



REQUEST FOR CITY COUNCIL AGENDA ITEM

Agenda Date Requested: <u>July 8, 2024</u>	Appropriation
Requested By: <u>Corby Alexander, City Manager</u>	Source of Funds: <u>001 – General Fund</u>
Department: <u>Administration/CMO</u>	Account Number: <u>001-6060-510-9997</u>
<input checked="" type="radio"/> Report <input type="radio"/> Resolution <input type="radio"/> Ordinance	Amount Budgeted: <u>\$82,060.48</u>
Exhibits: <u>Chapter 380 Agreement, Confirmed investment schedule, and Certificate of Occupancy</u>	Amount Requested: <u>\$82,060.48</u>
	Budgeted Item: <input checked="" type="radio"/> Yes <input type="radio"/> No

SUMMARY & RECOMMENDATION

On March 27, 2017, the La Porte City Council entered into a Chapter 380 Agreement with Oakland Land & Development, Inc. for the development of Sector 23. Sector 23 developers were to “construct approximately 22 office/industrial/warehouse buildings within a 30-acre area in La Porte, between West G Street and West D Street and bordered to the west by South 15th Street and to the east by a drainage way.” The city agreed to reimburse up to \$362,457.94 the developer paid to abandon City right-of-way in exchange for \$12,000,000 of capital investment in buildings over 3,000 square feet in size and must have received a Certificate of Occupancy for that particular building.

- On July 10, 2017, the City Council approved the first payment of \$66,547.28 towards the \$362,457.94 incentive total in relation to \$2,202,997.34 capital investment (18.36% of \$12 million minimum investment).
- On April 23, 2018, the City Council approved payment of \$96,558.79 for \$3,153,727.24 capital investment (cumulative 45% of \$12 million minimum investment) in the buildings at 631 S. 14th Street and 1306 W. F Street.
- On January 14, 2019, the City Council approved payment of \$19,645.90 for \$650,422.50 capital investment (cumulative 50.06% of \$12 million minimum investment) in the building at 605 S. 16th Street.
- On October 28, 2019, the City Council approved payment of \$38,659.28 for \$1,295,997.23 capital investment (cumulative 60.86% of \$12 million minimum investment) in the building at 601 S. 14th Street.
- On December 14, 2020, the City Council approved payment of \$37,202.49 for \$1,259,341.14 capital investment (cumulative 71.35% of \$12 million minimum investment) in building at 1502 Street.

- On December 13, 2021, the City Council approved payment of 21,783.72 for \$721,275.90 capital investment (cumulative 77.36% of \$12 million minimum investment) in building at 1532 West F Street.

The developer has provided staff with 91 invoices to support a capital investment of \$2,939,209.09 in the building at 711 South 14th Street. Staff reviewed all the invoices and supporting documentation to validate the capital investment. The attached spreadsheet provides details of the 91 invoices and analysis of validating invoice payments. Subsequent to the developer's submittal for payment, staff requested further documentation to validate payments such as cleared checks, credit card receipts, documentation identifying location of expenses, wire/ACH verification, as well as documentation that assisted in reconciling payment with invoices. With the capital investment for 711 South 14th Street property, it has put the developer over the 12 million minimum by 2% making the final payment to be the difference of the full amount pay to date to the developer and the incentive total in relation to the capital investment, (\$362,457.94 - \$280,397.46 = \$82,060.48) making the developer eligible to receive \$82,060.48. Staff verified the developer received a Certificate of Occupancy for the latest building on April 17, 2024.

To-date, this brings the total confirmed investment of all buildings up to \$12,266,681.79, which is 102% (cumulative) of the required \$12 million minimum capital investment. This final payment will complete the incentive payments to Oakland Land Development, LLC.

STRATEGIC PLAN STRATEGY AND GOAL

The Chapter 380 Agreement with the Oakland Land & Development, LLC supports the following of the City's Strategic Plan Guiding Principles by addressing the long-term maintenance needs of city infrastructure.

3.00 Infrastructure and Facilities – Guiding Principle: The City of La Porte will have and maintain a strong infrastructure and up to date facilities to continue to provide superior services for our citizens.

ACTION REQUIRED BY CITY COUNCIL

Approve final payment of \$82,060.48 to Oakland Land and Development, LLC for the development of Sector 23, in accordance with Local Government Code Chapter 380 Agreement dated March 27, 2017.

Approved for the City Council meeting agenda

Corby D. Alexander, City Manager

Date