
DEPARTMENT MEMO

DEPARTMENT: Economic Development
FROM: Alex Philips, Economic Development Manager
MEETING: July 6, 2020

SUBJECT:

Approve a Second Amendment to the Performance Agreement with Yukon Ventures, LLC for a cold storage distribution facility located in Highpoint Business Park. (Alex Philips)

SUMMARY:

The 4A Board and City Council previously reviewed and approved the Performance Agreement and Land Sale Contract with Yukon Ventures, LLC on September 16, 2019.

The 4A Board and City Council approved the First amendment to the Performance Agreement and the Land Sale Contract on February 17, 2020.

Yukon Ventures has requested the Second Amendment to change the definition of commencement of construction due to the Developer being more at risk due to the cost and time of pier footings on the property prior to the completion date in the Agreement. The changes in the Amendment are as follows:

- Performance Agreement changes
 - Capital Investment to include deposits for fabrication or materials.
 - Commencement of construction to be identified as issuance of building permit, groundbreaking, commencement of site work and demonstrate an initial capital investment into the project of at least \$2,000,000 by December 31, 2020 excluding the land cost.
 - Yukon Ventures or an affiliate shall provide written notification to the EDC that the capital investment made by Yukon or an affiliate for the Development exceeds the requirement in the Agreement.

Yukon Ventures, LLC has completed the land transaction on June 18, 2020. The site plan for the cold storage distribution center was approved by City Council on June 15, 2020. Yukon Ventures has continued to move the \$50 million dollar project forward.

OPTIONS:

- 1) Approve as present Approve the Second Amendment of the Performance Agreement with Yukon Ventures, LLC
- 2) Deny the Second Amendment of the Performance Agreement with Yukon Ventures, LLC.
- 3) Approve with changes

RECOMMENDATION:

Approve as presented the Second Amendment of the Performance Agreement with Yukon Ventures, LLC

FISCAL IMPACT:

N/A

STAFF CONTACT:

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