



Economic
Development

Project Facelift

3rd Amendment



The Retail Connection

- Approximately 2-acre site at Wilshire/Summercrest
- 4 lots have been vacant for several years



- Developer to receive \$850,000 4A incentive to assist with environmental, infrastructure and turn lane
- Developer has completed environmental clean-up and cleared the site

Development History

- The original agreement was approved in February of 2022.
- First Amendment was approved in June of 2023.
- Second Amendment was approved in December of 2024 after a default notification was sent to the developer.
- Original development included 4 sales tax generating tenants
 - The Great Greek
 - Hawaiian Bros
 - Fatburger
 - Cool Greens
- All the amendments have been for more time as the site plan has changed a few times due to different tenants.
- The original performa was based off the 4 sales tax generating tenants totaling \$7M in sales annually that was provided to staff.
- Staff later added some street and water improvements to be reimbursed by a separate CFC agreement in the amount of \$223,560
- The development has changed with Frost Bank buying the corner lot and the shell building having 3 sales tax producing tenants currently.
 - Crisp Greens
 - Ono Hawaiian BBQ
 - The Great Greek

Total incentive currently is \$850,000

The Retail Connection

Approved by CC 2/6/23

Project Facelift											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 \$ 8,000,000.00

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

Proposed New Incentive Package

- The reimbursement of water and street improvements done by the CFC agreement would stay unchanged as they are public improvements outside of the property.
- Staff would propose a cash grant of \$131,250 for each of the following performance measures:
 - Receive the Certificate of occupancy for the shell building.
 - Receive the Certificate of occupancy and open to the public for Ono Hawaiian BBQ.
 - Receive the Certificate of occupancy and open to the public for The Great Greek.
 - Receive the Certificate of occupancy and open to the public for a new to market sales tax user.
- Developer would like the following dates and changes in the amendment:
 - Substantially complete the development by March 31, 2027.
 - Make a minimum capital investment of \$2,000,000 no later than March 31, 2027.
 - Development to have three (3) new to market sales tax generating tenants that are named in the agreement.
 - The offsite improvements for the traffic, and water improvements will stay unchanged at \$223,560

Total Incentive \$525,000

Project Facelift

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	\$ 80,000.00	\$ 82,400.00	\$ 84,872.00	\$ 87,418.16	\$ 90,040.70	\$ 92,741.93	\$ 95,524.18	\$ 98,389.91	\$ 101,341.61	\$ 104,381.85	\$ 140,280.48
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)	\$ (100,000.00)									
Annual	\$ (324,840.00)	\$ 3,164.80	\$ 106,259.74	\$ 109,447.54	\$ 112,730.96	\$ 116,112.89	\$ 119,596.28	\$ 123,184.17	\$ 126,879.69	\$ 130,686.08	\$ 175,631.17
Cumulative		\$ (321,675.20)	\$ (215,415.46)	\$ (105,967.92)	\$ 6,763.04	\$ 122,875.93	\$ 242,472.21	\$ 365,656.38	\$ 492,536.07	\$ 623,222.15	\$ 2,166,336.71

Projected Sales \$ 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

- 10 YR Return – 119%
- 20 YR Return – 413%

Options

- Option 1 – Approve the incentive package as presented by staff. (Staff recommendation)
- Option 2 – Default on the agreement