

# City of Burnet City Council



## Item Brief

### **Meeting Date**

April 22, 2025

### **Agenda Item**

Discuss and consider action: Second Amendment to Conference Center HOT Funding Agreement between the City of Burnet and TEKMAK Burnet QOZB Hotel, LP: D. Vaughn

### **Information**

City Council is being asked to consider and approve the Second Amendment to the Conference Center HOT (Hotel Occupancy Tax) Funding Agreement between the City of Burnet and TEKMAK Burnet QOZB Hotel, LP. The original agreement, approved on August 23, 2023, outlines the terms for the development of a new hotel in Burnet, including the use of HOT funds as a performance-based incentive.

As originally drafted, the agreement requires the hotel to receive a final Certificate of Occupancy and open for business by a designated "Completion Date" in order to qualify for incentive payments. The proposed Second Amendment updates the definition of "Completion Date" in Article 1 of the Agreement to extend the deadline to December 31, 2026.

This amendment provides additional flexibility to accommodate construction timelines and project contingencies. The developer has indicated they anticipate completing the project well before the new deadline, with a goal of finishing prior to the summer of 2026.

All other provisions of the original agreement and the First Amendment remain unchanged and in full force and effect.

### **Fiscal Impact**

There is no immediate fiscal impact. HOT funds will only be disbursed if the project is completed and operating by the new Completion Date.

### **Recommendation**

Staff recommends approval of the Second Amendment to the Conference Center HOT Funding Agreement with TEKMAK Burnet QOZB Hotel, LP as presented.