File #: 17-0709, **Version:** 1

Consider and take action on a resolution authorizing development agreement with Gehan Homes, Ltd related to improvements in Tax Increment and Reinvestment Zone #2 in an amount not to exceed $1,644,142 (Interim Director of Finance)

Approval of this item will authorize a development agreement with Gehan Homes, Ltd to provide infrastructure within TIRZ #2 located at the northeast corner of Interstate 45 and State Highway 646, specifically the Victory Lakes Development, Section 7B.

In 1999, the Zone Board and the City adopted a Project and Financing Plan which included the design and construction of water, wastewater, drainage facilities and other specific project costs in order to facilitate the development of new residential and commercial properties.

This agreement between the TIRZ and Gehan Homes, Ltd will reimburse the developer for the cost of TIRZ Improvements contemplated in the Project and Financing plan and identified in the exhibit of the attached agreement. The developer will provide sufficient funds to pay all related project costs with interest accruing at a per annum rate of four percent for a maximum of five years from the date of each expenditure. In consideration of the development and construction of the TIRZ improvements, the zone will repay the developer solely from the net tax increment payable annually as the net tax increment is accumulated each year. In no event will the total payments to the developer, including interest, exceed $1,644,142.

The TIRZ Board met and approved this agreement on November 2, 2017.

CONTRACT ORIGINATION: The TIRZ #2 attorney prepared the attached agreement which was approved by the City Attorney. The agreement includes two exhibits: an outline of the TIRZ's share of the identified improvements and a map of the proposed improvements.

ATTACHMENTS:
1. Data Sheet
2. Proposed Resolution
3. Exhibit A - Development Agreement with Gehan Homes, Ltd

FUNDING
{x} NOT APPLICABLE
{ } Funds are available from Account #_____
{ } Requires Budget Amendment to transfer from Account #_____ to Account # _____