



# City of Webster

101 Pennsylvania Ave. • Webster, Texas 77598 Phone: (281) 332-1826

Fax (281) 332-5834 [www.cityofwebster.com](http://www.cityofwebster.com)

## AGENDA

Joint City Council and Webster Economic Development Corporation

Special Meeting

101 Pennsylvania, Webster, Texas

June 28, 2022

6:00 PM

NOTICE is hereby given of a Joint City Council and Webster Economic Development Corporation Special Meeting of the City of Webster, County of Harris, State of Texas, to be held on Tuesday, June 28, 2022, at 6:00 PM at: City Hall Council Chambers, 101 Pennsylvania, Webster, Texas, for the purpose of considering the following numbered items. The City Council and Webster Economic Development Corporation of the City of Webster, Texas, reserves the right to meet in closed session on any of the below items should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

1. Call to Order.
2. Roll Call and Certification of a Quorum.
3. Petitions or Requests from the Public.

## NEW BUSINESS

4. **EXECUTIVE SESSION: The Webster City Council and the Webster Economic Development Corporation will now hold a closed executive meeting pursuant to the provision of Chapter 551, Government Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in:**
  - A. **Section 551.087, Deliberation regarding Economic Development negotiations within Project Flyway.**
  - B. **Section 551.072, Deliberation regarding the purchase, exchange, lease, or value of real property.**
5. **RECONVENE** into regular session and consider action, IF ANY, on items discussed in Executive Session.
6. **CONSIDERATION/ACTION** to approve and authorize the President to execute a Purchase and Sale Agreement with Medistar 528/NASA 1, LLC for land acquisition within Flyway.

**7. CONSIDERATION/ACTION** to approve a Webster Economic Development Corporation expenditure delineated in a Purchase and Sale Agreement for land acquisition within Flyway.

8. Adjournment.



**This notation indicates that this agenda item is an approved budgeted item.**

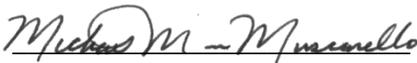


**This notation indicates that this agenda item is the product of a specific directive resulting from the Council Planning Sessions.**

**ALL AGENDA ITEMS ARE SUBJECT TO ACTION**

In compliance with the Americans With Disabilities Act, the City of Webster will provide for reasonable accommodations for persons attending the meetings. Requests should be received 48 hours prior to the meetings. Please contact the City Secretary's office at 281-332-1826.

I certify that a copy of this notice of the Joint City Council and Webster Economic Development Corporation Special Meeting for June 28, 2022, was posted at City Hall, 101 Pennsylvania, Webster, Texas, on June 23, 2022, by 5:30 P.M.

  
Michael Muscarello,  
City Secretary



## Webster Economic Development Corporation

**DATE:** June 28, 2022

**AGENDA ITEM:**

**CONSIDERATION/ACTION** to approve and authorize the President to execute a Purchase and Sale Agreement with Medistar 528/NASA 1, LLC for land acquisition within Flyway.

**PURPOSE STATEMENT:** In 2011, the Webster Economic Development Corporation (WEDC) created the Destination Development Project within the City’s southeast quadrant to foster a super-regional, iconic experiential retail, dining, entertainment, hospitality, and tourism destination.<sup>1</sup> In accordance with WEDC’s mission to grow the City’s commercial tax base and promote new or expanded business enterprise within the project area, a land purchase by WEDC of approximately 45 acres, located adjacent to WEDC-owned property, positions Flyway for forthcoming, streamlined infrastructure that includes public roadways, public utilities, private utilities, and site improvements, necessary to activate the project.<sup>2</sup>

**SUMMARY/BACKGROUND:** The Purchase and Sale Agreement between Medistar 528/NASA 1, LLC and WEDC enables WEDC to activate and direct the City’s monumental commercial development—Flyway. While much progress has ensued within the WEDC project, including the recruitment of Great Wolf Lodge Indoor Waterpark Resort Hotel and Conference Center, much work remains before additional development can transpire. WEDC’s purchase of 45.374 acres (from the adjacent property owner) that connects to the WEDC-owned 17.8-acre freeway frontage parcel facilitates and expedites activation of the Flyway masterplan that results in new, sustainable business enterprise.<sup>3</sup>

The Purchase and Sale Agreement, written by Attorney Ben Morse with Orrick, delineates the terms whereby WEDC, the purchaser, will acquire the 45-acre tract from Medistar 528/NASA 1, LLC, the seller, for \$20M.<sup>4</sup>

Key terms of the Purchase and Sale Agreement (PSA) include the following:

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<sup>1</sup> “Destination Development” was officially named “Flyway” in August 2020.

<sup>2</sup> In accordance with Texas Local Government Code, Section 505.158, WEDC is authorized to undertake projects that include land, targeted infrastructure, and improvements that promote new and expanded business development.

<sup>3</sup> Activation of Flyway’s masterplan and parcel plan is dependent upon extensive infrastructure work that includes public roadways, public utilities, private utilities, site amenities, landscaping, lighting, enhancements, and improvements, as parcels will be sold and delivered in build-ready condition. WEDC’s acquisition of the 45 acres from the neighboring property owner will expedite, streamline, and unify the design, coordination, and construction process, eliminate parcels that have two property owners,

<sup>4</sup> Attorney Ben Morse with Orrick has represented WEDC and City Council on several important agreements, including the Purchase and Sale Agreement between WEDC and Medistar for the Great Wolf Lodge tract (and community park), as well as the Economic Development Agreement among City Council, WEDC, and Great Wolf Resorts, and the Purchase and Sale Agreement between WEDC and Great Wolf Resorts.

- Payment by WEDC will be in the form of a sales tax revenue bond issuance that will transpire on or about September 2022.
- After approval and authorization of the PSA by the WEDC and City Council, the WEDC will escrow \$2M within five days to Alamo Title Company (escrow agent), which serves as a deposit for the transaction.
- WEDC has an inspection period of 30 days. During this interval, WEDC will have a survey, obtain a title commitment, ensure compliance of the seller in many aspects, and ascertain if there are any issues.
- WEDC will close on the land purchase within five days after the WEDC receives the proceeds of its sales tax revenue bonds, which are now in the process of issuance.

**STAFF RECOMMENDATION:** Staff recommends approval and authorization by the President to execute a Purchase and Sale Agreement with Medistar 528/NASA 1, LLC for land acquisition within Flyway.

**EXPENDITURE:** \$20M

**FUNDING SOURCE:** Sales Tax Revenue Bonds, Series 2022

**AMT. BUDGETED:** Sales tax revenue bond issuance

**FINANCE DEPT. APPROVAL:** Yes

**PREPARED BY:** Dr. Betsy Giusto, Economic Development Director

**APPROVAL BY EXECUTIVE DIRECTOR:** 

**ATTACHMENT:** Purchase and Sale Agreement



## CITY COUNCIL MEETING

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**DATE:** June 28, 2022

**AGENDA ITEM:**

**CONSIDERATION/ACTION** to approve a Webster Economic Development Corporation expenditure delineated in a Purchase and Sale Agreement for land acquisition within Flyway.

**PURPOSE STATEMENT:**

One of the many steps in the Webster Economic Development Corporation's (WEDC's) process to purchase land from Medistar 528/NASA 1, LLC, within Project Flyway, includes WEDC's approval of the Purchase and Sale Agreement, as well as City Council's approval of the WEDC expenditure. While WEDC and City Council have initiated the process for the issuance of sales tax revenue bonds by WEDC to fund the land purchase, City Council is requested to approve, within this context, the expenditure delineated in the Purchase and Sale Agreement between WEDC and Medistar 528/NASA 1, LLC.

**SUMMARY/BACKGROUND (WHY):**

The Purchase and Sale Agreement between Medistar 528/NASA 1, LLC and WEDC enables WEDC to activate and direct the City's monumental commercial development—Flyway. While much progress has ensued within the WEDC project, including the recruitment of Great Wolf Lodge Indoor Waterpark Resort Hotel and Conference Center, much work remains before additional development can transpire. WEDC's purchase of 45.374 acres (from the adjacent property owner) that connects to the WEDC-owned 17.8-acre freeway frontage parcel facilitates and expedites activation of the Flyway masterplan that results in new, sustainable business enterprise.<sup>1</sup>

The Purchase and Sale Agreement, written by Attorney Ben Morse with Orrick, delineates the terms whereby WEDC, the purchaser, will acquire the 45-acre tract from Medistar 528/NASA 1, LLC, the seller, for \$20M.<sup>2</sup>

Key terms of the Purchase and Sale Agreement (PSA) include the following:

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<sup>1</sup> Activation of Flyway's masterplan and parcel plan is dependent upon extensive infrastructure work that includes public roadways, public utilities, private utilities, site amenities, landscaping, lighting, enhancements, and improvements, as parcels will be sold and delivered in build-ready condition. WEDC's acquisition of the 45 acres from the neighboring property owner will expedite, streamline, and unify the design, coordination, and construction process, eliminate parcels that have two property owners,

<sup>2</sup> Attorney Ben Morse with Orrick has represented WEDC and City Council on several important agreements, including the Purchase and Sale Agreement between WEDC and Medistar for the Great Wolf Lodge tract (and community park), as well as the Economic Development Agreement among City Council, WEDC, and Great Wolf Resorts, and the Purchase and Sale Agreement between WEDC and Great Wolf Resorts.

- Payment by WEDC will be in the form of a sales tax revenue bond issuance that will transpire on or about August 16, 2022.
- After approval and authorization of the PSA by the WEDC and City Council, the WEDC will escrow \$2M within five days to Alamo Title Company (escrow agent), which serves as a deposit for the transaction.
- WEDC has an inspection period of 30 days. During this interval, WEDC will have a survey, obtain a title commitment, ensure compliance of the seller in many aspects, and ascertain if there are any issues.
- WEDC will close on the land purchase within five days after the WEDC receives the proceeds of its sales tax revenue bonds, which are now in the process of issuance.

**STAFF RECOMMENDATION:**

Staff recommends City Council's approval of the Webster Economic Development Corporation expenditure delineated in a Purchase and Sale Agreement for land acquisition within Flyway.

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**EXPENDITURE:** \$20M**FUNDING SOURCE:** WEDC SALES TAX REVENUE BONDS, SERIES 2022**AMOUNT BUDGETED:** SALES TAX REVENUE BOND ISSUANCE      **FINANCE DEPT. APPROVAL:** YES

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**PREPARED BY:** DR. BETSY GIUSTO, ECONOMIC DEVELOPMENT DIRECTOR**APPROVAL BY CITY MANAGER:** **ATTACHMENT:** Purchase and Sale Agreement