

**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 2<sup>ND</sup>**  
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 2<sup>nd</sup> 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 6<sup>th</sup> 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  
24  
25

26 **APPROVED:** \_\_\_\_\_  
27 Karen M. Kennard  
28 City Attorney

**ATTEST:** \_\_\_\_\_  
Shirley A. Gentry  
City Clerk