



CITY COUNCIL AGENDA ITEMS

To: Mayor and City Council
From: Dean Rich, Director of Finance
Walter Denton, City Administrator
Date: December 23, 2005
Subject: Special Service Area (SSA) 6 Newbold Expansion

List of committees that have reviewed: Finance and Administration

Background: Newbold Toyota/BMW is undertaking a \$7 million expansion of both the Toyota and BMW dealerships. They have purchased lot 22 of Central Park Plaza for a stand alone BMW dealership and lot 18B to expand their Toyota truck line. This package contains an "Ordinance Approving a Pre-Development Agreement" a "Pre-Development Agreement" and an "Ordinance Proposing the Establishment of SSA-6(Central Park Plaza #1)". These are first reading documents leading up to issuance of approximately \$2,000,000 in bonds to improve the infrastructure associated with the Newbold expansion. All items funded by this SSA will improve the value of the property regardless of its use and the bonds are paid from a tax levy.

Legal Considerations, if any: These documents are prepared by our Bond Attorney Kurt Froehlich and comply with all state SSA regulations.

Budget Impact: This is an economic incentive the city provides to developers that is no cost and no liability to the city. In the agreement the city receives \$1,000 per year to administer the program.

Staff recommendation: Staff has worked with Mr. Newbold for the last 2 years on this expansion and presents this as a high quality development compatible with the cities long range goals. It provides a demonstrable return to the city in both sales tax and related benefits and is necessary for the project to be economically feasible for the developer. Recommend approval.