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## Community Services Corporation (Type B)

**DEPARTMENT:** Economic Development

**FROM:** Alex Philips, Economic Development Director

**MEETING:** November 13, 2023

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**SUBJECT:**

Consider approval of 4B11132023Heim1stamendment, an amendment of a Chapter 380 Economic Development and Performance Agreement (CSO#1653-01-2021) between the City of Burleson, Burleson Community Service Development Corporation, and Heim Burleson, LLC. (*Staff Presenter: Alex Philips, Economic Development Director*)

**SUMMARY:**

On January 19, 2021, the Burleson Community Service Development Corporation, and the City Council approved a Chapter 380 Agreement with Heim Burleson, LLC. for a restaurant at 139 W. Ellison. The agreement includes the following performance measures for Heim Burleson:

- Commence construction of the Development no later than January 1, 2022, complete construction of the Development no later than December 31, 2022, with an approximate Capital Investment of no less than \$1,200,000 Dollars, with the Opening Date for the Restaurant no later than January 1, 2023, subject to Article 12 of this Agreement.
- Heim shall routinely and regularly use the rooftop portion of the Development as part of the Restaurant.
- After the Opening Date, Heim shall reserve no fewer than six (6) days every calendar year for coordinated events with the City that will occur simultaneously in the Plaza and the Heim rooftop. Heim agrees with work in good faith with the City to schedule, plan, coordinate, and hold such events.

The City would offer a program grant within the chapter 380 agreement as detailed below:

- The maximum Grant Payments cumulatively available to Heim over the term of this Agreement shall not exceed Three Hundred and Fifty Thousand Dollars (\$350,000).
- The City shall make Grant Payments to Heim in annual installments equal to one hundred percent (100%) of Available Sales Taxes received by the City for the prior calendar year of the restaurant's operation.

- The Grants Payments shall cease upon the earlier of:
  - The date upon which the Grant Payment is paid for the twelve (12) month period ending December 31, 2030; or
  - The date upon which the Grant Payment Cap (\$350,000) has been reached.

Heim has completed all of their performance measures within the agreement, with the exception of the complete construction and opening date. Staff discovered an error in the dates included in the original agreement which caused Heim to miss the complete construction date. Due to supply chain disruptions and construction delays, Heim plans to open by the end of 2023. Staff recommends amending the complete construction and opening dates to ensure compliance and correct an error in the dates in the original agreement to the agreement. The amendment proposed changes the complete construction date to December 31, 2023 opening date performance measure to February 1, 2024.

**OPTIONS:**

- 1) Approve as presented
- 2) Deny

**RECOMMENDATION:**

Staff recommends approval

**PRIOR ACTION/INPUT (Council, Boards, Citizens):**

N/A

**FISCAL IMPACT:**

Explain fiscal impact if any

**STAFF CONTACT:**

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