



Legislation Details (With Text)

File #:	18-016	Version:	1
Type:	Consent	Status:	Agenda Ready
File created:	1/22/2018	In control:	City Council
On agenda:	2/6/2018	Final action:	
Title:	Consider a resolution approving Amendment #2 of the Chapter 380 Economic Development Program Agreement, approved by the City Council by Resolution No. 3709 on December 29, 2015, with The Taurus Investment Group LLC, establishing new performance dates, and authorizing the City Manager to execute said amendment to said Agreement on behalf of the city.		
Attachments:	1. 020618_Hampton-380 Amendment 2_Resolution 3974, 2. 020618_Hampton-380 Amendment 2_Exhibit A, 3. 020618_Hampton-380 Original_Staff Attachment		

Date	Ver.	Action By	Action	Result
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2/6/2018	1	City Council		
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To: Mayor and City Council

From: Mark R. Hafner, City Manager

Subject:

Consider a resolution approving Amendment #2 of the Chapter 380 Economic Development Program Agreement, approved by the City Council by Resolution No. 3709 on December 29, 2015, with The Taurus Investment Group LLC, establishing new performance dates, and authorizing the City Manager to execute said amendment to said Agreement on behalf of the city.

Action Requested:

Consider a resolution amending the Chapter 380 Economic Development Program Agreement for the development of a hotel in Keller Town Center by extending the performance dates in the original contract.

Background:

As City Council is aware The Taurus Investment Group LLC, has been working diligently to start the construction on the Hampton Inn and Suites in Town Center. Some of the delay has been outside of their control. The Hilton franchise took longer than expected to secure and until that agreement was signed Taurus could not finish the construction documents because Hilton has to improve them incrementally throughout the design process. The franchise is in place and the construction documents are completed. The issue now causing a delay is finalizing the underwriting of the project. A new appraisal has been ordered and an investment company has made a commitment contingent upon the outcome of the appraisal.

Proposed Changes:

The Taurus Investment Group is requesting a second Amendment to the Chapter 380 Economic Development Program Agreement to change the performance dates in the contract. The Commencement of Construction date would change from January 31, 2018 to July 31, 2018 (6 months). The Substantial Completion of Hotel Date will change from July 31, 2018 to March 31, 2019. There will be a corresponding change of dates for the incentive payments by the City as well

due to the delay in construction.

Financial Impact:

All financial terms of the original agreement remain in force and have not changed with this amendment. The approximate number of years to recoup the cash grant remains at just over 4 ½ years.

Legal Review:

The City Attorney's office has reviewed the proposed Chapter 380 Agreement Amendment and resolution.