



Legislation Text

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AGENDA INFORMATION SHEET

DEPARTMENT: Department of Economic Development

CM: Todd Hileman

DATE: February 21, 2017

SUBJECT

Consider adoption of an ordinance of the City of Denton, Texas, Nunc Pro Tunc, correcting an inadvertent mistake in Ordinance No. 2016-341 relating to an Economic Development Program Grant Agreement with Sally Beauty LLC pursuant to Chapter 380 of the Local Government Code for making grants of public money to promote Economic Development; providing for a severability clause; and providing for an effective date.

BACKGROUND

On November 1, 2016, Denton City Council approved an Economic Development Program Grant Agreement (Ordinance No. 2016-341) for Sally Beauty equal to 50% of the increase in the City's ad valorem taxes generated by the 3900 Morse Street property for three years while maintaining a \$28.6 million dollar valuation threshold for both the Morse Street and Colorado Boulevard properties, and the maintenance of a minimum of 250 jobs and an average annual wage of \$51,800 at the Morse Street facility.

Economic Development staff had the grantee sign an Agreement that was attached as an exhibit when the item was first presented to Council on September 20, 2016. Council requested staff negotiate additional conditions, which increased the threshold and added minimum employment and average annual wage conditions. Staff had the grantee sign a revised agreement after negotiations, creating two signed versions of the Agreement. Due to an inadvertent clerical error, the Agreement adopted by Ordinance No. 2016-341 included the earlier version of the Agreement from the September 20, 2016, Council meeting.

Staff and grantee request that the correct Agreement and Nunc Pro Tunc ordinance be used to fix this error. This ordinance will correct the mistake in Ordinance 2016-341 by replacing the adopted agreement with Exhibit "B" of the Nunc Pro Tunc ordinance. Ordinance 2016-341 will still be valid and in effect, but it will have the correct and final Agreement.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

November 1, 2016 - Council approved an Economic Development Program Grant Agreement (Ordinance No. 2016-341) for Sally Beauty equal to 50% of the increase in the City's ad valorem taxes generated by the 3900 Morse Street property for three years while maintaining a \$28.6 million dollar valuation threshold for both the Morse Street and Colorado Boulevard properties, a minimum of 250 jobs and an average annual wage of \$51,800 at the Morse Street facility.

September 20, 2016 - The Council requested staff negotiate additional conditions regarding thresholds,

minimum employment and minimum average annual wages.

March 9, 2016 - The Economic Development Partnership Board recommended approval of a three-year, 50% rebate grant of City ad valorem tax revenue attributable to the improvements at 3900 Morse Street resulting in an increase of assessed value (8-0).

STRATEGIC PLAN RELATIONSHIP

The City of Denton's Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence; Public Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

Related Key Focus Area: **Economic Development**

Related Goal: **3.4 Encourage development, redevelopment, recruitment, and retention**

EXHIBITS

Exhibit 1 - Ordinance 2016-341 (Exhibit "A": Agreement; Exhibit "B": Correct Agreement)

Respectfully submitted:
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