



Legislation Details (With Text)

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Title: Consider a resolution approving the project related to the design and construction of a Convention Center in conjunction with the Kalahari Resort, with an amount not to exceed \$48 million in project expenditures.

Sponsors:

Indexes:

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Attachments: 1. Resolution

Date	Ver.	Action By	Action	Result
1/25/2018	1	Transportation and Economic Development Corporation	approve	Pass

Consider a resolution approving the project related to the design and construction of a Convention Center in conjunction with the Kalahari Resort, with an amount not to exceed \$48 million in project expenditures.

On December 16, 2016, the City of Round Rock and the Round Rock Transportation and Economic Development Corporation entered into a Master Development Agreement with KR CC, Inc for the construction of a master-planned mixed-use project on property anchored by a Kalahari Resort and Convention Center.

According to Section 5.04 of agreement, a "Convention Center (that) shall have a minimum of 150,000 square feet of indoor convention, exhibition, and meeting space" will be built adjacent to the hotel that is part of the development. The design contract with HKS, Inc. for the design and construction documents was approved by the Round Rock City Council on August 24, 2017. The HKS, Inc. contract costs will be reimbursed to the General Fund by Type B once this project is approved by the Board. Future construction contracts will come before the Type B board at a later date.

According to Section 7.04 of the agreement, the City will issue one or more series of bonds and/or debt obligations in an amount sufficient to provide net proceeds of \$40,000,000 or otherwise make such funds available to design and construct the Convention Center. The costs of issuance and related costs will require that total debt issued be up to \$48 million to ensure the \$40 million is available for direct project design and construction as required by the agreement. The debt issuance will be taxable debt and will be repaid with tax revenues generated from the development.

The agreement also states that in the event the cost of the Convention Center exceeds \$40 million, that all such costs will be borne solely by KR CC, Inc.

The net financial impact to Type B for the Convention Center and the onsite improvements is expected to be zero. However, as the City's economic development corporation Type B will be the financing entity for the City's side of the project.