

ORDINANCE NO.

1 **AN ORDINANCE WAIVING CERTAIN DEVELOPMENT FEES IN AN**
2 **AMOUNT NOT TO EXCEED \$3,800,000 AND DIRECTING THE CITY**
3 **MANAGER TO NEGOTIATE AND EXECUTE AN AGREEMENT REGARDING**
4 **A WASTEWATER LINE IN AN AMOUNT NOT TO EXCEED \$500,000**
5 **RELATED TO THE CONSTRUCTION OF A HOTEL TO BE LOCATED AT 2ND**
6 **STREET AND CONGRESS AVENUE.**

7 **BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

8 **PART 1. Findings.**

- 9 (A) The City of Austin has a growing tourism business that contributes
10 significantly to the local economy.
- 11 (B) Additional hotel rooms are required during certain large events that draw
12 many thousands of visitors to the City of Austin.
- 13 (C) In order for the City of Austin to be competitive in recruiting large
14 conferences and conventions to the City of Austin, more hotel rooms are
15 required downtown.
- 16 (D) Additional hotel rooms will contribute to the hotel occupancy taxes collected
17 by the City of Austin.
- 18 (E) White Lodging Services Corporation (White Lodging) proposes to:
- 19 (a) construct a 1,003 room hotel with 375 underground parking spaces at
20 the intersection of 2nd Street and Congress Avenue;
- 21 (b) invest approximately \$ 215 million in construction costs;
- 22 (c) hire approximately 715 permanent jobs after completion of
23 construction; and
- 24 (d) pay an annual average wage of \$38,000 after completion of
25 construction.
- 26 (F) The location of the proposed hotel is within the Eligible Area under the
27 Business Retention and Enhancement (BRE) program, a program designed

1 to promote economic development along downtown Congress Avenue and
2 East 6th Street. The BRE program is funded in part by temporary use of
3 right-of-way fees collected in the eligible area. As a practice, Council has
4 not waived temporary use of right-of-way fees in the Eligible Area. Council
5 finds that waiver of the fees is appropriate to encourage the development of
6 additional hotel rooms.

7 **PART 2. WAIVERS.** The following fees are waived in an amount not exceed
8 \$3,800,000 for construction of the hotel described in Part 1: permit fee, inspection and
9 review fee, water quality in-lieu of fee, temporary use of right-of-way fee, license
10 agreement submittal fee, capital recovery fee, water drop in fee.

11 **PART 3.** The City Manager is directed to negotiate and execute an agreement with
12 White Lodging regarding participation in the costs of relocating a wastewater line
13 associated with construction of the hotel and on-site parking structure, in an amount not
14 to exceed \$500,000.

15 **PART 4.** This ordinance takes effect on _____, 2011.

16 **PASSED AND APPROVED**

17
18
19 §
20 §
21 _____, 2011 § _____
22 Lee Leffingwell
23 Mayor

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25
26 **APPROVED:** _____
27 Karen M. Kennard
28 City Attorney

ATTEST: _____
Shirley A. Gentry
City Clerk