

ACTION FORM BRYAN CITY COUNCIL

DATE OF COUNCIL MEETING: September 9, 2014		DATE SUBMITTED: August 28, 2014	
DEPARTMENT OF ORIGIN: Economic Development		SUBMITTED BY: Lindsey Guindi	
MEETING TYPE:	CLASSIFICATION:	ORDINANCE:	STRATEGIC INITIATIVE:
<input type="checkbox"/> BCD	<input type="checkbox"/> PUBLIC HEARING	<input type="checkbox"/> 1ST READING	<input type="checkbox"/> PUBLIC SAFETY
<input type="checkbox"/> SPECIAL	<input type="checkbox"/> CONSENT	<input type="checkbox"/> 2ND READING	<input type="checkbox"/> SERVICE
<input checked="" type="checkbox"/> REGULAR	<input checked="" type="checkbox"/> STATUTORY		<input checked="" type="checkbox"/> ECONOMIC DEVELOP.
<input type="checkbox"/> WORKSHOP	<input type="checkbox"/> REGULAR		<input type="checkbox"/> INFRASTRUCTURE
			<input checked="" type="checkbox"/> QUALITY OF LIFE
<p>AGENDA ITEM DESCRIPTION: Consider approving the TIRZ #10 Economic Development Agreement to reimburse ATLAS HOTEL, L.P., up to \$2,400,000 from available unencumbered TIRZ #10 funds for the purpose of developing a conference center associated with the Atlas Hotel, a four-star hotel to be constructed near the intersection of Traditions Drive and Health Science Center Parkway in Bryan, Brazos County, Texas.</p>			
<p>SUMMARY STATEMENT: Investments in land and infrastructure within TIRZ #10 as well as other areas in west Bryan have led to the development of the Traditions Club, the Texas A&M Health Science Center, and ultimately the birth of the One Health Plus BioCorridor. The impacts of the City's initial investment have been far reaching, attracting millions of dollars in private investment as well as State and federally funded facilities and projects within the BioCorridor.</p> <p>Both the City of Bryan and Brazos County have participated in TIRZ #10 since its creation in 2000 through a plan that originally envisioned a hotel, conference center and commercial area within the Traditions development. In 2008, the City of Bryan entered into amended and restated agreements with Traditions Acquisition Partnership, L.P., (TAP) in an effort to ensure the continued operation of the golf club and to complete the development of the remaining land within Traditions.</p> <p>TAP and other investors have now formulated a plan to make the original vision for a hotel and conference center a reality. The ATLAS land plan includes a world-class town center, a four-star hotel, a 10,000 square foot conference center, restaurants, retail shops, entertainment, offices, recreation spaces and other amenities in close proximity to the One Health Plus BioCorridor.</p> <p>An amendment to the TIRZ #10 Project and Financing Plan was recommended by the TIRZ #10 Board as well as the Brazos County Commissioners Court., with final approval by the Bryan City Council on September 9, 2014. The plan amendment reaffirms the original not to exceed amount of \$2,400,000 earmarked for the construction of a publicly available, privately owned hotel conference center to be located within the Atlas Town Center Development. The amended project and financing plan also provides that no bonds or public debt will be issued by the City to finance the conference center.</p> <p>This Economic Development Agreement, if approved, will provide up to \$2,400,000 from available TIRZ #10 increment funds to reimburse the Developer for qualified expenses associated with construction of the conference center. Below is a general summary of the terms of the agreement:</p> <ul style="list-style-type: none"> • Construction of the hotel conference center must commence by July 1, 2015. • The hotel conference center must be completed by June 30, 2017. • Reimbursements will occur once there are sufficient unencumbered funds available in the TIRZ #10 fund after all existing annual debt and budgeted obligations are paid. In addition, under no circumstance can these grant payments cause the TIRZ # 10 fund balance to drop below \$50,000. 			

- Grant payments will only be permitted for items specifically related to the construction of the conference center.
- Grant payments are made no more frequently than twice per year after invoices and other documentation are submitted, verified, inspected and approved for qualified expenses.
- Unpaid invoices will carry over to the next payment period if there are not sufficient funds available to make the grant payment.

STAFF ANALYSIS AND RECOMMENDATION: Staff recommends approval of this agreement. This agreement serves the following purposes:

- to implement the original project and financing plan and achieve its purposes
- to establish and provide for the administration of programs for the public purposes of developing and diversifying the economy of the zone
- to serve the public purpose of promoting economic development in the City
- to encourage continued build-out and development of the TIRZ #10 Zone in accordance with the purposes for its creation and the ordinance creating such reinvestment zone adopted by the City
- to reduce the City's financial risk in TIRZ #10 and place that risk on the shoulders of the developer, by using only ad valorem tax revenues generated within the zone to make reimbursement payments back to the developer.

OPTIONS (In Suggested Order of Staff Preference):

1. Approve Economic Development Agreement
2. Modify Economic Development Agreement for approval, which may require additional discussions with TAP and consideration at a future City Council meeting
3. Deny Economic Development Agreement and provide direction to staff

ATTACHMENTS: TIRZ #10 Atlas Hotel Conference Center Economic Development Agreement

FUNDING SOURCE: Future TIRZ #10 Funds generated by development within TIRZ #10

APPROVALS: Joey Dunn, 8-29-14; Hugh R. Walker, 09/01/2014

APPROVED FOR SUBMITTAL: CITY MANAGER Kean Register, 09-02-2014

APPROVED FOR SUBMITTAL: CITY ATTORNEY Janis K. Hampton, 09-02-2014