

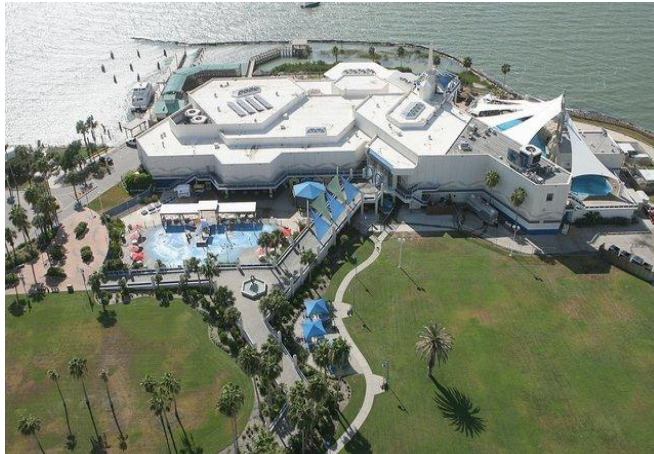
Texas State Aquarium Lease Agreement



Council Presentation
September 30, 2014



Texas State Aquarium



- Texas State Aquarium operated by the Texas State Aquarium Association (TSAA) since 1990
- City owns land and improvements
- TSAA has a lease through 2020



Texas State Aquarium Expansion



- Largest expansion in its 24 year history
- \$50,000,000 Caribbean Journey completes the Aquarium's original master plan
- 65,000 square feet – size of new building



TSA Expansion Economic Impact



- Increase the overall economic impact to \$69 million
- Support 887 area jobs and provide salaries of \$20 million
- Produce more than \$10 million in hotel room sales
- Generate more than \$5 million for local taxing districts



Request



- Request a new lease-purchase agreement to use as security on a construction loan.
- Enable Texas State Aquarium Association to own the assets they are investing in.



Options

1. Create a new lease-purchase agreement with essentially the same terms as the existing agreement, but with the option to purchase; based upon level of investment and continued operation over a period of time.
2. Create a new long-term lease with same terms as existing agreement.



Recommendation

- ✓ Create a new lease-purchase agreement with same terms as the existing agreement, but with the option to purchase; based upon level of investment and continued operation over a period of time.



Process & Timeline

- Work on and finalize agreement
- Present to Council for 1st Reading on October 21, 2014
- Present to Council for 2nd Reading on November 18, 2014
- New lease-purchase agreement effective January 17, 2015

** 28 day delay between 1st and 2nd reading is required per City Charter
** 60 day delay between 2nd reading and effective date is required per City Charter