



Office of the City Manager
City of Frisco, Texas

Memorandum

To: FCDC Board

From: Ron Patterson, Assistant City Manager

CC: George Purefoy, City Manager

Date: July 21, 2016

Re: Consider and act upon adoption of a Resolution directing the publication of notice of projects and notice of public hearing for the expenditure of funds for the Master Development Agreement by and between the City of Frisco, Texas, Frisco Economic Development Corporation, Frisco Community Development Corporation, IGO-USA LP, and IGO-FRISCO 1 LLC.

Consider and act upon approval of a Master Development Agreement for The Gate by and between City of Frisco, Texas, Frisco Economic Development Corporation, Frisco Community Development Corporation, IGO-USA LP and IGO-FRISCO 1 LLC.

Action Requested:

NOTE: This memo is for two related agenda items –

1. Adoption of a Resolution directing the publication of notices of projects and public hearing related to the expenditure of funds for the Master Development Agreement (MDA) by and between the City of Frisco, Texas (City), Frisco Economic Development Corporation (FEDC), Frisco Community Development Corporation (FCDC), IGO-USA LP, and IGO-FRISCO 1 LLC (Developer). (CMO / RP)
2. Approval of an MDA by and between City, FEDC, FCDC, and Developer.

Background Information:

This proposed MDA agreement provides for sales and ad valorem tax grants by the City as well as grants from the FEDC and the FCDC for qualified infrastructure improvements

as outlined in the attached document. A breakdown of the proposed grants is provided below with the maximum grant value listed for each:

<u>Grant by Entity</u>	<u>Maximum Grant</u>
City Sales Tax Grant ½ of 1%	25,000,000
City Ad Valorem Grant of 50%	51,000,000
FEDC Sales Tax Grant ¼ of 1%	13,000,000
FEDC Storm Drainage Grant	1,000,000
FCDC Sales Tax Grant ¼ of 1%	13,000,000

To qualify for the above listed grants the Developer must deliver the following –

- 150,000 square feet (sf) of retail, entertainment, hotel and restaurant uses on or before December 31, 2020
- One or more Class A office buildings with at least 8 stories with a combined 200,000 square feet on or before December 31, 2020
- Dedication of all rights-of-way and easements reasonably necessary for water, sewer, streets, public ways, thoroughfares and other public improvements at no cost to the City
- Timely payment of property and hotel taxes
- Project shall be designed and constructed to be walkable with multiple restaurants that include indoor and outdoor patio dining along with outdoor water features
- All construction contracts over \$100,000 shall be separated contracts with the situs of any sales and use taxes being in Frisco
- 80% of all parking for commercial uses (retail, entertainment, restaurants, hotel and office space) must be structured and/or podium parking. Any and all multifamily\urban living shall consist of 90% structured parking

This proposed MDA utilizes the same form of agreement and general terms as the previously approved agreements with Frisco Station and Wade Park.

Board Review/Citizen Input:

The City Council has approved this Master Development Agreement (MDA) at its June 21, 2016 meeting. The Frisco Economic Development Corporation is scheduled to consider this MDA at their July 20, 2016 meeting. Additionally, there is the proposed FCDC Public Hearing requested for August 18th.

Alternatives:

The City Council could consider the following alternatives:

- Table the item.
- Not pass the item.
- Direct staff to make changes or modifications as directed.

Financial Considerations:

The funding for the FCDC incentives will be paid from revenue generated by the proposed development. These incentives are reimbursement incentives and are only paid as revenues are collected.

Legal Review:

This document has been reviewed and approved by Bob Roeder of the City Attorney's Office.

Supporting Documents:

Master Development Agreement for The Gate by and between City of Frisco, Texas, Frisco Economic Development Corporation, Frisco Community Development Corporation, IGOA-USA LP and IGO-FRISCO 1 LLC.

Staff Recommendation:

Staff recommends passage as submitted.