



TITLE: Consider/Discuss/Act on a Resolution Declaring Expectation to Reimburse Gateway Project Expenditures with Proceeds of Future Debt (Certificates of Obligation)

MEETING DATE: January 15, 2013

DEPARTMENT: Financial Services

CONTACT: Rodney Rhoades, Chief Financial Officer

RECOMMENDED CITY COUNCIL ACTION:

- Approve resolution

ITEM SUMMARY:

- Authorize a resolution to reimburse project expenditures incurred in the development of a hotel/convention center located in the Gateway site.
- The resolution will provide for the expenditure of funds in advance of debt issuance for the City's contribution towards the project.
- Debt issuance is not to exceed \$6.25 million to include costs of issuance.
- The debt will be supported from ad valorem taxes and a limited pledge of the City's hotel occupancy tax revenues.

BACKGROUND INFORMATION:

- Council authorized a letter of intent dated June 5, 2012 among Champ Hospitality LP, Beck Development LLC, MCDC, and the City of McKinney for the development and operation of a hotel and adjoining conference/event center.

FINANCIAL SUMMARY:

- Project funding:
 - Debt Issuance (Certificate of Obligation) \$6 million
 - City's Cash Contribution \$6 million
 - McKinney Community Development (MCDC) \$7 million

BOARD OR COMMISSION RECOMMENDATION: N/A

