

CONTRACTS AND AGREEMENTS

AGREEMENT

Consideration Of And Action On Authorization Of A Five-year Lease Agreement Between PUMA Development, Inc., And The City Of Sugar Land, Texas, For The Imperial Char House Building

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PROJECT SUGAR

SUMMARY

Planned Mixed-Use development that could include retail, F&B, office, coworking, distillery, event space, multi-family, and museums.

Walkable district with extensive outdoor green space, trees, parks, walking paths, and Oyster Creek access.

Emphasis on creating a vibrant, energetic destination for the community.

Preservation of and focus on the historical buildings and history of the site will be a top priority.

Utilize local artists, musicians, entrepreneurs in the programming and curation of events on site.



Phase 1A – The Char House

CHARHOUSE

Restore and redevelop the Char House while preserving and embracing its history and creating momentum and excitement for subsequent phases of the project.

THE CANNON



18,000 sq. ft. of innovation space created for a community which provides numerous workspace options, programming, content, events, and access to sponsors, mentors, accelerators, incubators, and venture capital.

OFFICE



40,000 sq. ft. of office space with a brick warehouse look and feel. The eclectic space will have modern amenities and the best views in all of Sugar Land.

RETAIL/F&B



14,000 sq. ft. of first and eighth floor food & beverage options, eclectic retail, City of Sugar Land retail and a rooftop bar with 360-degree views of all of Sugar Land.

REDEVELOPMENT PRIORITY

- ◆ Redevelopment is 1 of 5 All-In Initiatives & a City Council Top Priority
 - ◆ Redevelopment & Preservation of the Char House and Imperial Historic District is the #1 Redevelopment Priority
- ◆ Proactive Approach
- ◆ We are at Step Zero
- ◆ \$5 Million Reimbursement Agreement Approved January 3rd

OUTSTANDING NEEDS/MILESTONES

- ◆ Financial Support
 - ◆ Reimbursement Agreement - Approved 1/3/2023
 - ◆ Lease Agreement
 - ◆ Advancement of public infrastructure reimbursements
- ◆ Zoning Approvals
- ◆ Land Acquisition
- ◆ Securing Private Financing and other funding sources (i.e. Historic Tax Credits, TIRZ reimbursements, etc.)

COMMUNITY ENGAGEMENT

- ◆ Joint Press Release and Project Webpage:
www.sugarlandtx.gov/ImperialHistoricDistrict
- ◆ Stakeholder Meeting
- ◆ 2 Town Halls:
 - Dec. 8: 140 people attended
 - Dec. 15: 80 people attended
- ◆ Owned and Earned Media
- ◆ Newsletter
- ◆ Online Engagement



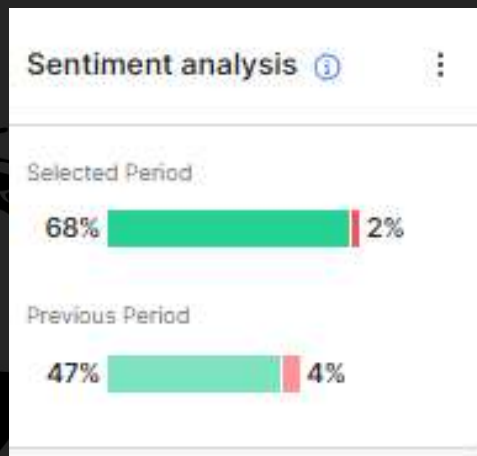
COMMUNITY ENGAGEMENT

Time period: Dec. 1, 2022 - February 7, 2023

Sources: social media, email, and in-person survey data

**Please note Zencity cannot gather social sentiment from private Facebook Groups or Nextdoor*

Overall: 68% positive, 2% negative, 30% neutral



LEASE AGREEMENT TERMS

Purpose: To secure financing for the remainder of the Char House project.

- Premise: 3 floors, approximately 27,000sqft
- Total estimated annual rent and expenses: \$1,188,000
 - Base Rate: \$30.00 square foot (sqft) for a total of \$810,000/year
 - Operating Expenses: \$14 per sqft for a total of \$378,000/year (controllable operating expenses capped at 10% annually)
 - Total estimate rent and expenses over lease term (5 years) = \$6,147,626
- Term: 60 months (5 years)
- No security deposit is required

LEASE AGREEMENT TERMS CONT.


- Tenant Improvements:
 - Allowance - \$80 per rentable square foot.
 - Construction management fee of 3% of the tenant improvement costs for managing the design and construction of the tenant improvements.
- Tenancy Commencement Date (tenant improvements complete and ready for Tenant's installation of fixtures and fittings): no later than May 1, 2027
- City may sublease
- Mutual Termination/Amendment Rights:
 - Termination Fee: \$1,500,000.00 (25% of the gross Lease Rent over the five-year term) - a form of reimbursement to Landlord for Building construction costs, including the Construction Allowance. Will be prorated to the square footage amount terminated.

UPCOMING NEXT STEPS

- ◆ Entitlements (Zoning Approvals):
 - ◆ Feb 14, 2023 P&Z: Public Hearing, Consideration & Action
 - ◆ Feb 21, 2023 City Council: Public Hearing & 1st Reading of Ordinance
 - ◆ Mar 7, 2023 City Council: 2nd Reading of Ordinance

The background of the slide is a dark, high-contrast photograph of a multi-story building. A prominent sign on the building's facade reads "GENERAL" in large, bold letters, with "1904" visible above it. The building has many windows, some of which are lit. The overall tone is dark and professional.

Clarifying Questions for Staff?



Council Motion and Discussion