



COUNCIL AGENDA ITEM MEMORANDUM

DEPT./DIVISION SUBMISSION & REVIEW:

Brynn Myers, City Manager

ITEM DESCRIPTION: Consider adoption of a resolution approving the Fourth Amendment to the Economic Development Agreement between the City of Temple, Turner Behringer Temple One LLC, and Temple Historic Arcadia Theatre, Inc.

BACKGROUND: On February 8, 2019, the City of Temple entered into an Economic Development Agreement with Turner Behringer Temple One LLC ("Turner Behringer") and Temple Historic Arcadia Theatre, Inc. to facilitate the transfer and redevelopment of certain properties in Downtown Temple. This agreement was subsequently amended on May 1, 2019 (First Amendment), November 13, 2019 (Second Amendment), and August 21, 2020 (Third Amendment).

In the Third Amendment, the City agreed to provide Turner Behringer an additional \$2,000,000 incentive if Turner Behringer completed at least \$12,000,000 in property improvements as required by Section 4.2 of the Agreement. The payments are to be made in \$200,000 increments over the course of ten years.

The Fourth Amendment proposes to amend the payment schedule for the additional incentive payments. Under this amendment, the first payment shall be made on February 15, 2025, and payments two (2) through ten (10) shall be made annually beginning on May 15, 2025.

Turner Behringer reached Substantial Completion in 2024. All payments are expressly conditioned upon Turner Behringer's submission of satisfactory documentation to the City. Such documentation shall include, but is not limited to, invoices evidencing funds expended by Turner Behringer meeting the required \$12,000,000 in improvements. The City retains the right to audit all documentation to verify compliance with this requirement.

ALIGNMENT WITH ADOPTED PLANS:

Plan	Comments
Strategic Plan	This item supports the City of Temple’s Strategic Plan goals of “A City that supports well managed growth and development to promote a thriving economy” and “Beautiful spaces and unique experiences”, as well as the Strategic Plan commitments of “Encourage high quality, stable jobs and strengthen the sales and property tax base through business retention, expansion, and attraction efforts” and “Cultivate and promote Downtown Temple as a unique destination where commerce, culture, and recreation intersect.”

STAFF RECOMMENDATION: Adopt resolution as presented in item description.

BOARDS & COMMISSIONS RECOMMENDATION: This item was not reviewed by any of the official boards and commissions.

FISCAL IMPACT: Funding for the incentive payments related to the Turner Behringer Temple One and Temple Historic Arcadia Theatre Economic Development Agreement is available in the Reinvestment Zone No. 1 Financing and Project Plan, line 411, account 795-9500-531-2647, project 103151 as follows:

FY 2025	\$	400,000
FY 2026		200,000
FY 2027		200,000
FY 2028		200,000
FY 2029		200,000
FY 2030		200,000
FY 2031		200,000
FY 2032		200,000
FY 2033		200,000
Total Incentives	\$	<u>2,000,000</u>

ATTACHMENTS:
Resolution