

that approximates its new revenue generation into the TIRZ#1 fund.

The scope of the project includes the relocation and/or construction of public infrastructure needed to accommodate the Top Golf development such as water, drainage, sewer and electrical work. The TIRZ board will enter a reimbursement agreement with the developer/owner of the project for the public improvement costs in an amount not to exceed \$1,500,000 and as further detailed in the attached agreement. All funding sources available to the TIRZ can be leveraged to support these costs. Additionally, the TIRZ board intends to enter an incentive agreement with Topgolf USA NBR, LLC, to provide a grant in an amount not to exceed \$1,500,000 from funds held in the Tax Increment Fund, consistent with the terms set forth in the incentive agreement. The incentive payments will be supported entirely by the City of New Braunfels property tax contributions to the TIRZ, given that the sales taxes and county contributions are limited to public improvements. The TIRZ project plan amendment and incentive agreements are attached as Exhibit A.

ISSUE:

Background information on a proposed incentive for the Top Golf project.

STRATEGIC PLAN REFERENCE:

Economic Mobility Enhanced Connectivity Community Identity
Organizational Excellence Community Well-Being N/A

FISCAL IMPACT:

The TIRZ has adequate funding to provide the incentive. The project provides better than a 10% annual rate of return (10-year payback) after including costs and without including indirect, induced, or other benefits the projects is anticipated to generate. Top Golf significantly expands Creekside's trade area and market share and is anticipated to bring additional annual visitors to the center. Assuming a small capture of these visitors and the additional sales and property tax generated from those visits, the incentive has less than a six-year payback and a 17% annual rate of return. Additional fiscal impacts are attached as Exhibit B.

RECOMMENDATION:

Staff recommends placement of the TIRZ project plan amendment and agreements on a future city council agenda.