



TITLE: Consider/Discuss/Act on a Resolution Approving a Chapter 380 Economic Development and Incentive Agreement by and between the City of McKinney and BBV Texas Development, L.L.C. and Authorizing the City Manager to Execute the Agreement

MEETING DATE: November 6, 2012

DEPARTMENT: City Manager

CONTACT: Jason Gray, City Manager
Rob Daake, Deputy City Manager

RECOMMENDED CITY COUNCIL ACTION:

- Approval

ITEM SUMMARY:

- The City Manager's office has completed negotiations with BBV on the terms of the incentive agreement for BBV to construct a healthcare facility near Baylor Hospital. The terms are embodied in a Chapter 380 Economic Development Agreement having the following primary terms:
- BBV shall complete construction of the Project consisting of approximately 70,000sf of healthcare and office space and receive a Certificate of Occupancy on or before December 31, 2014
- The Project shall have a valuation of not less than \$8M including real property, business personal property and real property improvements on January 1, 2015.
- Not less than 90 full time equivalent employees will be employed in association with the project with a minimum of 40% of the employees earning \$20/hr.
- City agrees to provide a lump sum \$100,000 incentive payable upon receipt of a Certificate of Occupancy. A proportionally-reduced disbursement may be earned if BBV fails to either meet the \$8M valuation requirement or the staffing/compensation metric completely.
- BBV's failure to comply with the terms described above within the prescribed timelines will trigger financial clawbacks detailed in the agreement.

BACKGROUND INFORMATION:

- The Project has received previous approval on the following items:
 - Rezoning request-8/6/12

- Access Management Plan-8/14/12
- Site Plan-8/14/12
- Preliminary-Final Plat-9/25/12

FINANCIAL SUMMARY:

- Included in Item Summary

BOARD OR COMMISSION RECOMMENDATION:

- N/A