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City commits to tax incentives

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MANSFIELD -- The city could commit up to \$54 million in tax incentives for a planned 1.2 million-square-foot commercial complex at U.S. 287 and East Broad Street.

The City Council approved the preliminary terms of an agreement late Monday between the city and developers of The Shops at Broad Street, an estimated \$226 million project.

The incentives package would be the city's second largest.

The largest, set for final approval today, would generate an estimated \$147 million over 30 years for infrastructure in The Reserve at Mansfield, a mostly vacant 3,100-acre area immediately south of The Shops site.

City Manager Clayton Chandler said future tax revenue from The Shops and other economic development projects would easily outweigh the city's investment.

"It's a good deal for the city," he said.

Under the preliminary terms, the city would agree to build up to \$24 million worth of infrastructure, including a frontage road at U.S. 287 and utility lines.

The developer, Cleveland-based Forest City Enterprises Inc., has agreed to build the infrastructure at its own cost and be reimbursed by the city after The Shops is complete and generating revenue.

The city would also share equally The Shops' sales tax revenue with Forest City for up to 25 years, or until Forest City's share reaches \$30 million, whichever comes first.

City officials will continue negotiating on The Shops' incentives and other provisions to reach a final proposal for the council to consider.

Construction on the center, which would include stores, restaurants, offices and entertainment venues, is set to begin about mid-2008 and finish in the fall of 2009.

Forest City, an \$8.5 billion publicly traded company, has three other North Texas projects in the works.

It is renovating the historic Mercantile Bank building in downtown Dallas and planning major mixed-use developments in Frisco and Prosper.