



CITY OF MCKINNEY, TEXAS

Legislation Text

File #: 17-641, **Version:** 1

Consider/Discuss/Act on Authorizing the City Manager to Execute a Consent to Assignment of Certain Provisions of a Chapter 380 Economic Incentive and Master Development Agreement by and between the City of McKinney, Texas and Columbus Realty Partners, Ltd. to Facilitate the Construction of Office Building Improvements by Playful Building One, LLC

COUNCIL GOAL: Direction for Strategic Growth

MEETING DATE: June 20, 2017

DEPARTMENT: City Manager
City Attorney

CONTACT: Paul G. Grimes, City Manager
Barry Shelton, Assistant City Manager
Mark S. Houser, City Attorney

RECOMMENDED CITY COUNCIL ACTION:

- Approval of Authorization to the City Manager

ITEM SUMMARY:

- Columbus Realty Partners, Ltd. ("Columbus") desires to enter into an agreement with Playful Building One, LLC ("Playful") to assign its rights under the Chapter 380 Agreement to Playful to allow Playful to construct its Corporate World Headquarters in McKinney. The McKinney Economic Development Corporation has recently granted a package of incentives to Playful to enable it to expand its operations, including construction of its Corporate World Headquarters, in McKinney. Playful is currently operating out of offices in downtown McKinney; however it desires new and larger offices for its operations as a worldwide leader in the video gaming industry. To complete the transaction with Playful, Columbus and Playful must receive the consent of the City to allow for the assignment of the obligations and benefits under the Chapter 380 Agreement. No changes to the City incentives (described below) are being sought.

BACKGROUND INFORMATION:

- In February 2016, the City approved an economic development agreement with Columbus covering a City-owned 9-acre parcel in downtown McKinney. The Project involves the development of multi-family residential/retail building improvements with structured parking for its residents and the public. The City provided conditional, cash incentives and land conveyances to Columbus to complete the Project, subject to the developer performing under the economic development agreement. The conditions require the construction of 320 Class A,

residential units, 20,000 square feet of retail, 200 public parking spaces in the parking garage, 119 public street parking spaces, 45,000 square feet of Class A office space in an office building having at least 3 stories, including 125 public parking spaces for use during evenings and weekends. The construction of the residential/retail and office building has defined commencement and completion dates which are also conditions to receiving incentives. The residential/retail improvements are under construction with an expected completion of fall 2018. The office building has a required commencement date of February 1, 2018 with completion date of January 15, 2020.

FINANCIAL SUMMARY: N/A

BOARD OR COMMISSION RECOMMENDATION: N/A