

25-year Shops at Five Hills deal limits cost to \$25 million

By Mason W. Canales

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COPPERAS COVE — The City Council agreed to a 25-year deal Tuesday with the developer of the Shops at Five Hills not to exceed \$25 million.

During a specially called meeting, the council voted unanimously to approve an economic agreement with Austin-based Endeavor Real Estate Group for the development of the 128-acre shopping center on Constitution Drive, in which 34 Copperas Cove Bulldawg Stadiums could fit.

The agreement calls for the city to repay the developers 25 percent of its development property taxes for 25 years. In the first five years, the city will refund the developer 35 percent of sales tax; for the next five years, it will pay 40 percent and from 11 to 25 years, it will pay 65 percent.

City Manager Andrea Gardner said the city estimates that cost to be about \$37,000 in property tax revenues and about \$68,000 in sales tax revenues in 2013. By 2017, the city estimates it will pay about \$156,000 in property tax revenue and about \$370,000 in sales tax revenue.

The agreement also states that the development must have 121,000 square feet of gross retail space when construction finishes its first phase and that there needs to be at least \$12 million invested into the property within 60 days of the purchase of the land.

The city and First Advisors Inc., who has partnered with the real estate group, have been negotiating the agreement since May 2011 when Gary Davis, president of the company, submitted a request to the city for the rebates.

"The council's approval is the most significant next step to this becoming a reality," said Davis. "We hope that we can announce soon some more definitive dates about construction."

The concept of the Shops at Five Hills is more than seven years old and was first envisioned by Davis, who wanted to bring a large shopping center to the city, said Polo Enriquez, executive director of the Copperas Cove Economic Development Corporation. "Finding the land in which to do this was not all that easy."

Once the corporation was able to secure the property from a land swap agreement with Fort Hood, the real work started, said Enriquez. It was then the corporation decided it would sell the land for the purpose of building a shopping center.

"These things do take time, because they are complex and they tend to last for a long time," said Enriquez. "It could be a slow and excruciating slow process at times."