



CITY OF MCKINNEY, TEXAS

Legislation Text

File #: 20-0492, **Version:** 1

Consider/Discuss/Act on a Resolution Authorizing the City Manager to Execute an Amendment to the Chapter 380 Economic Development Agreement with KDC McKinney Investments One, LP for the SRS Distribution Headquarters Building on the Northwest Corner of the Sam Rayburn Tollway and Alma Road

COUNCIL GOAL: Direction for Strategic and Economic Growth
(1C: Provide a strong city economy by facilitating a balance between industrial, commercial, residential and open space)

MEETING DATE: June 16, 2020

DEPARTMENT: City Manager's Office

CONTACT: Barry Shelton, Assistant City Manager

RECOMMENDED ACTION: Approval of the Resolution

ITEM SUMMARY:

- KDC Real Estate Development and Investments is currently constructing a 4-story, Class A office building on the northwest corner of the Sam Rayburn Tollway and Alma Road for SRS Distribution, Inc.
- On October 2, 2018, the City Council approved a Chapter 380 Economic Development Agreement with KDC McKinney Investments.
 - The approved agreement requires completion of the project by August 15, 2020.
 - The proposed amendment to the agreement will extend the completion date to October 15, 2020.
 - Other terms of the Chapter 380 agreement remain unchanged.

BACKGROUND INFORMATION:

- The proposed office building will be incorporated into the HUB 121 restaurant, retail and entertainment project.
- This building includes 100,000 square feet of floor space and has an accompanying 310 car parking garage.
- SRS will utilize this building as their corporate headquarters.
- The previously approved Chapter 380 agreement provides KDC a reimbursement of 50% of the City's ad valorem taxes paid by KDC to the City for a period of seven years.

FINANCIAL INFORMATION:

- Under the previously approved Chapter 380 agreement the City's reimbursement of ad valorem taxes will be for up to \$18,750,000 in taxable valuation. If the headquarters building maintains a taxable value in excess of this limit, the approximate aggregate amount of reimbursement will be \$344,642, assuming a constant tax rate.