

## Background

- Sugar Land Town Square has served as the mixed-use center for the community since 2003
- Property includes:
  - 560,000 SF Office
  - 240,000 SF Retail
  - 300-room hotel with 26,000 SF conference center
  - 167 residential units
  - 3 parking garages
  - City Hall
  - 1.1-acre Plaza
- Town Square project has had a significant economic impact on the City, through various tax revenues – impact that will far exceed public investment in infrastructure and conference center



## Reinvestment Opportunity

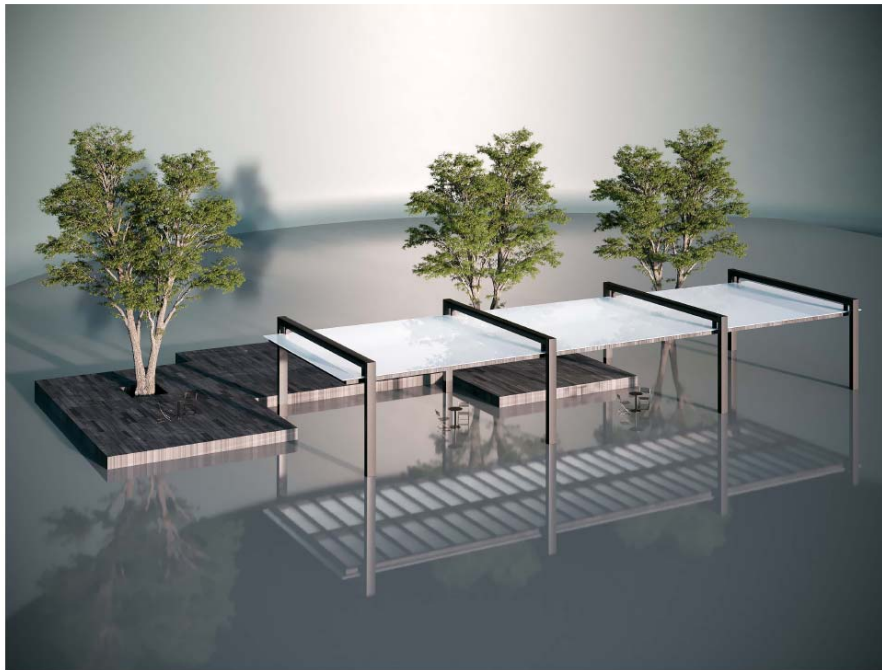
- **Planned Community Developers (developer) and Lionstone Investments (owner of Sugar Land Town Square) have expressed an interest attracting more individuals during day-time hours to support Town Square retail**
- **While Plaza itself is publically owned, private developer / owner has suggested improvements**
- **Goals include:**
  - **Improve experience of Sugar Land Town Square shopping**
  - **Increase sales with existing retailers**
  - **Heighten Sugar Land Town Square's reputation among prospective tenants**
- **Les Newton of Planned Community Developers will review the proposed improvements**



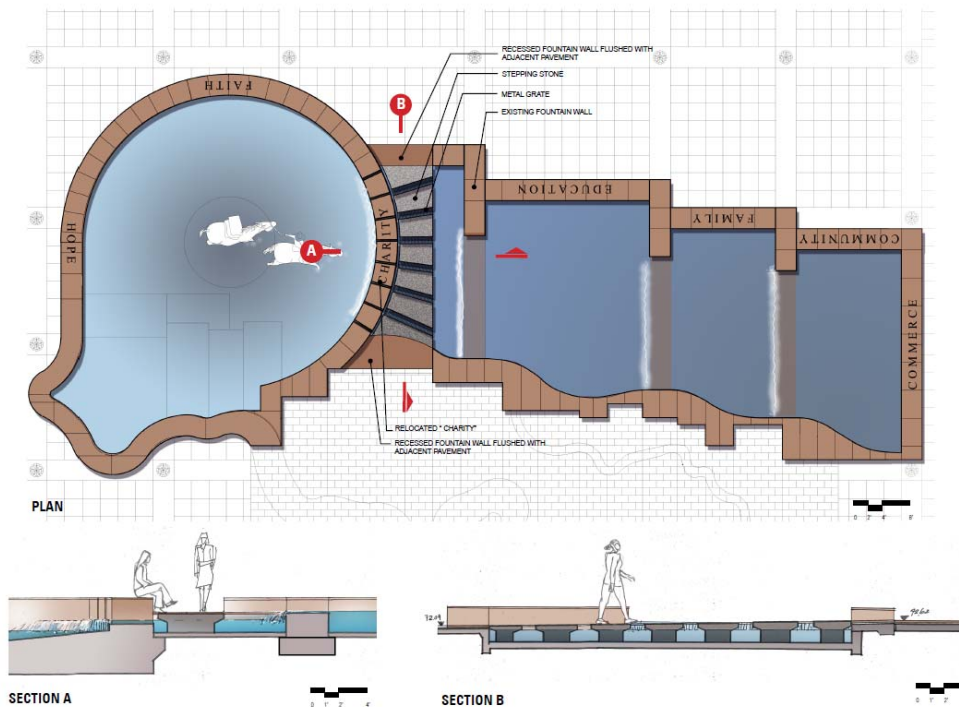
# Proposed Plaza Improvements



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## Public-Private Partnership

- Developer/owner has proposed the project be developed as a public-private partnership where SL4B would provide up to \$750,000 or half (whatever is lower) of the estimated \$1.5M improvements
- Developer and Property Owners' Association would provide the upfront funding
- SL4B contribution would be made from FY2020 – FY2022
  - No interest is paid from now until FY2020
  - 6% annual interest would be required in FY2021-FY2022
- City anticipates payment by FY2020 as SL4B projected to have over \$12M in Reserve for Opportunities
- Funds are contingent upon budget authorization by City Council in future years

## **Staff Recommendation**

- **Staff recommends moving forward with the project**
- **Rationale for public investment includes the following:**
  - **Town Square POA and PCD have already invested \$9.5M in overall Town Square maintenance since 2004, a significant portion on public assets**
  - **Project would be first substantial capital reinvestment – needed in order to ensure Town Square keeps up with new retail/office development in Sugar Land**
  - **“Protect Strength of Current Economic Generators” and “Revitalize/Redevelop Older Commercial Center: Appearance and Business Vitality” listed in City Council mid-term priorities**

## City Council and LGC Action

- Staff is recommending the City Council approve the following documents in order to move forward with the project:
  - Consent Agreement (City, LGC, SL4B)\*
    - Parties agree to allow SL4B to undertake project
    - City agrees that improvements are contingent upon Council providing budget authorization
    - LGC agrees to installation, construction and ownership of Plaza improvement
  - Amendment to Plaza Administration Contract (City, LGC, Town Square POA)\*
    - POA to operate and maintain Plaza improvements and sign in public ROW
    - Improvements meet Town Square Development Guidelines
    - Sign meets operational guidelines
  - Electronic Sign Donation Agreement (City, Lionstone)
    - Developer donates signs to City
    - City agrees to placement of signs
- \*Earlier today, the Sugar Land Town Square Development Authority (LGC) considered these agreements for approval



## Feedback and Next Steps

- Project has already received positive support from the Economic Development Committee, as well as the SL4B on December 20<sup>th</sup>
- At the January 2<sup>nd</sup> workshop, City Council members expressed a desire to increase creativity/artistic elements of the proposed furniture in the Plaza
  - PCD is working with their landscape architect to come up with options that will be reviewed with the Economic Development Committee
- Staff recommends approval on all three agreements
- Yesterday, SL4B took action on the following:
  - Held Public Hearing / found the project eligible;
  - Considered Funding Resolution for Project adopting Consent Agreement and Development Agreement
- Developer will begin work immediately; majority of project will conclude by early April in order to have minimal impact on events



Sweet ♦ Real ♦ Refined

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**SUGAR LAND**