



Legislation Text

File #: 21-523, **Version:** 1

ITEM TITLE:

Consider approving an Agreement for Economic Development Assistance - Retail [i.e. Sales Tax Rebate Agreement] with Cache Properties LLC, including any floor amendments that may be made thereto, to assist with the cost of public improvements associated with the development of Phase One the Mathis Center on the property located at 4800 NW Cache Road and authorize the Mayor and City Clerk to execute the agreement.

INITIATOR: City Attorney - John Ratliff

STAFF INFORMATION SOURCE: Deputy City Attorney - Timothy Wilson; Deputy City Manager - Richard Rogalski

BACKGROUND: At its June 17, 2021, meeting, the Lawton Economic Development Authority reviewed and voted to accept and forward to the City Council with LEDA's approval an application for Economic Development Assistance - Retail, submitted by Cache Properties LLC, to assist with the cost of public improvements associated with the development of Phase One of the Mathis Center on property located at 4800 NW Cache Road, to include a 76,000 square foot furniture store consisting of an Ashley Homestore, Mathis Sleep Center, and Mathis Furniture Outlet. On July 27, 2021, the City Council voted to approve the application and directed the City Attorney to draft an agreement for Council consideration.

Since Council acted at its July 27 meeting, the Developer has provided supplemental information that is included in the proposed Sales Tax Rebate Agreement. The proposed Agreement, which incorporates the supplemental information, includes language that does not limit the 76,000 square foot furniture store building to the three originally named stores. Rather, the proposed Agreement identifies as Phase One Stores for the 76,000 square foot building as "those retail stores branded under the Mathis Brothers family of retail stores (e.g., Mathis Outlet or Mathis Sleep Center) or another nationally recognized home furnishing retail brand (e.g., Ashley Homestore or La-Z-Boy Furniture Store), each of which is operated and managed by Mathis Brothers."

Because (1) the original application the Developer submitted identified the anchor tenant as Mathis Brothers Furniture and (2) the proposed Agreement defines Phase One Stores as being stores either branded under the Mathis Brothers family of retail stores (e.g., Mathis Outlet or Mathis Sleep Center) or another nationally recognized home furnishing retail brand (e.g., Ashley Homestore or La-A-Boy Furniture Store), each of which to be operated and managed by Mathis Brothers, this change fits within the parameters of the initial application. The Chair of LEDA has also been advised of this.

The other terms of the proposed Agreement remain unchanged. If approved the Developer will contract and pay all costs associated with Phase One construction, supporting appurtenances in Phase One, and the off-site infrastructure improvements, and in turn receive an annual rebate of one-half (1/2) of the two percent (2%) sales tax collected that is apportioned to the City's General fund from sales tax generated and collected: (a) from the construction of Phase One [i.e. Phase One 76,000 square foot building, supporting appurtenances to said building, and the off-sight infrastructure improvements - traffic signal, water and sewer) during the Initial Construction Period [up to 24 months], and then (b) from qualifying Phase One stores to be located in the Phase

One 76,000 square foot building during the Retail Sales Period [up to seven years], with said rebate not to exceed \$750,000.

EXHIBIT: Sales Tax Rebate Agreement with Exhibits A, B & C thereto

KEY ISSUES: N/A

FUNDING SOURCE: Portion of the sales tax generated as set forth in the proposed Agreement

STAFF RECOMMENDED COUNCIL ACTION: After receiving an update from staff, consider whether or not to approve the proposed Agreement, or any floor amendments thereto, and take appropriate action.