

CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM

DEPARTMENT: Economic and International Development Department

AGENDA DATE: CCA Regular February 24, 2015

CONTACT PERSON/PH. NUMBER: Cary Westin, Economic & Int'l Development Department, Managing Director
915-212-1614

DISTRICT(S) AFFECTED: DISTRICT 5

SUBJECT:

APPROVE a resolution / ordinance / lease to do what? **OR AUTHORIZE** the City Manager to do what? Be descriptive of what we want Council to approve. Include \$ amount if applicable.

Discussion and Action on a resolution that the City Manager be authorized to execute a First Amendment to Chapter 380 Economic Development Agreement between the City and Edgerock Residential Partners, Ltd (Applicant) regarding Applicant's construction of a large-scale multi-family housing development in El Paso, Texas which extends the deadline to obtain a certificate of occupancy for the development and provides additional consideration to the City for the agreed upon extension. (District 5) Economic and International Development Department – Cary Westin, Managing Director, 915-212-1614.

BACKGROUND / DISCUSSION:

Discussion of the what, why, where, when, and how to enable Council to have reasonably complete description of the contemplated action. This should include attachment of bid tabulation, or ordinance or resolution if appropriate. What are the benefits to the City of this action? What are the citizen concerns?

On January 6, 2011, the City and Edgerock Residential Partners, Ltd. entered into a Chapter 380 Economic Development Program Agreement related to economic development incentives for the construction of a 208-unit multi-family housing development. The multi-family housing development is located at 12921 Hueco Sands Drive. Per the agreement, the applicant was required to obtain certificates of occupancy for the development by January 6, 2015. The applicant was unable to obtain the necessary certificates within the stated date and is therefore requesting an extension until January 6, 2017. In consideration for the extension, the applicant will be reducing their annual grant payments by 40%. Staff is recommending approval of the First Amendment of the Chapter 380 Agreement as the development is anticipated to encourage increased economic development on the City, provide significant increases in the City's property tax revenue, improve the City's housing options, and therefore meets the requisites under the Chapter 380 of the Texas Local Government Code.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one?

Yes, The Original Chapter 380 agreement was approved on January 06, 2011.

AMOUNT AND SOURCE OF FUNDING:

How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

General Fund

BOARD / COMMISSION ACTION:

Enter appropriate comments or N/A

N/A

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD: _____

Eddie Sanchez for Cary Westin

(If Department Head Summary Form is initiated by Purchasing, client department should sign also)

Information copy to appropriate Deputy City Manager

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the City Manager be authorized to execute a First Amendment to Chapter 380 Economic Development Agreement between the City and **Edgerock Residential Partners, Ltd.** (Applicant) regarding Applicant's construction of a large-scale multi-family housing development in El Paso, Texas which extends the deadline to obtain a certificate of occupancy for the development and provides additional consideration to the City for the agreed upon extension.

APPROVED this _____ day of _____, 2015.

CITY OF EL PASO

Oscar Leaser
Mayor

ATTEST:

Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:



Karla M. Nieman
Assistant City Attorney

APPROVED AS TO CONTENT:



Cary S. Weston, Managing Director
Economic & International Development

[illegible]

This First Amendment to Chapter 380 Economic Development Program Agreement (“Amendment”) is made this _____ day of _____ 2015, by and between the **CITY OF EL PASO, TEXAS** (the “CITY”) and **Edgerock Residential Partners, Ltd.** (“APPLICANT”).

WHEREAS, on **January 6, 2011**, the CITY and **Edgerock Residential Partners, Ltd.** entered into a Chapter 380 Economic Development Program Agreement (the “Agreement”) related to economic development incentives for the construction of 208 unit multi-family housing development in El Paso, Texas; and

WHEREAS, the parties now desire to amend the Agreement for the purpose of extending APPLICANT's deadline to obtain a certificate of occupancy for the Development for which the APPLICANT has agreed to provide additional consideration to the CITY.

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL COVENANTS AND AGREEMENTS, THE PARTIES HEREBY MUTUALLY AGREE AS FOLLOWS:

1. On page 3, Section 3. Obligations of Applicant, subsection A is revised to read as follows:

“APPLICANT agrees to develop and construct, at its sole cost, the Development. APPLICANT must obtain a certificate of occupancy for the Development by **January 6, 2017**

2. On Page 3, Section 2, Term and Grant Period

The term of this Agreement shall commence on the effective date (as hereinafter defined) and shall terminate on the first to occur: (i) the date when the Grant is fully paid; (ii) twelve (12) years from the Effective Date, (iii) the proper termination of this Agreement in accordance with the applicable provisions contained herein or (iv) termination by mutual consent of the parties in writing. The Effective Date of this agreement shall be the date upon which both parties have fully executed this Agreement. However, APPLICANT's eligibility for annual Grant payments shall be limited to five (5) consecutive years (the "Grant Period") within the term of this Agreement. The Grant Period shall begin with the filing of the first Grant Submittal Package, which must occur no later than eighty-four (84) months from the Effective Date. The CITY shall review APPLICANT's eligibility for Grant Payments on an annual basis during the Grant Period.

3. On page 4, Section 4. Obligations of City, subsection B is revised to read as follows.

“B. The CITY shall determine the total amount of Grant payments due to the APPLICANT, if any, on an annual basis. Provided the APPLICANT satisfies all the requirements of the Agreement, APPLICANT shall be eligible for an annual Grant payment in an amount not to

exceed 60% of the total value of the CITY's portion of the incremental ad valorem property tax revenue generated by the subject property above the Base Year Value but for only those housing units in the Development for which APPLICANT obtained a Certificate of Occupancy within seventy-two (72) months of the Effective Date of this Agreement.

Under no circumstances shall the total aggregate of Grant payments exceed the total value of the City's portion of the incremental ad valorem property tax revenue generated by the subject property in the Development above the Base Year Value for the Grant Period and payable from the CITY's general revenue fund.

IN WITNESS WHEREOF, the CITY and APPLICANT have executed this First Amendment to the Agreement as of the date first written above.

CITY OF EL PASO

Tomás González, City Manager

APPROVED AS TO FORM:

Karla M. Nieman
Assistant City Attorney

APPROVED AS TO CONTENT:

Cary S. Westin, Managing Director
Economic & International Development

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF EL PASO §

This instrument was acknowledged before me on the ____ day of _____, 2015, by Tomás González, as City Manager of the City of El Paso, Texas, on behalf of the City of El Paso, Texas (City).

Notary Public, State of Texas

My Commission Expires:

[Signatures and Acknowledgments Continue on the Following Page]

By: _____
Thomas T. Bohannon
Its: President

STATE OF _____ §
COUNTY OF _____ §

Notary Public, State of _____

† <http://www.elsevier.com/locate/jmb>