



# CITY OF MCKINNEY, TEXAS

## Legislation Text

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**File #:** 19-003DA, **Version:** 1

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Consider/Discuss/Act on a Resolution Approving the First Amendment to the Chapter 380 Economic Development Agreement Between the City of McKinney, Texas, and McKinney SH I, LTD, for the Construction of a Portion of Bois D'Arc Road, Generally Between U.S. Highway 380 and Crowe Lane

**COUNCIL GOAL:** Direction for Strategic and Economic Growth  
(1A: Establish regional and infrastructure incentives to increase economic growth)

**MEETING DATE:** June 18, 2019

**DEPARTMENT:** City Manager

**CONTACT:** Gary Graham, PE, Director of Engineering  
Brandon Opiela, Development Manager

**RECOMMENDED CITY COUNCIL ACTION:**

- Approval of the Resolution

**ITEM SUMMARY:**

- This resolution authorizes the City Manager to execute the First Amendment to the 380 Economic Development Agreement with McKinney SH I, LTD for the development of a commercial center on the southwest corner of US 380 and Hardin Boulevard.
- The proposed agreement amends the Chapter 380 Economic Development Agreement between the City and McKinney SH I, approved in September of 2017, which provided for a conditional economic development grant based on the timely completion of one 55,000 square foot twelve (12) screen movie theater with lounge seating and food/drink delivery, and two (2) Class A retail buildings containing a total of approximately 20,250 square feet of improved conditioned retail space that was a part of a larger commercial development.
- While the project was under construction, McKinney SH I requested that the width of Bois D'Arc at the intersection of U.S. Highway 380 be reduced by eliminating the northbound through lane. Staff was agreeable to this change to avoid the franchise utility relocations that would be required to build the proposed lane configuration. The modified plan still provides for two northbound lanes, a left only and a shared through/right turn lane. Because of the proximity to the Hardin and U.S. 380 intersection, this intersection is not likely to be signalized in the future.

- As such, the proposed amendment only modifies and amends Section 2 (Definitions) and Section 3 (Grant Funding Obligation) of the original agreement, modifying the infrastructure obligation by removing the northbound through lane, and subsequently reducing the potential grant amount by \$17,000 (from \$1.35 million to \$1.333 million).
- All other provisions, terms and sections of the original agreement shall remain in full force and effect.

#### **BACKGROUND INFORMATION:**

- In association with the Costco development on the northeast corner of Hardin Boulevard and US 380, McKinney SH I, LTD entered into a 380 Agreement in September of 2017 to develop a commercial center that encompasses approximately 150,000 square feet of retail, restaurant, fitness, entertainment, and medical/dental uses, including a 55,000 square foot twelve (12) screen movie theater with lounge seating and food/drink delivery, a 37,000 square foot fitness center, two (2) Class A retail buildings totaling approximately 20,250 square feet and seven (7) additional pad sites.
- The original 380 Agreement stipulated that upon the completion of construction of a portion of Bois D'Arc Road and the issuance of Certificates of Occupancy for a 55,000 square foot twelve (12) screen movie theater with lounge seating and food/drink delivery, and two (2) Class A retail buildings containing a total of approximately 20,250 square feet, a grant in an amount up to and not to exceed \$1.35 million would be given to McKinney SH I.
- The City has the authority under Chapter 380 of the Texas Local Government Code to make loans or grants of City funds for the purposes of promoting local economic development and stimulating business and commercial activity within the City.

#### **FINANCIAL SUMMARY:**

- Under the proposed amendment, the City is reducing the available grant to McKinney SH I by \$17,000, equal to the verified, actual construction costs of Bois D'Arc Road in an amount up to and not to exceed \$1.333 million. The grant shall be given to McKinney SH I upon acceptance of the required improvements (as the required Certificates of Occupancy have been issued) which must be completed by July 1, 2019.

#### **BOARD OR COMMISSION RECOMMENDATION:**

- N/A