 6th location in DFW
- Cool Greens
 - Salads, wraps, grain bowls and sandwiches
 - 4th location in DFW
- Athletico
 - Physical Therapy Office



The Retail Connection

Approved by CC 2/6/23

Project Facelift	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2042
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 20
CAPEX	\$ 4,000,000.00	\$ 4,120,000.00	\$ 4,243,600.00	\$ 4,370,908.00	\$ 4,502,035.24	\$ 4,637,096.30	\$ 4,776,209.19	\$ 4,919,495.46	\$ 5,067,080.33	\$ 5,219,092.74	\$ 7,014,024.21
Appraised Value (70% of CAPEX)	\$ 2,800,000.00	\$ 2,884,000.00	\$ 2,970,520.00	\$ 3,059,635.60	\$ 3,151,424.67	\$ 3,245,967.41	\$ 3,343,346.43	\$ 3,443,646.82	\$ 3,546,956.23	\$ 3,653,364.91	\$ 4,909,816.95
Revenue											
Cumulative	\$ 140,000.00	\$ 140,000.00	\$ 160,000.00	\$ 160,000.00	\$ 160,000.00	\$ 160,000.00	\$ 160,000.00	\$ 160,000.00	\$ 160,000.00	\$ 160,000.00	\$ 160,000.00
Property Tax	\$ 20,160.00	\$ 20,764.80	\$ 21,387.74	\$ 22,029.38	\$ 22,690.26	\$ 23,370.97	\$ 24,072.09	\$ 24,794.26	\$ 25,538.08	\$ 26,304.23	\$ 35,350.68
Expenses											
Sales Rebate											
Utility											
Demo & Env.	\$ (425,000.00)	\$ (425,000.00)									
Annual	\$ (264,840.00)	\$ (264,235.20)	\$ 181,387.74	\$ 182,029.38	\$ 182,690.26	\$ 183,370.97	\$ 184,072.09	\$ 184,794.26	\$ 185,538.08	\$ 186,304.23	\$ 195,350.68
Cumulative		\$ (529,075.20)	\$ (347,687.46)	\$ (165,658.08)	\$ 17,032.18	\$ 200,403.14	\$ 384,475.24	\$ 569,269.49	\$ 754,807.58	\$ 941,111.81	\$ 2,851,706.75
Projected Sales	\$ 7,000,000.00	\$ 7,000,000.00	\$ 8,000,000.00	\$ 8,000,000.00	\$ 8,000,000.00	\$ 8,000,000.00	\$ 8,000,000.00	\$ 8,000,000.00	\$ 8,000,000.00	\$ 8,000,000.00	\$ 8,000,000.00

- 10 YR Return – 111%
- 20 YR Return – 335%

Developer Request

- Due to the traffic counts associated with the development, the developer was required to perform a traffic impact analysis to determine if additional offsite improvements would be required outside the development. The TIA came back with an additional \$447,120, and the developer has approached staff and requested that we share in the expenditures.
- The improvements would aid in the development of the site as well as future developments on Summercrest.
- Developer would construct all of the additional site improvements and after acceptance from the City, the EDC would provide a reimbursement up to \$223,560.
- This amendment would add the additional incentive for infrastructure improvements with no date changes in the Performance Agreement.

Paving/Signal Improvements					
1	Mobilization	1	LS	\$20,000	\$20,000
2	Site Preparation	1	LS	\$19,000	\$19,000
3	Traffic Control	1	LS	\$30,000	\$30,000
4	Traffic Signal Improvements	1	EA	\$150,000	\$150,000
5	Right Turn Lanes Paving	850	SY	\$100	\$85,000
6	Right Turn Lanes Re-striping	2	EA	\$10,000.00	\$20,000
		Subtotal:			\$324,000
		Contingency. (%,+/-) 20%			\$64,800
		Surveying/Engineering 18%			\$58,320
		Total:			\$447,120

The Retail Connection

Project Facelift	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2042
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 20
CAPEX	\$ 4,000,000.00	\$ 4,120,000.00	\$ 4,243,600.00	\$ 4,370,908.00	\$ 4,502,035.24	\$ 4,637,096.30	\$ 4,776,209.19	\$ 4,919,495.46	\$ 5,067,080.33	\$ 5,219,092.74	\$ 7,014,024.21
Appraised Value (70% of CAPEX)	\$ 2,800,000.00	\$ 2,884,000.00	\$ 2,970,520.00	\$ 3,059,635.60	\$ 3,151,424.67	\$ 3,245,967.41	\$ 3,343,346.43	\$ 3,443,646.82	\$ 3,546,956.23	\$ 3,653,364.91	\$ 4,909,816.95
Revenue											
Cumulative	\$ 140,000.00	\$ 140,000.00	\$ 160,000.00	\$ 160,000.00	\$ 160,000.00	\$ 160,000.00	\$ 160,000.00	\$ 160,000.00	\$ 160,000.00	\$ 160,000.00	\$ 160,000.00
Property Tax	\$ 20,160.00	\$ 20,764.80	\$ 21,387.74	\$ 22,029.38	\$ 22,690.26	\$ 23,370.97	\$ 24,072.09	\$ 24,794.26	\$ 25,538.08	\$ 26,304.23	\$ 35,350.68
Expenses											
Sales Rebate											
Utility		\$ (223,560.00)									
Demo & Env.	\$ (425,000.00)	\$ (425,000.00)									
Annual	\$ (264,840.00)	\$ (487,795.20)	\$ 181,387.74	\$ 182,029.38	\$ 182,690.26	\$ 183,370.97	\$ 184,072.09	\$ 184,794.26	\$ 185,538.08	\$ 186,304.23	\$ 195,350.68
Cumulative		\$ (752,635.20)	\$ (571,247.46)	\$ (389,218.08)	\$ (206,527.82)	\$ (23,156.86)	\$ 160,915.24	\$ 345,709.49	\$ 531,247.58	\$ 717,551.81	\$ 2,628,146.75

- 10 YR Return – 67%
- 20 YR Return – 245%

Options

- Approve the proposed Amended Performance Agreement to include the additional site improvements.
- Deny the proposed Amended Performance Agreement to include the additional site improvements.

Staff Recommendation is to approve the proposed Amended Performance Agreement to include the additional site improvements.



Questions/Comments