



City Council Regular Meeting AGENDA ITEM

NUMBER: 21

SUBJECT:

Settlement Agreement and Mutual Release and Waiver of All Claims with Legacy AK, LLC Terminating Development Agreement dated April 20, 2022 (Ward 4- Cherchio) (For Possible Action; Recommendation – Approve)

REQUESTED BY:

Jared Luke, Senior Director of Economic Development and Government Affairs

WARD:

(Ward 4 - Cherchio)

RECOMMENDATION OR RECOMMEND MOTION:

Staff recommends that City Council approve the Settlement Agreement.

FISCAL IMPACT:

Amount: None

Explanation: N/A

ACCOUNT NUMBER:

N/A

STAFF COMMENTS AND BACKGROUND INFORMATION:

In conjunction with the Repurchase Agreement with Legacy AK, LLC (“Developer”) that is before the City Council on March 6, 2024, City staff recommends that City Council approve the Settlement Agreement and Mutual Release and Waiver of All Claims with Developer. Developer and the City have mutually decided to terminate the Development Agreement dated April 20, 2022 and for the City to exercise its repurchase option detailed in the Development Agreement. The Repurchase Agreement details the terms of the City’s repurchase of the approximately 135.36 acres of real property located at the southwest corner of CC-215 Beltway and Pecos Road, further identified as APNs 124-24-60-001, 124-24-701-005, and 124-24-701-006 (“Property”).

After Developer acquired the Property in May 2022, Developer performed initial development work on the Property and obtained pre-construction studies (e.g., drainage and traffic studies) but construction on the Property did not commence. In lieu of exercising their respective rights under the Development Agreement, City and Developer have agreed that (i) City will repurchase the Property from Developer for the repurchase price of \$52,500,000 plus other identified costs and expenses set forth on the settlement statement attached to the Repurchase Agreement (a total amount of \$52,953,303.75), and (ii) Developer and City will terminate the Development Agreement and record a Termination of Development Agreement.

CIP No.

Related Item:

LIST CITY COUNCIL GOAL(S): Responsible Fiscal Management

PREPARED BY:	Respectfully Submitted	MEETING DATE:
Jared Luke, Senior Director of Economic Development and Government Affairs	Ryann Juden, City Manager	March 6, 2024