

## **MAYOR AND COUNCIL COMMUNICATION**

**DATE:** September 16, 2025

**TO:** Mayor and Council

**FROM:** Roque Salinas, Executive Director/Director of Economic Development

**THROUGH:** Dr. Crystal Caldera, City Manager

**SUBJECT:** Presentation, Discussion, and Possible Action Authorizing the City Manager to Negotiate and Enter into a Chapter 380 Economic Development Agreement between the City of Leon Valley, Texas, and Synergy Brothers, LLC for Incentives Related to the Redevelopment of the Property Located at 6802 Bandera Road, in an Amount not to exceed \$150,000.00 from the Economic and Community Development Department Project Funding Line Item and Planning and Zoning Department Permitting Fee Waivers

**SPONSOR(S):** N/A

### **PURPOSE**

The purpose of this project is to support the redevelopment of a commercial property in Leon Valley through the demolition of a 40-year-old building and the construction of a new, modern facility. The redevelopment will include the recruitment of Little Caesars along with two additional businesses, bringing new services and economic activity to the community. The total private investment in this project is estimated at \$1.6 million, covering planning, engineering, and construction costs. The City's participation is capped at \$150,000, representing less than 10% of the total project cost. This strategic investment will leverage significant private capital while enhancing the City's tax base through increased sales and property tax revenue.

### **FISCAL IMPACT**

Funding for this project will come from various sources, including both direct funding and the waiving of city fees. The breakdown is as follows:

- Permit Fee Waivers – The project includes the waiving of permit fees in an amount not to exceed \$7,500.00.
- Direct Funding from the Economic Development Department – Totaling \$67,500.00:
  - Reimbursement for demolition of the existing building (constructed in 1985) and construction of a new three-tenant unit, estimated \$27,500.00.
  - Direct funding of \$40,000.00 for building the new facility, contingent upon the completion of specific redevelopment milestones (e.g., vertical walls erected, grand opening, six-month operational milestone).

- Sales Tax Rebate – Financial assistance not to exceed \$75,000.00, to be provided by returning 50% of sales tax revenue remitted to the City over an agreed-upon period of time.

The redevelopment, which includes construction of a new building and the recruitment of Little Caesars along with two additional businesses, is anticipated to increase both sales tax and property tax revenue for the City.

**RECOMMENDATION**

The Economic Development Department recommends that the Council authorize the City Manager to negotiate and enter into a Chapter 380 agreement with Synergy Brothers, LLC, for incentives related to the redevelopment of the property located at 6802 Bandera Road, in an amount not to exceed \$150,000.00.

At the council's discretion.

APPROVED : \_\_\_\_\_ DISAPPROVED : \_\_\_\_\_

APPROVED WITH THE FOLLOWING AMENDMENTS:

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ATTEST :

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**SAUNDRA PASSAILAIGUE, TRMC**  
City Secretary