

EXECUTIVE BRIEF REGULAR MEETING

AGENDA DATE: March 3, 2020

DEPARTMENT: City Attorney

TITLE:

Ratification of the Second Amendment to Economic Development Incentive Agreement with The Mid

SUMMARY:

The purpose of the Second Amendment is to ensure payments made by the City for infrastructure improvements are received by The Mid's construction contractor and the City's rights as a dual obligee under the public construction bond remain in effect for the duration of the bond. This item ratifies the finalized Second Amendment as executed by the City Manager.

BACKGROUND AND JUSTIFICATION:

In May 2018, the City entered the Economic Development Incentive Agreement with The Mid to provide financial incentives for The Mid's proposed 200+ apartment community at 1601 N. Dixie Highway in the City of Lake Worth Beach. Under the Agreement, the City agreed to pay \$1,035,000 to The Mid to construct infrastructure improvements adjacent to the property, which the City had budgeted to accomplish under its 5-year CIP. The Mid is required under the Agreement to provide a public construction bond (or letter of credit) to secure its obligation to the City to construct the improvements. In order to address The Mid's request to have the bond provided by its construction contractor, the Second Amendment is necessary to ensure the bond remains in effect for the duration of the bond and the City's payments are properly made to The Mid's construction contractor.

On February 4, 2020, the City Commission considered the Second Amendment. At that time, the City Attorney's Office requested that the Second Amendment be approved subject to City staff confirming a scope issue with the included construction contract. Thereafter, The Mid requested further changes to the Second Amendment. In order to keep The Mid project moving forward, the Manager signed the finalized Second Amendment as approved by the City Attorney's Office. The attached version of the Second Amendment is the final version that has been executed by The Mid and the City Manager.

MOTION:

Move to ratify / not ratify the Second Amendment to Economic Development Incentive Agreement with The Mid.

ATTACHMENT(S):

Fiscal Impact – N/A
Second Amendment