

Why does this size of project make sense for downtown?

The hotel development will monetize the Bush Convention Center, Centennial Park, and the Tax Increment Reinvestment Zone (TIRZ) by drawing conventions to the city and continuing the growth and vitality of downtown. This project is a \$60M investment on both the MDC and City sides including some tax incentives. The incentive rate of 35.6% of the total project is in line with best practices for similar developments across Texas.

Will the hotel and parking structure sit on one or two downtown blocks?

The location site is broadened for maximum flexibility for site development. Regardless of location, the quality (of a four or five-star hotel) and economic impact will remain the same.

What does this project mean for a local Midlander?

This group of Midland investors is dedicated to enhancing Midland and its Quality of Life and Place. These investors are committed to completing a project that is currently estimated to cost 170 million dollars. The City's portion of the incentives, which are tax rebates, are performance-based.

The hotel will be available to Midlanders to use for their next staycation, event, meeting, happy hour, or reservation. This project is only the beginning of building a more vibrant downtown.

If other downtown hotel projects have failed, why are we putting public funding into this project?

Downtown must thrive to continue to grow and the area is an economic driver for the entire city. To fully develop the investment from the City of Midland and the Midland Development Corporation, we must acknowledge the \$42M investment made into the Bush Convention Center and the \$22M privately funded investment to Centennial Park. We risk these investments becoming "stranded" if we do not anchor them to a major economic catalyst, such as a premium hotel.

Should we compare this project to the 2014–2016 downtown hotel project?

No, comparing this RFP process and selection of the MDR group to any previous hotel projects that may have been before the City Council would be like comparing apples to oranges. Of course, inflation plays a role in this, but this project is also of a completely different scope than other projects in the past. This council in 2024, alongside MDC board members went through the RFP selection process in 2023 and chose Midland Downtown Renaissance group to advance with their plans.

Will the MDC's budget be tied up to the hotel?

The Midland Development Corporation is designed to create jobs and help build our city's infrastructure so that we can continue to attract jobs to our city. Midland must be willing to invest in a live, work, and play environment. The city council unanimously approved the city's strategic plan, which focuses on improving our quality of life and place. This focus is don't the city's mission statement as well: "Deliver exceptional services and promote a high quality of life and place for ALL our citizens." The MDC is aligned with the city's strategic plan and the goals and objectives laid out in the plan. The MDC has stewarded its budget to allow this project to move forward without impacting other services and projects in the works and on the horizon. Based on the current MDC cash flow analysis, even after the capital contribution to the hotel, there will be a healthy fun balance based on conservative numbers (not accounting for record sales tax numbers in the past three years to contribute to other economic development projects.

Why do we need to spend MDC money and provide city incentives on this project?

Convention center hotels are partnerships with the private sector. When conducting a best practice review with other cities and benchmarking those cities with what we do here in Midland, we have determined that this agreement is within the parameters of what other cities have done in partnership with the private sector. Incentive participation from the City and the MDC is at 35.6%. Most other cities are considerably above that percentage of participation with public dollars. As Midlanders, we deserve to have an anchor in the heart of the city that we are proud to show our visitors without them having to drive down the road. The proposed incentive package including MDC participation does not require debt issuance or a raise in taxes.

Will the project add to the transportation issues leading into downtown and the parking issues in downtown?

The project calls for the closure of Colorado Street from Wall Street to Texas Avenue. The city supports closing this portion of Colorado Street to enhance pedestrian circulation and allow other uses, such as food truck vendors, for downtown functions throughout the year. The city has also invested in a \$100 million bond that has improved our roadways throughout the city. We plan on investing more in our roads. Increasing the number of users will bring even more attention to the need to keep our roads in tip-top shape and allow us to leverage more state dollars for infrastructure. As to parking, the city is engaged with the private sector to identify existing private parking spaces to provide more organized offerings of parking spaces for our residents and visitors. Additionally, the hotel is accompanied by an 800-space parking garage with a minimum of 200 spaces dedicated to the public for event parking.

Why do we need this hotel when we already have the DoubleTree?

We need a quality convention center hotel downtown that can block rooms for conventions in conjunction with the Bush Convention Center. We need a convention-grade hotel that costs millions of dollars if we want to upgrade existing hotels. We also need participation from the private sector to make these upgrades. In this case, we provide 35.6% of the incentives through a performance-based partnership. This means it takes a significant investment from the private sector first before an incentive comes into play. The fact is Midland does not have a hotel on par with what is in place in other neighboring cities.

Will the average Midlander and their guests be priced out of being able to use the hotel or its amenities?

Hotels in other cities have provided opportunities to bring conventions and increase the number of visitors coming into their respective communities. Also, others use it as a staycation of sorts. Midlanders will not have to travel to experience a hotel like this, as it will be in their own backyard. Not traveling and saving on those costs will make this hotel more affordable to most who would otherwise take advantage of a staycation opportunity elsewhere. Weekend night rates tend to be historically lower than week-night rates (as business meetings and conventions are typically held during the weekdays), allowing locals the opportunity to take advantage of the hotel experience downtown. Other amenities, such as the hotel restaurants, café, bar and rooftop bar, meeting space, ballroom space (for weddings, gatherings, parties, etc.), and planned local retail area on the first floor of the parking garage, will be a draw for citizens and visitors alike to take advantage of the hotel space and downtown area.

How will the hotel make Midland a destination city?

Building a convention center hotel has demonstrated in cities across Texas that it helps you compete for conventions and other business meetings and events. Midland is the headquarters of multiple energy companies with a local address but with global access, of which board members and clients are in and out weekly. We would prefer to keep their hotel nights here in Midland instead of them hopping on a return flight the same day. We are the hub and the heart of West Texas. We are also home to the closest airport to Big Bend National Park, as well as a jumping-off point for White Sands National Park, Carlsbad Caverns, Marfa, and other sightseeing opportunities and landmarks along the way.

Will we have the people to staff the hotel at four-star levels?

There will be partnerships with educational institutions ahead of the hotel opening and extensive recruitment efforts for our local talent and talent in the region. As our economy and population continue to grow, the opportunities that will present themselves will draw in qualified professionals to operate the hotel and its amenities.

Where does the \$45M from the MDC come from?

The \$45M incentive comes from sales tax. 55-60% comes from visitors and business-to-business sales. So, only 40-45% comes from consumer sales from people who live in Midland. This is a fiscally prudent method of leveraging other investments to partner on a project that will bring even more visitors (as well as tax receipts) to Midland. The hotel is an excellent way to build something in our own community that our residents can enjoy and do not have to travel to enjoy elsewhere.