

Peggy Vasquez

From: Terri Countess
Sent: Monday, August 04, 2008 2:29 PM
To: Cynthia Long; Ron Morrison; Dan Gattis; Lisa Birkman
Cc: Peggy Vasquez; Mary Clark; Nancy Heath; Kathy Grimes
Subject: FW: Summit TIRZ deal points and backup
Attachments: Wilco tax on improvements at 80%.xls; Wilco deal points for Summit TIRZ.doc; Summit TIRZ Resolution of Intent.pdf

Since the Commissioner could not email anything out right now...I am forwarding these documents to you.

Terri Countess

Executive Assistant
to Commissioner of Precinct 3
3010 Williams Drive, Suite 153
Georgetown, Texas 78628
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tcountess@wilco.org

From: tky@georgetowntx.org [mailto:tky@georgetowntx.org]
Sent: Mon 8/4/2008 8:21 AM
To: Valerie Covey; Terri Countess
Cc: Dan Clark; Marlene McMichael
Subject: Summit TIRZ deal points and backup

Commissioner Covey,

Here is a brief set of deal points as I understand them for the County's consideration.

As I stated last week, I do not have authorization from the City Council to agree to the sales tax sharing. Once the Commissioners Court votes on a set of deal points, I'll take that back to the City Council for their consideration.

I have also attached a spreadsheet, prepared by Ledgestone, that shows the County's tax revenue based upon an 80% participation rate in the TIRZ. In addition, the Resolution of Intent passed by the City Council is also attached.

We do not have a good estimate of the value of the sales tax on the property. It is estimated that there will be 10,500 square feet of general retail and 11,000 square feet of stand alone restaurant space. In addition there will be some retail sales generated within the hotel (gift shop, restaurant, etc.). Based on these assumptions, the best case scenario is that the project would generate about \$100,000 annually from the City's 1% sales tax (\$50,000 would go to the County if the sales tax sharing is approved). This assumes \$200 per square foot of annual sales from the retail space and \$300 per square foot of annual sales from the restaurants

8/5/2008

and a guess of approximately \$45,000 in sales tax annually from the hotel.

If you have any questions or need anything else, please let me know.

Tom

(See attached file: Wilco tax on improvements at 80%.xls)(See attached file: Wilco deal points for Summit TIRZ.doc)(See attached file: Summit TIRZ Resolution of Intent.pdf)

Tom Yantis
Assistant City Manager
City of Georgetown
phone: 512-930-2507
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8/5/2008

Proposed Deal Points for Summit at Rivery Park Tax Increment Reinvestment Zone

- County to participate by contributing 80% of its tax increment to the TIRZ
- Developer will receive up to \$25 million in reimbursements from the TIRZ over a maximum of 25 years
- Developer will construct the project as described in the Resolution of Intent passed by the City of Georgetown
- City will share 50% of its 1% general sales tax derived from within the boundary of the TIRZ as long as the County contributes 80% of its tax increment to the TIRZ

Ledgestone Group, Inc.
Brae Development Partners, Ltd (in formation)
assumes current tax rate on improvements above base

The Summit at River Park Development						
Comments	Year	# of Years	Est. Imp. Value	0.467492 Wilco @ 100%	Wilco @ 20%	Wilco @ 80%
	Year	#	TIF Program			
	2008	1	0			
Estimated Imp. Value Less TIF base	2009	2	65,000,000	257,121	51,424	205,696
	2010	3	90,000,000	420,743	84,149	336,594
Development Completed	2011	4	145,000,000	677,863	135,573	542,290
The Summit fully Operational	2012	5	155,000,000	724,613	144,923	579,690
Property Value Increased by Valuation %	2013	6	158,100,000	739,105	147,821	591,284
	2014	7	161,262,000	753,887	150,777	603,110
	2015	8	164,487,240	768,965	153,793	615,172
	2016	9	167,776,985	784,344	156,869	627,475
	2017	10	171,132,522	800,031	160,006	640,025
	2018	11	174,555,170	816,031	163,206	652,825
	2019	12	178,046,275	832,352	166,470	665,882
	2020	13	181,607,204	848,999	169,800	679,199
	2021	14	185,239,346	865,979	173,196	692,783
	2022	15	188,944,135	883,299	176,660	706,639
	2023	16	192,723,615	900,965	180,193	720,772
	2024	17	196,577,476	918,984	183,797	735,187
	2025	18	200,509,626	937,364	187,473	749,891
	2026	19	204,519,205	956,111	191,222	764,889
	2027	20	208,609,592	975,233	195,047	780,187
	2028	21	212,784,784	994,738	198,948	795,790

	2029	22	217,037,420	1,014,633	202,927	811,706
	2030	23	221,378,168	1,034,925	206,985	827,940
	2031	24	225,805,732	1,055,624	211,125	844,499
	2032	25	230,321,846	1,076,736	215,347	861,389
	2033	25	234,928,283	1,098,271		
	2034	26	239,626,849	1,120,236		
	2035	27	244,419,386	1,142,641		
	2036	28	249,307,774	1,165,494		
	2037	29	254,293,929	1,188,804		
	2038	30	259,379,808	1,212,580		

RESOLUTION NO. 063008-A

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
GEORGETOWN, TEXAS REGARDING ECONOMIC
DEVELOPMENT INCENTIVES FOR THE SUMMIT AT RIVERY
PARK; PROVIDING AN EFFECTIVE DATE; AND DIRECTING
CITY STAFF ON IMPLEMENTATION.**

WHEREAS, Rivery Park Limited Partnership, L.L.P. ("Developer") is the owner of approximately 31.935 acres of land in the Rivery Park Subdivision, Georgetown, Texas ("Developer's Property"); and

WHEREAS, the property owned by Developer is adjacent to Rivery Park, a public park owned by the City ("City's Property"); and

WHEREAS, on September 25, 2007, the City Council authorized the staff to start the process to create a Tax Increment Reinvestment Zone over approximately 67 acres of land, said land being the property owned by Developer within the Rivery Park Subdivision and the Rivery Park (collectively referred to herein as the "TIRZ Property") and to make improvements to the public parkland adjacent thereto; and

WHEREAS, after holding the requisite public hearings and notifying the other taxing authorities, on December 11, 2007 the City Council approved an ordinance creating a Tax Increment Reinvestment Zone on the Property (the "Zone");

WHEREAS, the maximum duration of the zone is until December 31, 2031, the Tax Increment Base year is January 1, 2007, and the amount of the tax increment for a year is 100% of the property taxes levied and collected by the City for that year on the Captured Appraised Value of real property taxable by the City, with the Captured Appraised Value being the total appraised value of all real property in the Zone for that year, less the Tax Increment Base, as such terms are used in Chapter 311 of the Texas Tax Code; and

WHEREAS, on December 11, 2007 the City Council approved an ordinance rezoning the Developer's Property as a Planned Unit Development; and

WHEREAS, the Developer has represented to the City that it will construct a project on the Developer's Property as follows: office or office condominium use, with said office buildings or condominium allowed to be converted to a non-drive through restaurant site and/or a parking garage; and for mixed commercial use, including one or more restaurant sites, one or more hotels, a conference center, and one or more office buildings, together with surface or garage parking; and

WHEREAS, the Developer has also represented to the City that it will construct public improvements on the City Property consisting of such amenities as (i) water features and artwork, (ii) pedestrian paths, (iii) relocation of the Park's public access road, (iv)

additional bathroom facilities, (v) an amphitheatre, (vi) landscaping and/or landscaping refinements, (vii) other related necessary or convenient public improvements; and

WHEREAS, the Developer and the City (collectively, the "Parties") intend to negotiate in good faith a definitive agreement relating to (i) the construction, ownership, operation and management of the Project and participation by the City in the costs of the Project and (ii) the rights and obligations of the Parties in connection therewith (the "Definitive Agreement") on the terms set forth in this Resolution. .

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF GEORGETOWN, TEXAS HEREBY RESOLVES AS FOLLOWS:

1. That the foregoing recitals are true and correct and are incorporated herein by reference as if set forth in full.

2. That the Developer has made the following representations to the City on which the City has relied in creating the Zone and enacting this Resolution:

A. Developer shall construct the following improvements (collectively "the Project") on the Developer's Property and the City's Property:

1. On Zone A on Developer's Property (9.63 acres of land): (i) public amenities and (ii) park access road relocation,
2. On Zone B on Developer's Property (22.31 acres of land): (i) a full service hotel with a minimum of 187 rooms, (ii) a conference/performing arts center capable of seating banquet style between 1,500 to 4,500 people, designed and constructed in a manner to accommodate multiple small scale events, (iii) amenity areas and (iv) pedestrian trails for park access, and
3. On City Property (Rivory Park): (i) water features and artwork, (ii) pedestrian paths, (iii) relocation of the Park's public access road, (iv) additional and/or upgraded bathroom facilities, (v) an amphitheatre, (vi) landscaping and/or landscaping refinements, (vii) other related necessary or convenient public improvements (the "Park Improvements").

A graphic conceptual representation of the Project is attached hereto as Exhibit A. A depiction of the areas designated as Zone A and Zone B is attached hereto as Exhibit B. A summary of the conceptual improvements planned and related costs estimates for the Project is attached hereto as Exhibit C.

B. Developer shall commence efforts to obtain financing and related funding for the proposed development on or about July 28, 2008 and complete said efforts no later than March 31, 2009.

C. Developer shall commence construction of the Park Improvements on the City Property on or about March 1, 2009, but no later than June 30, 2009, and the Park Improvements shall be substantially completed by July 1, 2010, but no later than October 1, 2011. Notwithstanding anything to the contrary in this

resolution, public vehicular access to the City Property shall be maintained throughout the construction process.

- D. Developer shall commence construction of Zone B improvements on the Developer's Property on or before March 1, 2009, but no later than June 30, 2009, and the hotel and conference/performing arts center shall be substantially completed by July 1, 2010, but no later than October 1, 2011.
- E. Developer shall commence construction of the Zone A improvements on the Developer's Property on or before October 1, 2009, but no later than March 1, 2010, and the work shall be substantially completed by July 1, 2012.
- F. Other amenities and improvements to the Developer's property in Zone A and Zone B shall be in keeping with the provisions of the PUD Ordinance with the City, passed and approved on December 11, 2007, as Ordinance No. 2007-91.

3. That in exchange for the Developer's commitment to construct the Project on the Developer's Property and the City's Property as described herein, the City will agree to:

- A. Issue Tax Increment Financing Bonds ("TIF Bonds") in one or more series in an original principal amount determined by the City based on a reasonable determination of cash flow available in the Zone to service the TIF Bonds, but in no event shall the aggregate amount of proceeds received by the Developer from the issuance of such TIF Bonds exceed \$25 Million (the "Public Participation Amount"). The TIF Bonds will be secured solely by the City tax increments (as such term is used in Section 311.012 of the Texas Tax Code) which are generated in the Zone (the "Increment"). Any TIF Bonds will be issued, to the extent permitted under Federal tax law, as tax-exempt obligations described under section 103 of the Internal Revenue Code of 1986, as amended (the "IRC"), and otherwise as obligations not described in said section 103 of the IRC. The Parties understand that property taxes collected by the school district and other special districts will not be utilized to pay off the TIF Bonds. The Parties acknowledge that Williamson County is considering participation in the Zone, and that if it does so then its increment will be utilized to pay off the TIF Bonds in accordance with the terms of the County agreement pertaining to same; but the Parties recognize that the County may not agree to participate in the Zone.
- B. Pay to the Developer, on an annual basis, that portion of the Increment that is greater than the sum of (1) the amount needed to pay the annual principal and interest due on the TIF Bonds; and (2) the amount needed on an annual basis to maintain the Public Facilities (the "Annual TIF Increment Payment"), but in no event shall the total of (i) the aggregate amount of proceeds received by the Developer from the issuance of TIF Bonds and (ii) the aggregate amount of all Annual TIF Increment Payments be more than the Public Participation Amount. Annual TIF Increment Payments shall be paid, if paid, solely from, and to the extent generated by, the annual real property taxes levied and

collected by the City from taxable property in the Zone attributable to the City's Increment and from no other sources.

C. The City agrees that all taxes collected for repayment of the TIF Bonds shall be transferred to a Trustee (to be named in a Bond Indenture) within thirty (30) days after said taxes are collected by the City. The Bond Indenture will provide that the Trustee will then utilize said funds to make payments on the TIF Bonds on at least a semi-annual basis. The City shall not have personal liability for payment of the TIF Bonds independent of the taxes attributable to the City's Increment pledged to satisfy the TIF Bonds.

D. The Public Participation Amount shall be paid, if paid, solely from the proceeds of TIF Bonds and Annual TIF Increment Payments and from no other sources.

4. The Definitive Agreement will set forth a formula pursuant to which the Public Participation Amount may be reduced, from time to time, based upon Developer's failure to meet the goals established by the Definitive Agreement.

5. The City shall acquire rights from Developer to those parts of the Project that are for use by the general public (the "Public Facilities"). Such acquisition shall be accomplished through a contract with Developer (the "Public Facility Contract"). The Public Facilities will be owned, operated and maintained by the City or designee of the City. It is anticipated that the Public Facilities will be exempt from ad valorem taxation by virtue of ownership by the City. The Public Participation Amount shall be reduced by the amount of all ad valorem taxes that would have been payable (but for City ownership) to all taxing jurisdictions during the period of City ownership, including without limitation those that would have been payable to the City, County, the school district and the special district. To the extent that it is determined that the Public Facilities are subject to ad valorem taxation, Developer will be liable for the payment of such taxes and the Public Participation Amount shall not be reduced by these amounts.


6. Developer and the City will enter into a management agreement ("Management Agreement") pursuant to the terms of which Developer will assume responsibility for maintenance, operation and improvement of the Public Facilities. Any fees and expenses payable by the City under the Management Agreement shall be payable out of the Increment. To the extent tax-exempt bonds are issued to finance Public Facilities, the Parties acknowledge that any such Management Agreement must comply with the qualified management contract guidelines set forth in Revenue Procedure 97-13 released by the Internal Revenue Service.

7. This Resolution is not intended to create a binding obligation on the part of the City. The Definitive Agreement shall reflect the final contract between the Parties and said Agreement shall conform to all applicable requirements of state and federal law. The sole purpose of this Resolution is to provide a framework for further negotiations between the Parties.


8. This Resolution shall become effective immediately upon its adoption. On its adoption, the City Manager, and his designees, the City Attorney and the City's bond counsel and financial advisors shall be authorized to commence negotiations with the Developer in the Definitive Agreement and the Management Agreement consistent with the terms of this Resolution, and shall bring back said agreements to the City Council for final approval.

RESOLVED to be effective this 30th day of June, 2008.

CITY OF GEORGETOWN, TEXAS

By: 
George G. Garver, Mayor

ATTEST:

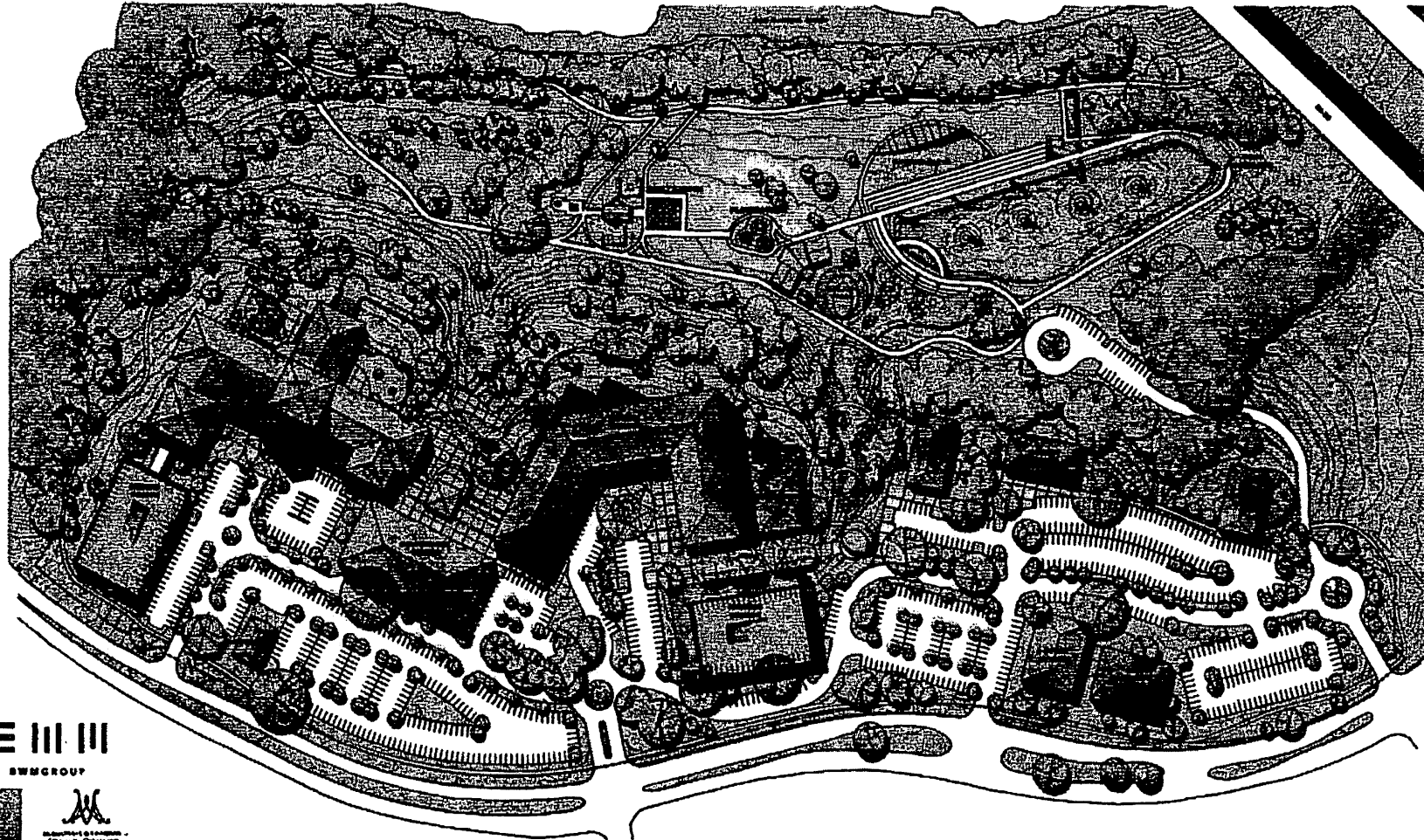
By: 
Sandra D. Lee, City Secretary

APPROVED AS TO FORM:

By: 
Patricia E. Carls, City Attorney

Res. 063008-A
Exhibit A

THE SUMMIT
AT RIVERY PARK



BWG GROUP



MCM GROUP
ARCHITECTS & ENGINEERS
P.C.



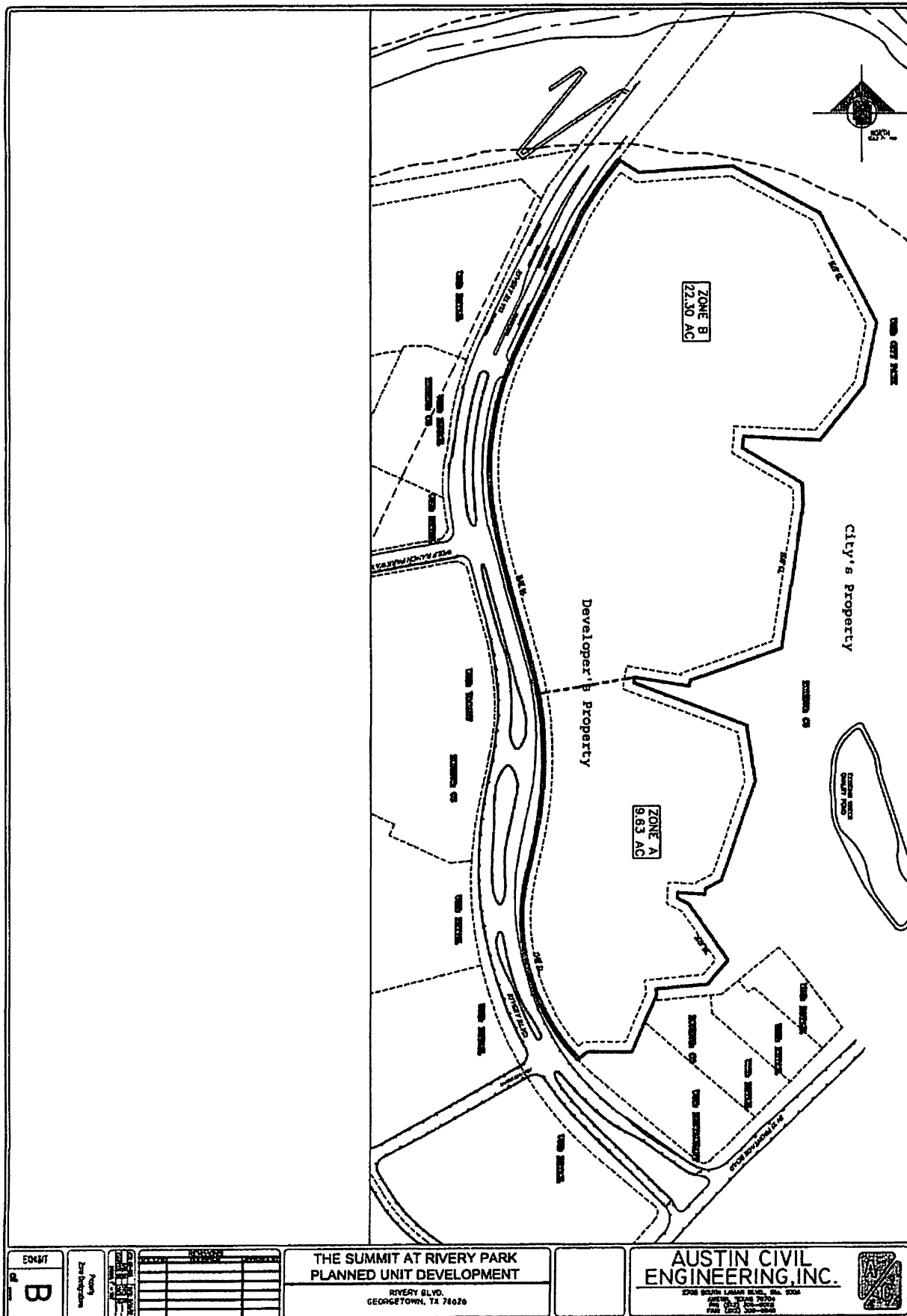
Austin Civil Engineering, Inc.
Site Design • Planning • Permitting



LEDGESTONE

Exhibit A





Res. 063008-A Exhibit B

The Summit @ Rivery Park
Summary of Proposed Conceptual TIF Capital Improvements

Estimated Capital TIF Improvement Expenditures by Calendar Year	Estimated Costs
1. Conference/Performing Arts Center	\$20,000,000
2. Site Improvements for Zones A & B - Public Art, Water Features, Historical Reflections	4,500,000
3. Park Road Relocation	1,500,000
4. Park Improvements Total	
a. Pond Enhancements	\$550,000
b. Riparian Restoration	35,000
c. Trails	450,000
d. Amphitheatre	1,125,000
e. Restroom / Concession	50,000
f. Playground	100,000
g. Splash Pad	150,000
h. Historical Homestead	20,000
i. Disc Golf Course	25,000
j. Other Elements	1,000,000
(includes irrigation, drinking fountains, water feature, additional parking, signage, and outdoor furnishings)	
Total:	\$29,505,000

Res. 063008-A

Exhibit C