



MEMORANDUM

To: Mayor and City Council

From: Clay Phillips, City Manager

Date: June 11, 2013

Reference: Consider approval of Civic Center Agreement by and between the City of Coppel and Arosh, LLC, and authorizing the City Manager to sign.

2030: Business Prosperity

Introduction:

Arosh, LLC is proposing to construct a minimum of one select service hotel with an attached conference center containing 10,000 sq. ft. of space. The conference center will operate as a civic center. This development will be located south of Dividend Road and west of Belt Line Road. The Civic Center Agreement is the companion piece to the Tax Abatement Agreement in the proposed incentive package to Arosh, LLC. The City intends to lease the conference center from Arosh, LLC. As a lessee of the conference center, the City will contract with Arosh, LLC to manage and operate the conference center for the City.

Analysis:

As authorized by Chapter 351 of the Tax Code, the City will expend hotel/motel occupancy tax revenue as payment to Arosh, LLC for the lease, operation and management of the conference center. This Civic Center Agreement outlines the expenditure of hotel/motel occupancy tax revenue as follows: 100% for years 1 and 2, 75% for year 3, 60% for years 4 through 6, 50% for years 7 and 8, and 25% for years 9 and 10.

Legal Review:

Agenda item did not require legal review.

Fiscal Impact:

N/A

Recommendation:

Economic Development recommends approval.