



Legislation Details (With Text)

File #: Res 2019-223R **Version:** 1 **Name:**

Type: Resolution **Status:** Individual Consideration

File created: 10/16/2019 **In control:** City Council

On agenda: 11/6/2019 **Final action:**

Title: Consider approval of Resolution 2019-223R, approving a purchase and sale agreement with Pursuant Ventures Development, LLC providing for the City to purchase approximately 30 acres of land in the vicinity of Centerpoint Road and IH-35 South to be improved with a Multi-Use Sportsplex Facility with eight fields for an estimated price of \$19,875,383.51 funded by bonded indebtedness intended to be paid From Hotel Occupancy Tax Collections and Lease Revenues; approving a lease of such property to SM Baseball Investments, LLC upon closing on the purchase of the property; authorizing the City Manager, or his designee, to execute each of the agreements; and declaring an effective date.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Resolution, 2. Sportsplex Land Purchase and Sale Agreement, 3. Lease Agreement, 4. Previous Centerpoint Commons Council Memo - 08.01.18

Date	Ver.	Action By	Action	Result
11/6/2019	1	City Council		
11/6/2019	1	City Council		
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AGENDA CAPTION:

Consider approval of Resolution 2019-223R, approving a purchase and sale agreement with Pursuant Ventures Development, LLC providing for the City to purchase approximately 30 acres of land in the vicinity of Centerpoint Road and IH-35 South to be improved with a Multi-Use Sportsplex Facility with eight fields for an estimated price of \$19,875,383.51 funded by bonded indebtedness intended to be paid From Hotel Occupancy Tax Collections and Lease Revenues; approving a lease of such property to SM Baseball Investments, LLC upon closing on the purchase of the property; authorizing the City Manager, or his designee, to execute each of the agreements; and declaring an effective date.

Meeting date: November 6, 2019

Department: City Manager's Office, Steve Parker, Assistant City Manager

Amount & Source of Funding

Funds Required: \$19,875,383.51

Account Number: [Click or tap here to enter text.](#)

Funds Available: Certificates of Obligation will be issued at a later date TBD

Account Name: [Click or tap here to enter text.](#)

Fiscal Note:

Prior Council Action: The San Marcos City Council has discussed this in Executive Session on June 6, 2017; November 8, 2017; August, 7, 2018; September 18, 2018; February 19, 2019 and September 17, 2019

City Council Strategic Initiative: [Please select from the dropdown menu below]

City Facilities

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

- Economic Development - Choose an item.
- Environment & Resource Protection - Choose an item.
- Land Use - Choose an item.
- Neighborhoods & Housing - Choose an item.
- Parks, Public Spaces & Facilities - Choose an item.
- Transportation - Choose an item.
- Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

The City of San Marcos is proposing to enter into a partnership with San Marcos Baseball Investments, LLC (SMBI) and Pursuant Ventures Development, LLC (PVD) for the purpose of designing, constructing and operating a state-of-the art indoor/outdoor sports and entertainment complex intended to host national tournaments and showcase events that will attract visitors from across the United States. The complex will be located on Centerpoint Road between IH 35 and Hunter Road.

One of the added advantages of this agreement, these 8 championship ballfields will also be used by the local youth baseball associations free of charge. For years, the City of San Marcos has needed substantial

upgrades to their recreational baseball facilities located at Ramon Lucio Park. Another benefit is that the developer will also pay for all maintenance and upkeep costs for the facilities including the cost of replacing the synthetic turf. Most projects like this are typically funded via property tax collections received from San Marcos citizens.

Due to the fact that the SMBI will be bringing in significant outside visitors to San Marcos due to the regional and national tournaments that the developer will be required to hold each year; this project can be funded by hotel/motel taxes without impacting the individual San Marcos citizens and users.

The SMBI will also be held, per the agreement, to specific performance standards related to the number of tournaments and out-of-town visitors playing in those tournaments. If the performance standards are not met, the developer will be required to fund the debt service for the project directly thus minimizing risk to the City which was the ultimate goal of this project.

PVD will work with the City in the design of the facility and as the facility is constructed the City will make progress payments to the construction cost of the facility. Once the project is complete, the City will take over ownership of the sports complex. The estimated purchase price is \$19,372,217 but a 3% contingency has been added to bring the max price to \$19,875,383.51. Any construction amounts above this amount will be the sole responsibility of PVD which is another benefit to the City. This project will be funded through Certificates of Obligation but will be funded via hotel/motel revenues. Once closing on the property occurs, the City will execute the lease agreement attached to the agenda item.

SMBI will also install a state-of-the-art training facility which will be owned and operated by the developer at no expense to the City. The developer will also provide after school tutoring for the users of the complex.

It should be noted that the hotel/motel community has been requesting such a project due to the number of room nights that a project like this will produce per year. The developer also has plans for the remainder of the property to develop a hotel/conference center that will be geared towards sport tourism such as volleyball tournaments, basketball tournaments, cheer and gymnastic competitions.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

City staff recommends approval of the agreement.