



## AGENDA MEMORANDUM

Action Item for the City Council Meeting April 25, 2023

**DATE:** April 14, 2023

**TO:** Peter Zanoni, City Manager

**FROM:** Heather Hurlbert, CPA, CGFO-Director of Finance and Procurement  
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**Motion authorizing a professional services contract with  
McCall, Parkhurst, and Horton, LLP**

**CAPTION:**

Motion authorizing a professional services agreement with McCall, Parkhurst & Horton L.L.P., in an amount not to exceed \$100,000, for legal services in connection with the repurposing of the Type A sale tax for a convention center project.

**SUMMARY:**

This item considers approval of a professional services contract with McCall, Parkhurst, and Horton, LLP (McCall) for legal services in support of the possible development of a Conference Center Hotel, the expansion and improvement of the Convention Center, and possible repurposing of Type A sales tax.

**BACKGROUND AND FINDINGS:**

The City contracted with Hunden Strategic Partners to perform a needs assessment of the American Bank Center (ABC), a feasibility study for a Conference Center Hotel, and an entertainment district market demand study utilizing city owned properties surrounding the ABC complex. The preliminary study has been completed, and results were presented to City Council. The next step is to complete the financial modeling and identify revenue sources, allowed uses of these revenues, and potential financing structures.

This item will approve a professional services contract with McCall, Parkhurst & Horton L.L.P. for legal services in support of this next step. McCall, Parkhurst & Horton L.L.P. will work with the City's financial advisors, Specialized Public Finance, Inc (SPFI), and Hunden Strategic Partners to identify sources and uses for the projects and to structure potential financial structures. The attorney who will be working on this project, Clay Binford, has a long-standing relationship with

the City, serving as the City's prior legal counsel from 2009 - 2020. Over the past 22 years, Mr. Binford, along with members of his firm, have significant experience in convention centers, convention center hotels, and their financings. They have worked with most major cities in Texas to include the City of Austin's convention center hotel, the City of San Antonio's convention center hotel, the City of Fort Worth's rodeo and convention center facilities, the City of Dallas' convention center hotel, and Bexar County's construction and renovation of the San Antonio Spurs' AT&T Center, to name a few.

In addition, McCall, Parkhurst & Horton L.L.P. will be asked to work with City staff to explore repurposing the City's two 1/8 cent Type A sales tax: one 1/8 cent in support of the Arena which expires in 2025 and the second 1/8 cent in support to the Seawall which expires in 2026. Mr. Binford is very familiar with the City's current situation regarding both of these sales tax streams, the limitations on their use (both legal and contractual), and the upcoming events that could result in greater ability for their repurposing or redirection.

**ALTERNATIVES:**

City Council could choose not to approve the professional services contract.

**FISCAL IMPACT:**

Since the contract is contingent on the future issuance of bonds, the contract will be considered a prepaid expense and will be credited against the issuance costs if debt is issued in support of the projects. However, if debt is not ultimately issued, then the cost for the contract will be charged to the General Fund in a future fiscal year.

**FUNDING DETAIL:**

Fund:	4710 Visitor Facilities
Organization/Activity:	99
Mission Element:	99
Project # (CIP Only):	
Account:	119525 Prepaid Expense

**RECOMMENDATION:**

City staff recommends approval of the professional services contract.

**LIST OF SUPPORTING DOCUMENTS:**

Professional Service Agreement