

**INTERLOCAL PROJECT AGREEMENT BETWEEN
THE CITY OF ROSENBERG, TEXAS AND
FORT BEND COUNTY, TEXAS
(EPICENTER HOTEL AND CONFERENCE CENTER)**

This Interlocal Project Agreement (the "**Agreement**") is made and entered into this 4th day of December, 2025 (the "**Effective Date**"), pursuant to Texas Government Code, Chapter 791, by the City of Rosenberg, Texas (the "**City**"), and Fort Bend County, Texas (the "**County**"). The City and the County may be individually referred to herein as a "**Party**" or collectively as the "**Parties**."

RECITALS

WHEREAS, the Parties desire to work cooperatively to fund the design and construction of a full-service hotel and convention center to be located on the Epicenter development site within the City's corporate boundaries that will satisfy the requirements to become a "**Qualified Project**" under Texas Tax Code Chapter 351, Subchapter C, which 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 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 proceeding.

WHEREAS Texas Tax Code Section 351.1021 generally authorizes certain municipalities in Texas, including the City, to receive a rebate of the state hotel occupancy and state sales and use taxes collected from a multipurpose convention center facility project's qualified hotel for a ten-year period after the multipurpose convention center facility is issued a certificate of occupancy.

WHEREAS, in addition to authorizing a rebate of certain state taxes, Texas Tax Code Section 351.102(b) provides authorization for a municipality such as the City to also pledge certain hotel occupancy tax revenue 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, the City is authorized per Texas Tax Code Section 351.155(a)(2)(B) to enter into an Interlocal Agreement with the County to commit or pledge (i) rebated state hotel occupancy and state sales taxes; and (ii) City hotel occupancy and City sales taxes generated by the Project to fund obligations for the Project.

WHEREAS, the Parties seek to identify in this Agreement, the agreement to collectively pursue the project, as well as the preliminary terms and conditions pursuant to which the Parties which may form the basis of the future Project agreements and supporting documentation that may be necessary to successfully complete the Project, including but not limited to: development agreements; real property instruments including ground leases, deeds, easements, and rights of entry; maintenance agreements; operating agreements; lease agreements; non-disclosure agreements; construction contracts; legislative funding agreements; private letter ruling submissions; and condominium documentation (collectively, the "Project Agreements").

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

AGREEMENT

Section 1. General Agreements: The Parties hereby agree to the following in furtherance of the design, construction, and future operation of the Project:

- a. The Parties hereby agree to acquire and convey the necessary property interests related to the Project to construct and operate a City-owned conference center and a privately owned hotel, both of which to be on property owned by the City, as described in Texas Tax Code Chapter 351; subject to the ability for the County to re-acquire the property after the incentive period, including the recapture provision.
- b. The Parties further agree that the Project will be developed consistent with the legislative requirements necessary to qualify for the tax incentive program described by Texas Tax Code Chapter 351, Subchapter C. The Project will be located on land adjacent to the Fort Bend County Epicenter near US59 and State

Highway 36 and include two structured parking garages and a full-service hotel of approximately 218 rooms.

- c. The Parties agree to work cooperatively to promptly move forward with identifying and initiating the process by which the City will submit a private letter ruling request to the Texas Comptroller 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 Section 351.155.
- d. In exchange for the City's funding commitment as set forth in Section 2 below, the Parties agree to memorialize in the appropriate Project Agreement:
 - i. that the City shall have the right to use the Epicenter conference center 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, and provide appropriate services provided by the Epicenter conference center at cost, including VIP parking. This also anticipates the Parties will agree upon a reservation and booking schedule as well as processes for the use and payment of any City expenses;
 - ii. that the County will provide the City with up to twenty club level tickets for five events per year with VIP parking for twenty vehicles;
 - iii. that subject to entry into the necessary Lease Agreement or Interlocal Agreement, the Parties will 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; and
 - iv. that the City and the County will work collaboratively on branding efforts for both Parties via signage on the interior of the convention center, distribution of tourism and marketing materials, and submission of a request to the selected hotel to highlight the hotel's location within the City's corporate boundaries. Notwithstanding the foregoing, the Parties recognize that ultimate naming rights shall remain with the hotel brand.
- e. While the Parties recognize and understand certain terms and conditions will need to be agreed upon related to each Project Agreement, each Party hereby agrees to negotiate each Project Agreement in good faith in a timely manner with the intention to successfully complete the Project. Further, upon completion of each Project Agreement, each Party agrees to timely consider and approve the necessary Project Agreements without condition or delay.

Section 2. City Funding Commitment: Subject to entry into the appropriate Project Agreements, the City hereby agrees to rebate funds generated by the Project to the County, including:

- a. Provide a rebate of City hotel occupancy taxes (7%) generated by the hotel for a period of 30 years. Such rebate shall solely relate to the hotel occupancy taxes generated by the Epicenter full-service hotel and will not impact other hotel occupancy tax collections within the City.
- b. Provide the mechanism via which the City will rebate the State hotel occupancy tax (6%) and sales tax (6.25%) generated pursuant to Chapter 351 for a period of 10 years. For clarity's sake, the Parties agree that none of the City's portion of the sales tax collected by the Project shall be rebated to the Project, and the City shall be entitled to retain such revenues.
- c. The Parties agree that the funds generated by the City funding commitment as set forth in this Section shall solely be utilized to fund the Project or improvements related thereto. The City hereby agrees that the first thirty-one million dollars (\$31,000,000.00) generated by the City funding commitment may be utilized for any purpose directly related to the completion, funding, operation, or additional improvements or maintenance of the Project; provided, however, that as a component of the pre-development stage of the Project, the Parties agree to enter into an agreement to designate the categories or eligible Project costs for any amounts over and above the thirty-one million dollar (\$31,000,000) threshold.

Section 3. Recapture: The parties shall enter into an agreement by which the County will cause the full reimbursement to the City for all recaptured revenue, should funds be recaptured by the State pursuant to Texas Tax Code Chapter 351.161.

Section 4. Term: The term of this Agreement shall commence and become binding upon both Parties on the Effective Date and continue until the earlier of (i) approval all necessary Project Agreements to complete the Project by both Parties; or (ii) December 31, 2027.

Section 5. Entire Agreement: This Agreement is the entire Agreement between the City and the County related to the Project and no modification of this Agreement shall be binding on either party unless reduced to writing and signed by both.

[EXECUTION PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in multiple copies, each of equal dignity, as of the first date provided for herein.

FORT BEND COUNTY, TEXAS

By: *KP George*
KP George, County Judge

ATTEST:

Laura Richard
Laura Richard, County Clerk



CITY OF ROSENBERG, TEXAS

William Benton

William Benton, Mayor

ATTEST:

Jenny Carranza

Danyel Swint, City Secretary

Jenny Carranza, Assistant City Secretary

(SEAL)

