



TITLE: Consider/Discuss/Act on Approving a Hotel and Event Center Development Agreement, Economic Development Agreement, Hotel Ground Lease Agreement, and an Event Center Lease and Management Agreement

MEETING DATE: November 6, 2012

DEPARTMENT: City Manager

CONTACT: Jason Gray

RECOMMENDED CITY COUNCIL ACTION:

- Approve Agreements

ITEM SUMMARY:

- **Hotel and Event Center Development Agreement**
 - This document outlines the method and means by which the public incentive is offered. This includes the 100% Ad Valorem tax abatement for 10 years, outlines our efforts to share the state hotel taxes, and outlines provisions of default and cure.
- **Economic Development Agreement**
 - This is the primary, driving document that outlines the basic business deal structure of the development piece of the project. This document lays out the required timelines, the parties entering into the project, the nature of the coordinated design of the project, the method of construction delivery, the nature of the public incentives, and the nature and remedies for default of the agreement.
- **Hotel Ground Lease Agreement**
 - This document is intended to cover the nature of the relationship after the hotel opens and is operating. It includes things like the terms of the lease of the Hotel ground, the allowable uses, rent to be paid, franchise requirements, who is responsible for what during the term of the lease, and defines how the City will be allowed a 50% return of the net proceeds upon sale of the property.
- **Event Center Lease and Management Agreement**
 - This document outlines the nature of the relationship between the tenant and landlord for the lease of the Event Center. It is not contemplated that

we will have significant lease revenues, nor is it contemplated that we would ever sell the event center.

BACKGROUND INFORMATION: N/A

FINANCIAL SUMMARY: N/A

BOARD OR COMMISSION RECOMMENDATION: The McKinney Community Development Corporation will be considering Hotel and Event Center Development Agreement and Hotel Ground Lease Agreement documents at their meeting on November 6, 2012.