

CITY OF RICHLAND CENTER - AGENDA ITEM DATA SHEET

Agenda Item: Cobblestone Hotels Incentive Package

Requested & Presented by: Ashley Oliphant, Administrator & Jasen Glasbrenner, Economic Development Director

Meeting Date(s): Finance Committee and Common Council on 09/02/2025

Background: Following the completion of the City's Hotel RFP process and review of proposals received, the Common Council directed staff to engage in negotiations with Cobblestone Hotel Development, LLC. A Pre-Development Agreement was drafted outlining the City's proposed financial assistance and development terms.

The package includes two primary components:

1. Tax Increment Financing (TIF) Assistance – A \$1,150,000 Municipal Revenue Obligation (MRO), issued on a Pay-As-You-Go basis and repaid from 85% of actual tax increment generated by the project. The MRO requires no minimum value guarantee and is capped at 10 years or until \$1,150,000 is paid whichever comes first.
2. Land Sale – The sale of City-owned property to the developer for \$125,000.

Additionally, the developer must secure all project investors and financing within nine (9) months of Council approval.

Upon Council's approval of these terms, a formal development agreement is to be executed.

Department Recommendation: Staff recommend approval of the Cobblestone Hotels incentive package as outlined in the Pre-Development Agreement.

Financial Impact: TIF Assistance: \$1,150,000, Pay-Go model paid from 85% of actual tax increment received and Land Sale Revenue to City: \$125,000

Funding Source: Future tax increment generated from new development on the site (TID # TBD).

Requested Action:

FINANCE: Motion to recommend to the Common Council the approval of the Cobblestone Hotels incentive package as outlined in the proposed Pre-Development Agreement and to authorize staff to execute a development agreement.

COUNCIL: Motion to approve the Cobblestone Hotels incentive package as outlined in the proposed Pre-Development Agreement and to authorize staff to execute a development agreement.

Attachment(s):

City Signed Cobblestone Pre-Development Agreement Offer (8-21-2025)