

**EXECUTIVE SUMMARY
FOR THE
ECONOMIC DEVELOPMENT PROGRAM AGREEMENT**

1. **Parties:** City of Round Rock (“City”)
Round Rock Transportation and Economic Development Corporation (“Type B corp”)
KR Acquisitions, LLC (“Developer”)
KR CC, Inc. (“Tenant”)
2. **Property:** 351.7 acres owned by the City and leased to Tenant.
3. **Purpose of Agreement:** To promote economic development as contemplated by Chapter 380 of the Local Government Code by providing performance-based Economic Incentive Payments to the Developer and the Tenant to defray a portion of the Project’s costs.
4. **Project:** A master planned, mixed-use development that will be anchored by a Kalahari Resort and Convention Center, which will include the Hotel, Convention Center, and the Water Park. The Hotel will have a minimum of 975 guest rooms. The Convention Center will have a minimum of 150,000 square feet of indoor meeting space. The Water Park will have a minimum of 200,000 square feet of water and related space. The Developer will invest at least \$350,000,000 in the Project.
5. **Operation:** The Developer agrees to operate and maintain the Project for the term of this Agreement.
6. **Jobs:** The Developer will cause at least 700 FTE’s to be employed at the Project.
7. **Schedule:** The Parties intend to have the Project and Public Improvements completed by December 31, 2021. The final construction schedule will be agreed upon by the parties by December 31, 2017.
8. **Public Improvements:** The City and Type B Corp will issue bonds to provide net proceeds of \$30,000,000 for needed onsite and offsite improvements. The City will own the public improvements.
9. **Convention Center:** The City and Type B Corp will issue bonds to provide net proceeds of \$40,000,000 for the construction of the Convention Center. The City will own

the Convention Center until all debt is paid in full. The Convention Center will be operated by the Developer.

10. **Taxes:** The Project is expected to generate millions of dollars a year in Ad Valorem Property Tax, City Hotel Occupancy Tax, City Sales Tax, Mixed Beverage Tax, State Hotel Occupancy Tax, and State Sales Tax, (“Total Tax Revenues”). [**Note:** The Type B sales tax, the ½ cent sales tax for ad valorem property tax reduction, and the 2% venue tax are not included in Total Tax Revenues and will not be shared with the Developer.]
11. **Use of Taxes:** The Total Tax Revenues from the Project will be received by the City and deposited into a Project Fund. The Project Fund will be utilized by the City in the following order of priority:
- (a) To pay the current annual debt service requirements for the bonds issued to finance the construction of the Public Improvements; then
 - (b) To pay the current annual debt service requirements for the bonds issued to finance the construction of the Convention Center; then
 - (c) To establish a Public Improvements Debt fund equal to the average annual debt service payments for the Public Improvements debt; then
 - (d) To establish a Convention Center Debt fund equal to the average annual debt service payments for the Convention Center debt; then
 - (e) To reimburse Developer for any contributions made by the Developer pursuant to Sections 4.07, 4.08, or 4.09; then
 - (f) The Project Fund Balance will be shared by Developer and City as follows:
 - (1) For the first 10 years, the Developer will receive 75% and the City will retain (25%); and
 - (2) For years 11 through 40, the Developer will receive (50%) and the City will retain (50%).