



Legislation Text

File #: 2018-5240, **Version:** 1

Consider a resolution authorizing the Mayor to execute a Chapter 380 Economic Development Program Agreement with RRTX Lake Creek Hotel, LP.

This item pertains to an incentive agreement RRTX Lake Creek Hotel, LP (Ruby Hotel). For the past few years, Council has looked to have a boutique hotel locate in the Downtown Round Rock area. The Ruby Hotel will locate along Brushy Creek investing a minimum of \$4,500,000 to create a new 39 room upscale boutique hotel. This agreement requires the Ruby Hotel to spend at least \$4,500,000 on real property in Round Rock and create twenty (25) jobs for the duration of this agreement. This agreement calls for the City to make economic incentive payments equal to the project's hotel motel tax generated during the first four years (75% year one, 75% year two, 50% year three, and 50% year four). This agreement also calls for the City to make economic incentive payments equal to the projects property tax generated during the first four years (75% year one, 50% year two, 50% year three, and 50% year four), in addition to the waiver of up to \$13,000 of development fees for the project. The agreement does have claw-backs in place to recapture these incentives if the company does not fulfill their obligation.