



Legislation Text

File #: 2024-316, **Version:** 1

Consider a resolution authorizing the Mayor to execute the Fourth Amendment to the Ground Lease Agreement between the City and KR CC, Inc.

Round Rock and Kalahari entered into a substantial ground lease on December 20, 2016. The term of this lease is 99 years and gives Kalahari the option to purchase the ~355 acres of leased land at \$1 per acre once all debt on the property is paid off.

Kalahari made an upfront rent payment at closing and had a second rent payment deferred until December 20, 2024. This agreement serves two important purposes.

- 1) It removes 30 acres from the ground lease allowing the city to own the property outright, in perpetuity. These 30 acres are immediately adjacent to the regional wastewater treatment facility and will be instrumental in the city continuing to provide innovative wastewater service in Round Rock in the distant future.
- 2) It defers the principal and interest on the original \$10.5 million deferred rent payment to December 20, 2029 and sets that Deferred Rent amount to \$6.8 million.

Staff recommends approval.