



Legislation Details (With Text)

File #: 22-5202 **Version:** 1 **Name:**

Type: Financial Surety **Status:** Passed

File created: 8/19/2022 **In control:** Commissioners Court

On agenda: 9/13/2022 **Final action:** 9/13/2022

Title: Request for approval of execution of Estoppel and Agreement from GWR Webster LLC's Lenders.

Sponsors:

Indexes:

Code sections:

Attachments: 1. 22-5202.pdf

Date	Ver.	Action By	Action	Result
9/13/2022	1	Commissioners Court		

Department: Economic Equity and Opportunity
Department Head/Elected Official: Diana Ramirez, Executive Director

Regular or Supplemental RCA: Regular RCA
Type of Request: Financial Surety

Project ID (if applicable): N/A
Vendor/Entity Legal Name (if applicable): N/A

MWDBE Contracted Goal (if applicable): N/A
MWDBE Current Participation (if applicable): N/A
Justification for 0% MWDBE Participation Goal: N/A - Goal not applicable to request

Request Summary (Agenda Caption):
 Request for approval of execution of Estoppel and Agreement from GWR Webster LLC's Lenders.

Background and Discussion:
 On May 19, 2020, Commissioners Court approved a Hotel Occupancy Tax (HOT) Rebate Agreement with GWR Webster LLC (GWR), a Delaware limited liability company. This agreement allows for a rebate of 2% of the hotel occupancy tax to GWR, which equals to 100% of the total amount of HOT generated by the project and collected by the County under Texas Tax Code Chapter 352 for a period of 10 years.

This action facilitates GWR Webster LLC to build a Great Wolf Lodge 450-500 room resort and indoor water park in Webster, Harris County, Texas. The project's anticipated investment is \$200 million with a required minimum value increase of \$75 million and the creation of 350 full time/part time equivalent jobs to meet the requirements of the HOT Rebate Agreement. GWR anticipates opening the resort and water park in 2024. The project site is located in Harris County Precinct 2.

Currently, GWR is securing financing to implement the project. As such, lenders for GWR LLC include J P Morgan and VICI

Lendco LLC, of New York City, New York. Their counsel Winstead PC, of Dallas, Texas, has now forwarded to Harris County, an Estoppel and Agreement form (Estoppel Agreement) which is custom and practice in commercial real estate, prior to lenders funding construction. The projected income stream of payments of the rebated funds from County have been calculated by the Lenders into GWR's project financials and help make the loan viable and allow construction to begin. Other than the HOT Rebate Agreement, however, the County has no stake in its equity or the project's construction and operations. The Estoppel and Agreement will serve as needed affirmation from Harris County to the Lenders that there have been no defaults or material changes in the status of the HOT Rebate Agreement or its terms to this point.

We recommend approval for execution of the Estoppel and Agreement for continuation of this development.

Expected Impact:

The Estoppel and Agreement will not result in a cost to Harris County. Financing of the project may be jeopardized or delayed if there is no Court action on the Estoppel and Agreement request.

Alternative Options:

No alternative options exist for this request.

Alignment with Goal(s):

- Justice and Safety
- Economic Opportunity
- Housing
- Public Health
- Transportation
- Flooding
- Environment
- Governance and Customer Service

Prior Court Action (if any):

Date	Agenda Item #	Action Taken
5/19/2020	4.k	Approved Hotel Occupancy Tax Rebate Agreement with GWR Webster LLC in accordance with Article III, Section 52-a of the Texas Constitution and Chapter 381, Texas Local Government Code

Location:

Address (if applicable):

Precinct(s): Precinct 2

Fiscal and Personnel Summary			
Service Name			
	SFY 22	FY 23	Next 3 FYs

Incremental Expenditures (do NOT write values in thousands or millions)			
Labor Expenditures	\$	\$	\$
Non-Labor Expenditures	\$	\$	\$
Total Incremental Expenditures	\$	\$	\$
Funding Sources (do NOT write values in thousands or millions)			
Existing Budget			
Choose an item.	\$	\$	\$
Choose an item.	\$	\$	\$
Choose an item.	\$	\$	\$
Total Current Budget	\$	\$	\$
Additional Budget Requested			
Choose an item.	\$	\$	\$
Choose an item.	\$	\$	\$
Choose an item.	\$	\$	\$
Total Additional Budget Requested	\$	\$	\$
Total Funding Sources	\$	\$	\$
Personnel (Fill out section only if requesting new PCNs)			
Current Position Count for Service	-	-	-
Additional Positions Requested	-	-	-
Total Personnel	-	-	-

Anticipated Court Date: September 13, 2022

Anticipated Implementation Date (if different from Court date):

Emergency/Disaster Recovery Note: Not an emergency, disaster, or COVID-19 related item

Contact(s) name, title, department: Diana Ramirez, Executive Director, and Judit Haracsek, Director of Economic Development, Department of Economic Equity and Opportunity

Attachments (if applicable):

1. Estoppel and Agreement
2. Order Authorizing Execution of an Estoppel and Agreement Allowing Funding to Proceed for the Construction of the Great Wolf Lodge Resort and Indoor Water Park in Precinct 2, Webster, Harris County,
3. Hotel Occupancy Tax Rebate Agreement between Harris County and GWR Webster LLC approved by Commissioners Court on May 19, 2020.