

**TOWN OF PRESCOTT VALLEY
REQUEST FOR COUNCIL ACTION
Date: December 17, 2015**

SUBJECT: Extension of Presly Investments LLC Development Agreement

SUBMITTING DEPARTMENT: Management

PREPARED BY: Greg Fister, Economic Development Manager

AGENDA LOCATION: Comments/Communications , Consent , Work/Study ,
New Business , Public Hearing , Second Reading

ATTACHMENTS: a) Resolution No. 1942, and b) Amendment to Development Agreement

SUMMARY/BACKGROUND: On January 22, 2015, the Town Council adopted Resolution No. 1904 approving a Development Agreement with Presly Investments to encourage construction of a VW dealership adjacent to the current Earnhardt Liberty Kia dealership on Market Street. The Development Agreement provided Town reimbursement of certain fees up to a maximum of \$50,000 once a Certificate of Occupancy was issued for the project. Said Agreement had a term which ended on June 30, 2016.

Recent controversies regarding diesel vehicles manufactured by Volkswagen worldwide have adversely impacted the timeline for constructing and opening the new dealership. Nevertheless, Earnhardt representatives assure the Town that they are committed to the new dealership and believe an opening later in 2016 is possible. Therefore, they have requested an extension of the Agreement term through December 31, 2016. Staff supports this request.

OPTIONS ANALYSIS: The Town Council may amend the Development Agreement as requested, amend the Agreement for a different term, OR decline to amend the Development Agreement.

ACTION OPTION: Motion to authorize the Mayor (or, in his absence, the Vice Mayor) to sign Resolution No. 1942 approving the proposed Amendment to Development Agreement with Presly Investment for a new Volkswagen dealership, **OR** Motion not to authorize signature of Resolution No. 1942. **VOTE.**

RECOMMENDATION: Staff recommends authorizing signature of Resolution No. 1942 approving the proposed Amendment to Development Agreement.

FISCAL ANALYSIS: The \$50,000 maximum cost is currently budgeted in the 2015-2016 town budget. It is highly likely that money will be reallocated in the 2016-2017 budget if needed.

REVIEWED BY:

Management Services Director _____

Town Clerk _____

Town Attorney _____

Town Manager _____

COUNCIL ACTION:

Approved Denied Tabled/Deferred Assigned to _____