



CITY OF EL PASO

venu (dba Notes Live Inc.) Public-Private Partnership

Amendments to Chapter 380 Agreement and Contract
of Sale for the development of a destination
entertainment venue at Cohen

Previous Action

- On April 23, 2024, City Council approved a Term Sheet with Notes Live, Inc.
- On July 2, 2024, City Council approved a 380 Agreement for the development of a 12,500 seat amphitheater and Contract of Sale for the transfer of approx. 17 acres of land



Previous Action

Reimagine Cohen Oct 2017- Aug 2018

- Public Engagement
- Master Plan Adoption
- Development and Financing Tools

Sunset Amphitheater Oct 2023-July 2024

- Request for Proposal
- Negotiations

Post-Approval July 2024-Today

- Sound Ordinance
- Research Title exceptions
- Finalize Design and modify acreage request

Background

Cohen Site

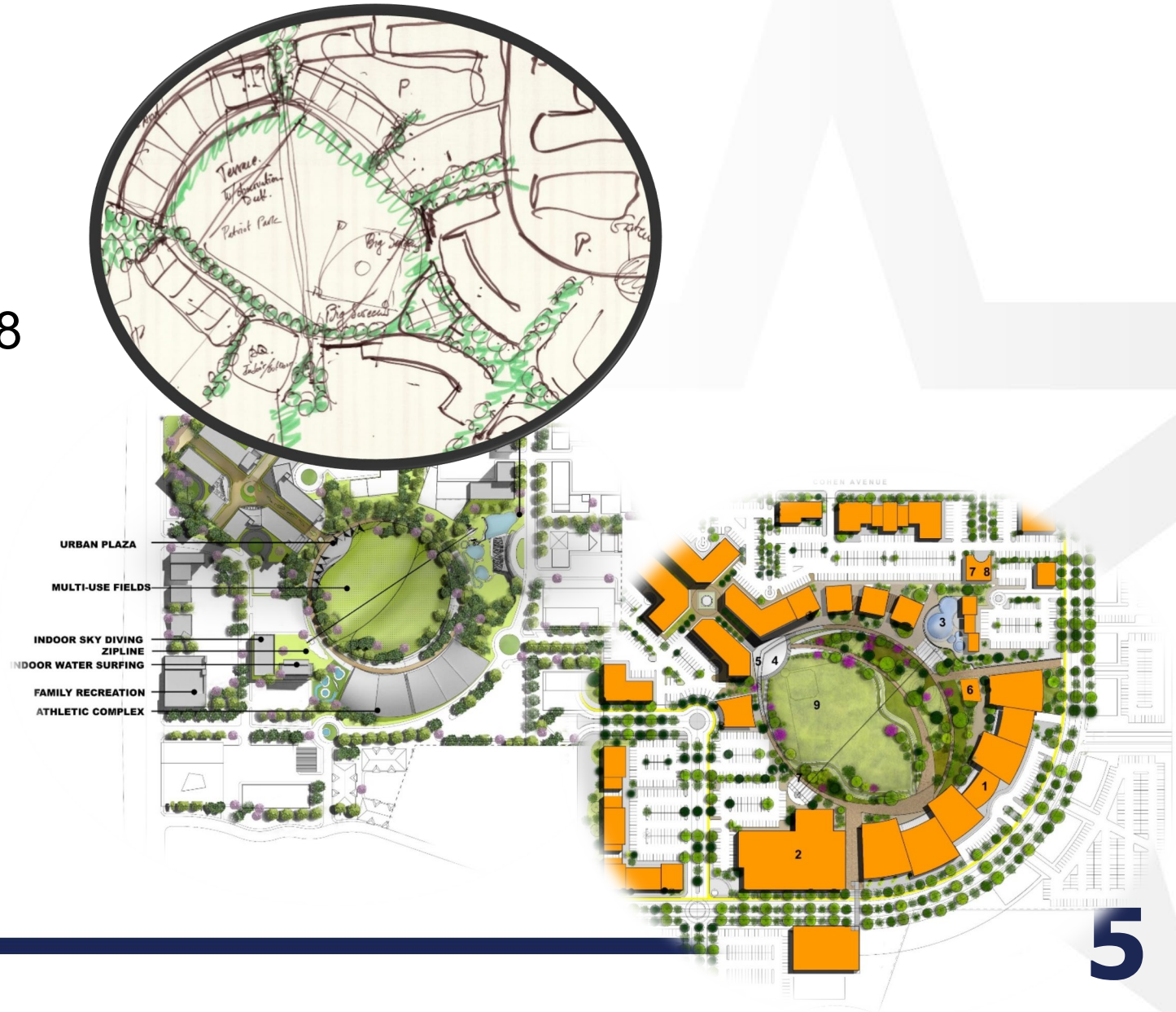
- Approx. **50 acres**
- City-owned
- Located at the SEC of Gateway North and Cohen, within TIRZ #11
- Vacant since 2019



Background

Master Plan

- Plan and Design Standards Adopted on August 29, 2018
- Master planned commercial development:
 - Restaurants
 - Family Entertainment
 - Retail
 - Hotel
 - Office
 - Recreational Uses

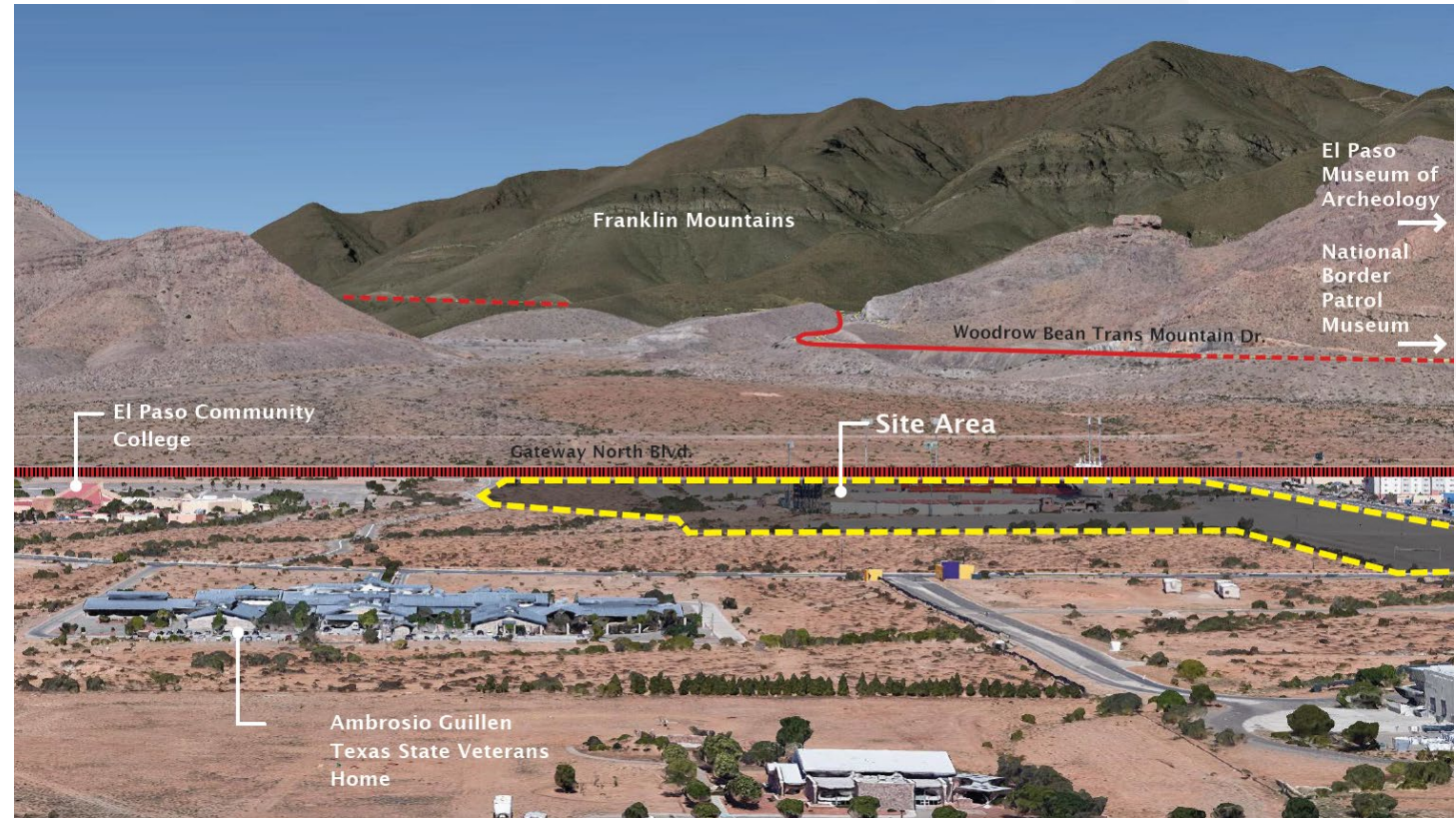


Background

Master Plan

Goals

- Revitalize the Cohen Stadium site
- Provide a catalyst for development in Northeast El Paso
- Create a regional project
- Become destination point



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VENU Inc.

Project Summary

- **Venu Inc.** (dba Notes Live)
 - One of the fastest-growing entertainment and hospitality companies in the United States. El Paso selected as target market for expansion and first binational launch.
- **Developer Obligations:**
 - Construct a 12,500-seat luxury and hospitality venue
 - Minimum \$100M investment
 - Contract with Operator for min. 40 shows per year, opening 2026
 - Shared-use parking facilities with management exclusivity on event dates

VENU Inc.

Sunset Amphitheater Model

- Broken Arrow, Oklahoma City, Colorado Springs, McKinney
- \$100+ Million Investment
- Fire Pit Suite Investment Model to minimize debt
- 8,000 – 20,000 Seats
- Premiere, national touring acts and concerts



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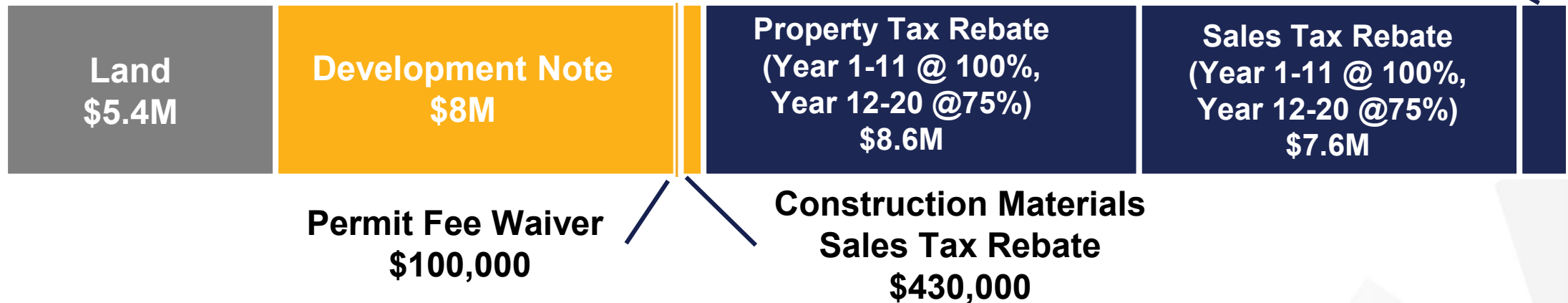
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Key Deal Points:

Proposed 20-year Incentive

Mixed Beverage Sales Tax Rebate
(Year 1-11 @ 80%, Year 12-20 @50%)
\$980,000



Total Estimated Incentive Value = \$31.5M

Key Deal Points:

Incentive Sources

No General Fund Used

Forgivable Development Note

- Texas Economic Development Fund
 - Negotiated as part of IIF acquisition

Rebates

- Tax Increment Reinvestment Zone #11
 - City participates at 100% of property and sales tax increment

Infrastructure and Parking

- Cohen Site Readiness Fund

Key Deal Points:

Land Conveyance

- Chapter 253.0125 of the Texas Local Government Code
 - Amended during 88th Texas Legislature
- Allows a municipality to convey real property with an entity that has entered into a Chapter 380 Economic Development Agreement
- Land transfer is tied to performance in 380
 - “clawback” and default provisions if development does not happen

Project Impact:

Construction and Operations

Summary of Economic Impact during Construction

Capital Investment	\$102M
Total Construction Impact	\$184M
Local Tax Revenue Generated (Direct and Indirect)	\$1.4M
Jobs Supported	1,000+

Summary of Average Annual Impact at Full Operation

Operational Impact	\$261M
Local Tax Revenue Generated (Direct and Indirect)	\$7.3M
Jobs Supported	2,000+

**\$5.4B
Impact**

Project Impact:

Indirect Benefits

Creation of new jobs, increase in capital investment and generation of additional tourism revenue that will impact the entire Northeast region.

- Tourism Generated Sales Tax Increase
- Direct Tax Revenue to other entities
- Activate Cohen site and attract supporting uses
- Spread investment to other key sites in Northeast, like Metro 31

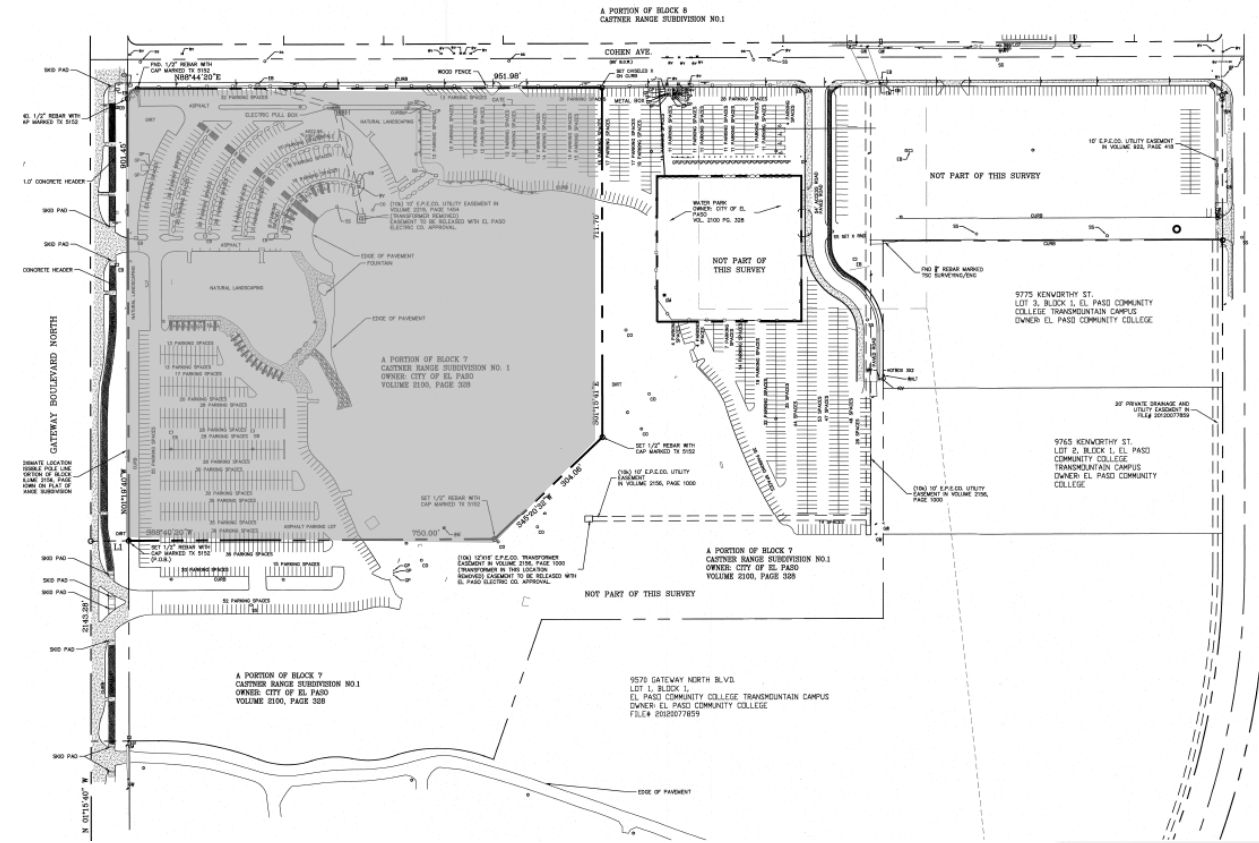
Key Deal Points:

Noncompete Clause

- Ensure Cohen Development is competitive and successful
- Protect City's current and future interests in other entertainment venue projects
- Similar language exists in contracts with ASM Global and MountainStar Sports Group
- Does not restrict private industry investment in other projects
- City is still able to construct voter-approved projects
- City can participate and construct regional projects in other entertainment sectors like sports, recreation, theater and cultural events
- City can develop projects of a different scale (larger and smaller)

Key Deal Points: Parking and Infrastructure

- Require 3,600 spaces for exclusive use on event days
 - Approx. 1,300 on-site, outside of Project area
 - Potential for shared-use + partner engagement
 - Flexibility to adjust over time
 - est. \$2,200/space



Amendment:

Contract of Sale

- Previous administrative extensions to work through Title concerns
- Increase acreage from 17 to 20
 - Larger area needed for updated design of year-round venue
- Clarify Provisions
 - Closing – Inspection Period expires on April 15
 - Title – exclude objections related to munitions and antiquities
 - Parking Agreement – allow parking provisions to be made after Closing for better coordination with venue design

Amendment:

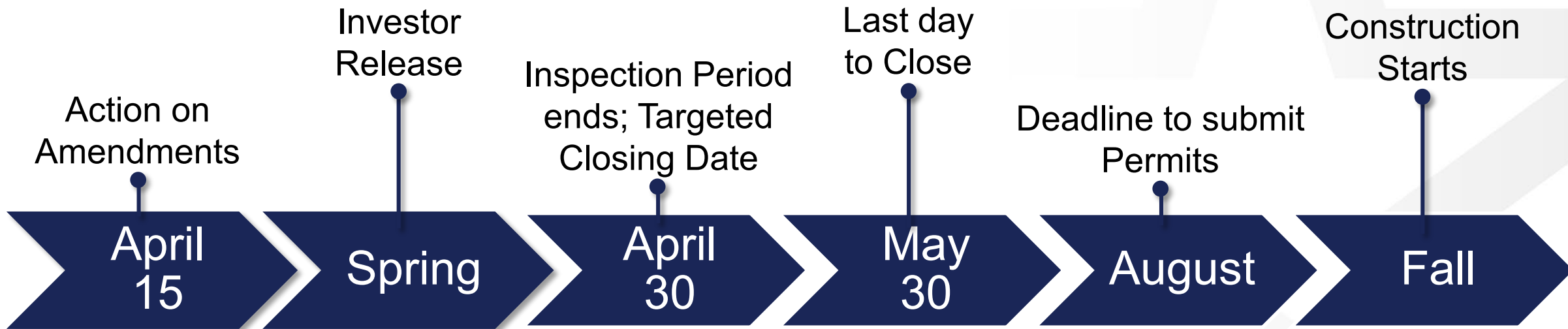
380 Agreement

- Increase minimum investment to \$100M
- Add “El Paso First” clause for local preference in hiring and procurement
- Updates related to new site area
 - Estimated land value for recapture
- Clarify that discovery and remediation for munitions or antiquities would stop the development “clock” and not count against performance deadlines
 - Clarification of standard Force Majeure
- Provide for the no fault termination of the agreement if the project cannot move forward due to munitions or antiquities related moratorium

Requested Action

- Recommend **APPROVAL** of the amendments to the Chapter 380 Program Agreement and Contract of Sale in support of the development of a 12,500 seat amphitheater at the Cohen Entertainment District.

Next Steps



MISSION



Deliver exceptional services to support a high quality of life and place for our community.

VISION



Develop a vibrant regional economy, safe and beautiful neighborhoods and exceptional recreational, cultural and educational opportunities powered by a high performing government.



VALUES

Integrity, **R**espect, **E**xcellence,
Accountability, **P**eople

Key Deal Points:

Noncompete Clause

Section 4.I - City Participation in Development of Competing Venues

(2) The City agrees to not develop a new live entertainment venue within 60 miles of the Development having a capacity of more than 4,000 persons and with the intent of competing with the Development; including Applicant's Operator Contract(s) associated with this Development. This shall NOT be construed to limit the City's pursuit of voter approved projects, projects affirmed by judicial decree, or participation in regional projects which will not diminish the intent and operation of the purpose-built Development as defined above.

(3) As allowable by law; the City shall provide Applicant with a first right of refusal to develop and/or operate any voter approved project as of the Effective Date of this Agreement. Notwithstanding the foregoing, the Applicant shall have the right to pursue and enter into bookings and exclusive booking agreements for any live entertainment venue within the Restricted Area.