



# STAFF REPORT

**MEETING DATE:** November 8, 2022

**TITLE:**

Consider action to approve the extension of a Letter of Intent between the City of Bastrop and Sunway Hospitality to establish a partnership toward the development of a 130-150 room hotel, update to the City of Bastrop Convention & Exhibit Center façade, development of associated kitchen facilities, and supportive retail.

**STAFF REPRESENTATIVE:**

Submitted by: Rebecca Gleason, Assistant City Manager

**BACKGROUND/HISTORY:**

In 2015, the City of Bastrop contracted for an assessment of the Bastrop Convention & Exhibit Center. The report, conducted by Harde Partners, LLC, states that the lack of an adjoining hotel was a hindrance to the Convention Center's performance. In contract with the City of Bastrop, DP Consulting in 2017 stated that there was market justification for a 120+/- room hotel to be built on the site next to the Convention Center. Through the City Council's focus on Economic Vitality, staff was tasked with creating sustainability through enhancing public/private partnerships and through Fiscal Responsibility, maintaining our fiduciary duty of full utilization of the City asset of the Convention Center.

With Council's guidance, City staff contracted with Esch Development Solutions, LLC to review proposals for possible recommendation to Council for a letter of intent to be signed which occurred on July 26, 2022 between Sunway Hospitality and the City of Bastrop. The non-binding Letter of Intent provided for a 90-day expiration on exclusivity of negotiations.

During the past 90 days, both sides have explored the possibility of partnership including the necessary steps for design, construction, a possible quiet zone, the legal agreements necessary to proceed and at what intervals, as well as the necessary possible need for legislative assistance.

Currently, details are being finalized on a master timeline to understand exactly what needs to occur and when. The timeline will include intervals for Council updates as well as points where Council will need to determine if they would like to proceed with the partnership negotiations.

Currently, both sides are interested in proceeding with working out the details of the master timeline as well as preliminary schematic designs for Council review. An extension of 90-days is requested for the current letter of intent.

**FUNDING SOURCE:**

The funding for hotel pursuit costs will not exceed \$350,000 from one-time HOT Funds.

**RECOMMENDATION:**

The Assistant City Manager for Community Engagement to approve the extension of a Letter of Intent between the City of Bastrop and Sunway Hospitality to establish a partnership toward the development of a 130-150 room hotel, update to the City of Bastrop Convention & Exhibit Center façade, development of associated kitchen facilities, and supportive retail.

**ATTACHMENTS:**

- Extension Letter
- Original Letter of Intent

