

THE STATE OF TEXAS	§	
	§	KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF FORT BEND	§	

**NON-BINDING MEMORANDUM OF UNDERSTANDING FOR THE DEVELOPMENT OF A
FULL-SERVICE HOTEL ADJACENT TO THE FORT BEND COUNTY EPICENTER**

The purpose of this non-binding Memorandum of Understanding between Fort Bend County, Texas (the "County"), and the City of Rosenberg, Texas (the "City") or collectively (the "Parties"), is to memorialize the mutual intent of the Parties to work cooperatively in pursuit of a full service hotel and convention center as a "Qualified Project" under Tex. Tax Code Ch. 351 Subchapter C (hereinafter may be referred to as "the Project."

WHEREAS, the Epicenter area development, including the hotel and convention center, is a County initiative which the Parties believe, when completed, will benefit their respective jurisdictions. The County has undertaken a number of activities in pursuit of this objective.

WHEREAS, as with the development of the majority of full-service hotels, the County has recognized the cost of the development of the hotel and convention center is not feasible without public participation. To bridge the identified funding gap, the County desires to access a rebate of the State of Texas' portion of Hotel Occupancy Tax collected from the hotel as an incentive, consistent with the above referenced legislation. The legislation authorizing this incentive has a number of requirements, including the mandate that the City is to own the land under the hotel as well as some defined portion of the hotel and convention center space. The County has therefore asked the City to assist in accessing the incentive for the project.

WHEREAS, the City of Rosenberg understands the importance and potential, positive impact of the Epicenter and hotel development. The City has expressed its interest in providing reasonable assistance to the County to facilitate the project in proceeding.

WHEREAS, Texas Tax Code Chapter 351 generally authorizes certain municipalities in Texas, including Rosenberg, to receive a rebate of the state hotel occupancy and state sales taxes collected at a qualified hotel located near a convention center for a ten-year period after the hotel project opens for initial occupancy;

WHEREAS, in addition to authorizing a rebate of certain state taxes, Texas Tax Code Chapter 351 provides authorization for a municipality such as Rosenberg to also commit its local

hotel occupancy taxes to qualified projects which can be used for the “payment of bonds or other obligations issued or incurred to acquire, lease, construct, and equip the hotel and any facilities ancillary to the hotel, including convention center entertainment-related facilities, restaurants, retail establishments, street and water and sewer infrastructure necessary for the operation of the hotel or ancillary facilities, and parking facilities within 1,000 feet of the hotel or convention center facility;

WHEREAS, Rosenberg is authorized per Texas Tax Code Section 351.155 to enter into an Interlocal Agreement with County to commit or pledge rebated state hotel occupancy and state sales taxes to fund obligations for the Project; and

WHEREAS, the Parties seek to identify in this non-binding MOU, a preliminary statement of intent of the Parties, which may form the basis of a future Interlocal Agreement, that will be subject to all necessary approval procedures and memorialized in definitive documents setting forth the complete agreement and understanding of the Parties in the form and content satisfactory to both Parties.

NOW THEREFORE, in consideration of the above premises, the Parties agree to work together in a cooperative and coordinated manner to negotiate and execute an Interlocal Agreement reflecting the following basic concepts:

1. Acquire and convey the necessary property interests to construct and operate a City owned and managed Hotel as described in Texas Tax Code Chapter 351; subject to ability for the County to re-acquire the property after the incentive period including the recapture provision.
 - A. The Parties intend the hotel and convention center will be developed consistent with the legislative requirements necessary to qualify for the tax incentive program described by Ch. 351 Subchapter C.
 - B. The hotel and convention center will be located on land adjacent to the Fort Bend County Epicenter near US 59/ I-69 and State Highway 36.
 - C. The vision for the development includes structured parking and a full-service hotel of approximately 225 rooms.
2. Convey the hotel site property to the City while providing for the ability for the County to re-acquire the property after the incentive period, including the recapture provision.
3. Identify the process by which the City will submit an application to the State for Qualified Hotel Project Tax Rebates and commit such revenue to fund obligations for the Project as described in, and authorized by, Texas Tax Code Chapter 351.155.
4. Negotiate the percentage of the revenue that City will tender to County that City receives from the Project under Section 351.156 and, if applicable, Section 351.157; as well as the duration of such term of payment.
5. Create a means by which County will return revenue to the City, should funds be recaptured by the State, pursuant to Texas Tax Code Chapter 351.161.

6. Provide for the City to use the Epicenter for up to three City sponsored events (i.e. State of the City, town halls or other City functions) at no charge for room rental, provide appropriate services provided by the Epicenter at cost, VIP parking. This also anticipates the parties will agree upon a reservation and booking schedule as well as process for the use and payment of any City expenses.
7. Provide the City with up to ten club level tickets for five events per year with VIP parking for ten vehicles. Parties agree to develop a booking schedule and process for access of this benefit.
8. Explore the opportunity to include the relocation of the Central Fort Bend Chamber offices and Convention and Visitors Bureau offices within the hotel/convention center project.

The parties agree to use best efforts to create the appropriate binding agreements, which will detail the respective roles, responsibilities, nature of involvement and any associated participation, to be executed in open regular session of the respective governing bodies of the County and City on or before May 7, 2024.

This MOU is effective as of the date executed by both Parties and shall expire upon the execution of an Interlocal Agreement between the Parties or upon termination of the Project. As this is a non-binding MOU, any Party may terminate this MOU at any time and for any reason whatsoever by sending written notice of termination to the undersigned.

The undersigned Parties acknowledge and agree to this MOU:

FORT BEND COUNTY, TEXAS

CITY OF ROSENBERG, TEXAS

KP George, County Judge

Mayor

Date _____

Date: _____

ATTEST:

ATTEST:

Laura Richard, County Clerk

City Secretary