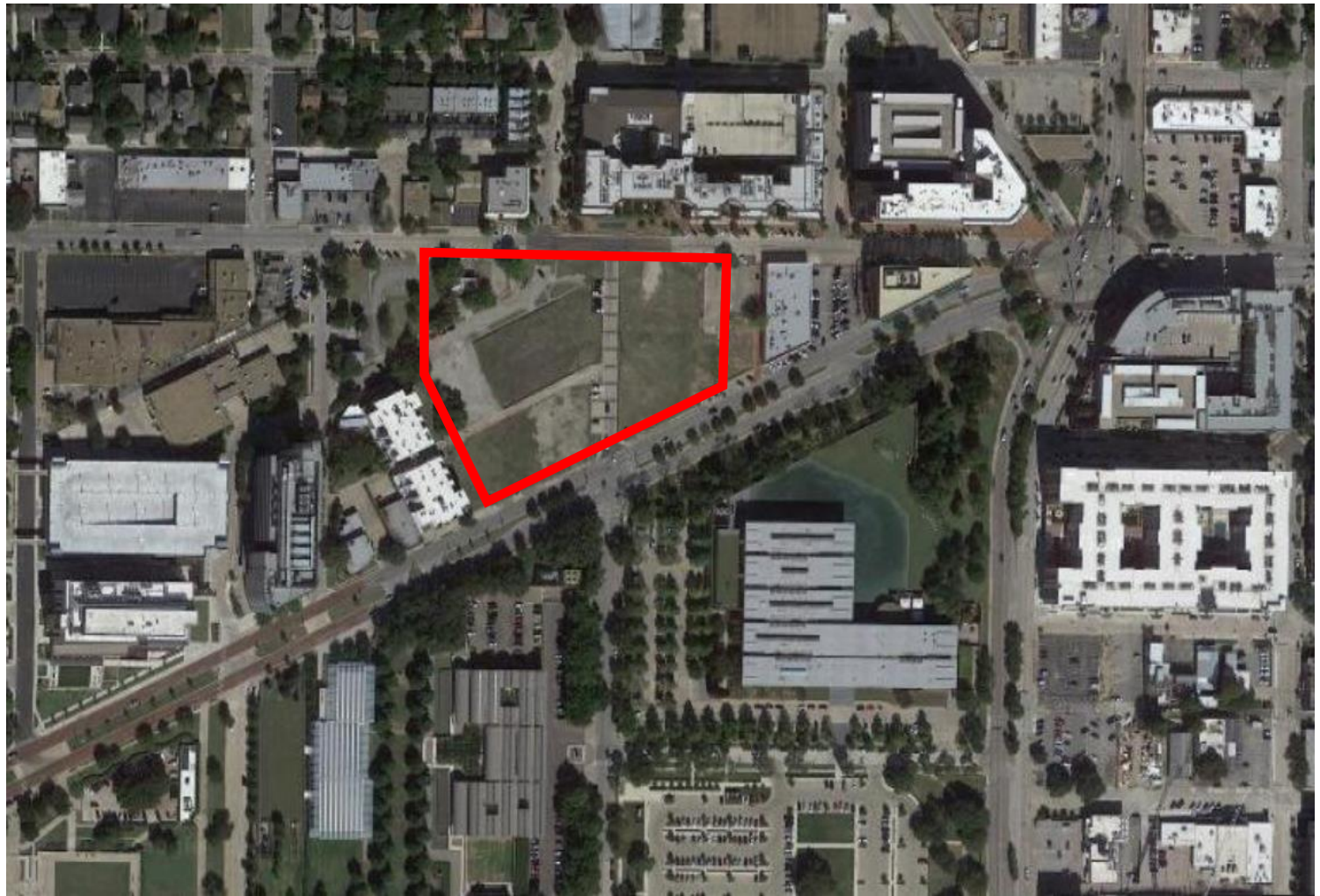
Crescent Hotel

Economic Development Department
February 23, 2021

Site Located at Camp Bowie Blvd. and Van Cliburn Way



Existing Conditions

Proposed Project

Proposed Project Overview

- Crescent Real Estate LLC
- $200 Million Capital Investment
- 200-Room Independent Branded Hotel (minimum 4-star rating)
- 150,000 Sq. Ft. Office Building
- 175 Unit Multi-family
- 8,500 Sq. Ft. Meeting Space
- 4,500 Sq. Ft. Full-Service Restaurant
- 2 Parking Garages (825 spaces combined)

Proposed Site Plan

Developer Commitments

- Invest a minimum of $200 million by 6/30/2024
  - Min. $165 million Hard Costs
  - Min. 15% Hard and Soft Costs to Fort Worth M/WBE Contractors
  - Min. $1.23 M enhanced streetscaping and public spaces
- Develop and operate a minimum 200-room 4-star hotel
- 8,500 SF Meeting Space, 4,500 SF Restaurant
- 2 Parking Garages (825 spaces combined)
- Project is being designed to meet Supplemental Design Standards to ensure compatibility with surrounding properties
- Developer will enter into Room Block Agreement

Proposed Chapter 380 Agreement

- Unable to support project via Grant of HOT Funds (result of legislative change)
- Upon full Project Completion, **City will own parking garages** through CCLGC
  - Lesser of Fair Market Value or **$25 million*** purchase price
  - Purchase of garages closes overall project's financial gap
  - Purchase facilitated through City debt instrument issued by CCLGC and funded from project
- City to lease garages from CCLGC and sublease to Developer
  - **20-year lease term, with 4 options to renew** (20-yr. extensions), Call option
  - Developer to pay **$800,000*** **annual lease rate**, cover ops. and maintenance
  - 25% **split of revenue from public parking** (400 spaces) first 5 years, 50% thereafter
- City to lend up to $900,000 for environmental remediation using EPA funds

**Subject to Fair Market Value*

Development Summary

- Private Investment
  - Minimum $200 Million in Real property
  - Minimum $165 Million in Hard Costs

- Purchase of Parking Garages
  - Subject to Project Completion
  - $25 Million Purchase Price*
  - $800,000 Annual Lease Rate*
  - Split of Revenue from Public Parking

- Payback
  - 6.3 years
  - City to retain ownership of garages

- Private/Public Ratio — EDPA
  (based on max. estimate / cap)
  - NPV Benefit (net of lease) — $15,824,063
  - City Participation — 7.9 %
  - Est. Ratio — 13:1

- CFW Tax Revenue (10 yr. projection)
  - Net New Property Tax — $ 14,325,996
  - Net City HOT — $ 11,851,997
  - Net Total HOT (Arena Fund) — $ 19,753,329

**Subject to Fair Market Value*

Recommendation/Next Steps

- Enter into an Economic Development Program Agreement with Crescent Real Estate LLC or affiliate
- M&C on March 2nd for City Council consideration to approve EDPA Agreement and associated lease documents
- CCLGC meeting in following weeks to consider action on purchase, lease, and financing

Thank you

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