

## ACTION FORM BRYAN CITY COUNCIL

<b>DATE OF COUNCIL MEETING:</b> July 24, 2012		<b>DATE SUBMITTED:</b> June 14, 2012	
<b>DEPARTMENT OF ORIGIN:</b> Economic Dev't		<b>SUBMITTED BY:</b> Dennis Goehring	
<b>MEETING TYPE:</b>	<b>CLASSIFICATION:</b>	<b>ORDINANCE:</b>	<b>STRATEGIC INITIATIVE:</b>
<input type="checkbox"/> BCD	<input type="checkbox"/> PUBLIC HEARING	<input type="checkbox"/> 1ST READING	<input type="checkbox"/> DIVERSITY
<input type="checkbox"/> SPECIAL	<input type="checkbox"/> CONSENT	<input type="checkbox"/> 2ND READING	<input type="checkbox"/> EDUCATION
<input checked="" type="checkbox"/> REGULAR	<input type="checkbox"/> STATUTORY		<input checked="" type="checkbox"/> GROWTH
<input type="checkbox"/> WORKSHOP	<input checked="" type="checkbox"/> REGULAR		<input checked="" type="checkbox"/> IMAGE
			<input checked="" type="checkbox"/> INFRASTRUCTURE
			<input type="checkbox"/> PUBLIC SAFETY
<b>AGENDA ITEM DESCRIPTION:</b> Consideration of a Resolution creating a Chapter 380 program and a Chapter 380 Development Agreement between the City of Bryan and the developer of the "Westside Walmart" project.			
<p><b>SUMMARY STATEMENT:</b> The proposed resolution authorizes the creation of a Chapter 380 program, the details of which are contained in the Chapter 380 Agreement. The Chapter 380 Agreement is necessary to incentivize the development of a shopping center at the corner of Villa Maria Road and Harvey Mitchell Parkway with approximately 200,000 square feet of commercial space, of which 150,000 is intended for a Walmart.</p> <p>The primary incentive of the proposed Agreement is a split of future sales tax revenue from the west side Walmart development with the site developer. Future sales tax revenue is the source of funds for a grant to the developer. The term of the agreement is fifteen (15) years or until the total grant equals \$5 million, whichever occurs first. The revenue split is structured as 75% for the developer during the initial 3 years and 50% for the developer for the remaining term of the agreement.</p> <p>The grant amount the developer is entitled to receive will be offset by any loss in sales at the existing Walmart on Briarcrest Drive. Additionally, the City is agreeing to reimburse the developer up to \$250,000.00 for the construction of a traffic signal at the intersection of Villa Maria Road and Jaguar Drive. The developer will be responsible for all costs of construction, and the City will reimburse hard costs, per Agreement terms, for which the developer has documentation.</p>			
<b>STAFF ANALYSIS:</b>			
<p><b>A. PROS:</b> This proposed Agreement requires minimal cash upfront for public infrastructure, while encouraging development of Bryan's west side with the provision of its first grocery store. The development is projected to create 350 jobs and annual sales of \$30 to \$60 million. The overall economic development of Bryan's west side will be greatly enhanced by the added real estate value.</p> <p><b>B. CONS:</b> By approving the proposed Agreement, the City of Bryan would give up a large portion of sales tax revenues from this development for the duration of the agreement, and some individuals may question whether a Walmart development is in keeping with other developments on the west side (e.g., Traditions).</p>			
<b>STAFF'S RECOMMENDATION (Including Rationale and Justification):</b> Staff recommends approval of the proposed resolution and the Chapter 380 Agreement. The proposed agreement requires minimal up-front City funding, with the bulk of the reimbursement coming from future sales tax revenues. This reimbursement is capped both in terms of value and length of time.			
<b>OPTIONS (In Suggested Order of Staff Preference):</b>			
<ol style="list-style-type: none"> <li>1. Approve 380 Agreement.</li> <li>2. Modify 380 Agreement for Approval, which may require consideration at a future City Council meeting.</li> <li>3. Deny 380 Agreement and provide direction to City staff.</li> </ol>			

**ATTACHMENTS:**

1. Proposed Chapter 380 Program Resolution
2. Proposed Chapter 380 Agreement with Developer

**FUNDING SOURCE:** General Fund and future sales tax revenues from developed site.

**APPROVALS:** Hugh R. Walker, 06/15/2012

**APPROVED FOR SUBMITTAL: CITY ATTORNEY** Janis K. Hampton, 07/16/2012

**APPROVED FOR SUBMITTAL: CITY MANAGER** Kean Register, 07-13-2012

Revised 11/08

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRYAN, TEXAS, CREATING CROSSFULTON INVESTMENTS, LTD. ECONOMIC DEVELOPMENT PROGRAM PURSUANT TO CHAPTER 380 OF THE TEXAS LOCAL GOVERNMENT CODE; AUTHORIZING THE GRANTING OF FUNDS IN ACCORDANCE WITH THE RESTRICTIONS OF THE PROGRAM; PROVIDING AN EFFECTIVE DATE AND COMPLIANCE WITH THE TEXAS OPEN MEETINGS ACT.**

WHEREAS, the City of Bryan, Texas (“City”) is a home rule municipality which is duly incorporated and chartered under the constitution and laws of Texas; and

WHEREAS, the Texas Constitution prohibits any City, or other political subdivision, from lending its credit or granting public money to any individual, association or corporation whatsoever without a valid public purpose for doing so; and

WHEREAS, the Texas Constitution specifically states that economic development programs created pursuant to Chapter 380 of the Texas Local Government Code serve the public purpose of alleviating poverty, joblessness, economic blight, and provide other intangible benefits incidental to the development of the local economy; and

WHEREAS, the City in conjunction with private developers and other governmental entities has gone to great lengths to develop the West side of Bryan, including the creation of the Health Science Center, the BioCorridor, and the Traditions subdivision; and

WHEREAS, there is a growing need for retail shopping and a grocery store to serve the West side of Bryan and support future development in that area; and

WHEREAS, Crossfulton Investments, Ltd. is a developer that is prepared to develop property on the corner of Villa Maria Road and FM 2818 to bring a Walmart, as well as approximately 50,000 square feet of additional retail and restaurant business; and

WHEREAS, the City Council determines that this program is necessary to ensure that the development of this property moves forward in a sustainable manner, consistent with the best interests of the City and its citizens; and

**NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BRYAN, TEXAS:**

1.

That the facts and recitations contained the preamble of this Resolution are hereby found and declared to be true and correct.

2.

The City hereby creates the Crossfulton Investments, Ltd. Economic Development Program and authorizes City staff to work with Crossfulton Investments, Ltd. to execute agreements that provide for the safe and orderly development of the property at the intersection of Villa Maria Road and FM 2818.

3.

This resolution shall be effective immediately upon its passage and adoption, but shall in no way effect the validity of prior acts or agreements of the City.

4.

This document was passed and approved at a public meeting in compliance with the Texas Open Meetings Act.

**APPROVED AND ADOPTED** at a regular meeting on this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

**ATTEST**

**CITY OF BRYAN:**

\_\_\_\_\_  
Mary Lynne Stratta, City Secretary

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Jason P. Bienski, Mayor

**APPROVED AS TO FORM:**

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Janis K. Hampton, City Attorney