

Legislation Details (With Text)

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Title: Consider A Resolution Authorizing The City Manager To Enter Into A Redevelopment Incentive Agreement With The Owner Of 1309 South Broadway.
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CC MEETING: **March 17, 2015**

DATE: March 10, 2015

TO: Leonard Martin, City Manager

FROM: Peter J. Braster, Senior Development Manager

Consider A **Resolution Authorizing The City Manager To Enter Into A Redevelopment Incentive Agreement With The Owner Of 1309 South Broadway.**

BACKGROUND:

On January 6, 2015 the City Council authorized the purchase of 1309 South Broadway. Located at the northeast corner of Broadway and Vandergriff, the parcel is currently used as an automobile repair facility. The current owner has expressed a willingness to relocate his business and leave Downtown Carrollton. Over the past few months, staff has been working to identify a firm that would take the City's assignment to purchase the property. Staff has identified Madison Partners as a suitable assignee. Madison Partners has extensive retail and restaurant holdings in Dallas. Concurrently, staff has been working with a restaurant group to locate a new restaurant on the property. The restaurant is an Asian noodle and dumpling restaurant recently named by D Magazine as a top restaurant in its class. The restaurant group has given its consent to lease from Madison Partners.

The assignment of the City's contract to purchase the property to Madison Partners will shift the burden of acquisition from the City to Madison Partners. The City will no longer be required to fund the \$350,000 purchase price. However, to meet the City's goal of establishing a restaurant on the property, the City will be required to aid in the building's redevelopment. A redevelopment incentive grant for the building's conversion to a restaurant is provided for by the City's *Retail Re-Development and Rehabilitation Grant Program* ("Grant Program") as amended to include Historic Downtown Carrollton.

The building owner has requested a \$100,000 grant from the City under the terms of the Grant Program. The requested grant would provide the funds for the construction of permanent improvements to the building, including, but not limited to, utilities, paving, curbing, landscaping, interior finish-out, signage, patio cover, and façade improvements. The grant will also be contingent on a signed lease with the City-identified restaurant group. Construction must begin no later than May 31, 2015, as evidenced by owner or lessee obtaining a building permit for the property, and the build-out of the property must be substantially complete by September 1, 2015. In accordance with the Grant Program, the grant is invoice reimbursement-based.

In addition, the property is located in the (TC) Transit Center Urban Core Zoning Sub-District. As with any zoning district in Carrollton, the owner is required to provide sufficient parking spaces for any intended use. However, the Transit Center zoning allows for curb-side parking to be counted as part of the parking requirements and/or payment of a cash-in-lieu of parking fee to the City for any remaining unmet on-site parking requirements. It is expected that the property will be short several on-site or curb-side parking spaces. The grant will allow the owner to comply with the City's parking requirements without having to pay the cash-in-lieu of parking fees (i.e. the City will pay itself).

The property is located within a Neighborhood Empowerment Zone. Therefore, building permit and inspection fee waivers for the improvements are included as part of this incentive package. All applicable building permits, contractor registrations and licensing must be obtained prior to the commencement of any construction work. In addition, all applicable City health inspection permit fees will be included as part of this incentive package.

FINANCIAL IMPLICATIONS:

Under the Grant Program of the City, Madison Partners is eligible for a grant not to exceed \$100,000 for the timeframe of March 18, 2015 to December 31, 2015. A portion of those funds that were budgeted in the TOD Capital Account for the purchase of this property will be re-allocated to fund this grant.

IMPACT ON COMMUNITY SUSTAINABILITY:

In accordance with the economic development plan of enhancing the tax base through redevelopment and business attraction, this project meets all criteria.

STAFF RECOMMENDATION/ACTION DESIRED:

It is recommended that City Council approve a resolution authorizing the City Manager to enter into a redevelopment incentive agreement with Madison Partners.