



Legislation Text

File #: 24-6093, Version: 1

Resolution - A Resolution of the City Council of the City of Mansfield, Texas, Approving a First Amendment to the TIRZ Reimbursement Agreement Between the City of Mansfield, Texas, the Board of Directors of Reinvestment Zone Number One, and Cannon Hospitality, LLC; Finding that the Meeting at which this Resolution is Passed is Open to the Public as Required by Law; Authorizing the City Manager or his Designee and Chairman of TIRZ #1 Board, to Execute Said Agreement; and Declaring an Effective Date (TIRZ #1)

Staff is requesting approval of a First Amendment to the TIRZ #1 Reimbursement Agreement.

Staff recommends approval.

The Developer of this project is constructing a high-quality hotel project (Hilton Garden Inn) off of Cannon Drive, just south of Broad Street, on approximately 2.88 acres with elevated facades, 110 rooms, and 3,100 square feet of meeting space and is set to open prior to the 2026 World Cup, an event which will bring visitors from across the world to DFW and surrounding cities. This hotel project requires the relocation of public improvements which the Developer has asked to partner with the City on through a TIRZ reimbursement agreement (TIRZ #1). That was approved by the TIRZ Board on April 22nd, 2024, and then City Council on May 20th, 2024.

The First Amendment is being requested due to the development fee increases as part of the most recent updates. The fees are required to be paid at time of building permit and are \$485,393.50. This is significantly higher than the project pro-forma can bear. The developer requested assistance from the City to lower the fees.

During the executive session at the June 24th City Council meeting, Council directed staff to provide a new fee chart as shown below, and to defer payment to the time of Certificate of Occupancy.

<u>Development Fee Type</u>	<u>Original Fees</u>	<u>New Fee at Time of C.O.</u>
Plan Review Fee	\$200.00	\$200.00
New Non Residential	\$52,783.50	\$21,113.40
Roadway Impact Fee	\$272,360.00	\$68,090.00
Sewer Impact Fee	\$49,950.00	\$19,980.00
Water Impact Fee	\$99,900.00	\$39,960.00
Water Impact Fee 2nd Meter	\$10,200.00	\$4,080.00
Total	\$485,393.50	\$153,423.40

The Developer has agreed to construct all public and private improvements prior to December 31st, 2025, and obtain a Certificate of Occupancy prior to April 30th, 2026 to ensure the hotel will welcome visitors traveling for summer 2026 events, including the 2026 World Cup. Additionally, the Developer is including elevated design standards in the building's design, which will become a notable structure off Broad Street and on Cannon Drive. Through this First Amendment, the developer will commence construction in

August 2024.

TIRZ #1

Jason Moore, Executive Director of Economic Development