



Legislation Text

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CITY of ALBUQUERQUE
TWENTY THIRD COUNCIL

COUNCIL BILL NO. R-18-28 ENACTMENT NO. _____

SPONSORED BY: Ken Sanchez, Klarissa J. Peña, and Diane Gibson

RESOLUTION

Relating To Economic Development Assistance In Support Of A Proposed Topgolf Project At The Former Beach Water Park Site Near The Intersection Of I-25 And Montañó Boulevard; Amending

The Capital Improvements Program Of The City Of Albuquerque (Sanchez, Peña, Gibson)

RELATING TO ECONOMIC DEVELOPMENT ASSISTANCE IN SUPPORT OF A PROPOSED TOPGOLF PROJECT AT THE FORMER BEACH WATER PARK SITE NEAR THE INTERSECTION OF I-25 AND MONTAÑO BOULEVARD; AMENDING THE CAPITAL IMPROVEMENTS PROGRAM OF THE CITY OF ALBUQUERQUE.

WHEREAS, Topgolf has become the premier golf entertainment concept; and

WHEREAS, Topgolf combines sports and entertainment facilities centered on golf and provides a social entertainment experience that appeals to all, regardless of their skill or ability; and

WHEREAS, Topgolf is played with real balls and clubs and uses patented technology to score shots based on their accuracy and distance, allowing a series of competitions to be played, and transforming what can be a mundane visit to a traditional driving range into a fun, unique entertainment experience with universal appeal; and

WHEREAS, Topgolf attracts serious golfers because of its use of real-time feedback on the accuracy and distance of their golf shots while casual players, even people who have never played golf, are enticed by the uniquely competitive and social elements of the Topgolf experience; and

WHEREAS, corporate and other groups are drawn by the opportunity of a dynamic group experience in an exciting and contained venue that includes restaurant, bar and event facilities; and

WHEREAS, an estimated \$38.8 million will be invested in the facility for land and construction activities: land - \$5.3 million; site improvements - \$3.8 million; building and other real property improvements - \$25.3 million; signs and landscaping - \$232,500; and soft costs - \$4.1 million; and

WHEREAS, during construction, the Topgolf project is estimated to generate 300 construction jobs as well as an estimated \$28 million in construction costs subject to GRT; and

WHEREAS, when fully operational, the Topgolf facility will have an annual payroll estimated at \$4.5 million, will generate 350 new jobs, 123 of which will be full-time jobs (at least 32 hours per week) and 227 of which will be part-time jobs; and

WHEREAS, when fully operational, the Topgolf facility will create 25 salaried positions whose pay will range between \$60,000 and \$72,000; and

WHEREAS, once operational, the Topgolf facility expects to generate approximately \$15 million in annual sales, attract 450,000 visitors per year, and have a draw radius of between 75 and 150 miles; and

WHEREAS, the project has a 20-year estimated City GRT benefit of \$5,010,525 (net of total incentive request), and a 20-year estimated property tax benefit of \$4,631,096 (which includes both the City and County); and

WHEREAS, the Topgolf project is perceived as a strong community amenity by national economic development recruiters; and

WHEREAS, Topgolf will provide free use of the facility by high school teams and charities during non-peak hours; and

WHEREAS, the Topgolf project is proposed for an irregular site that has historically been difficult and expensive to develop; and

WHEREAS, the Topgolf project will bring quality development to an abandoned site in one of the most visible intersections in the City; and

WHEREAS, the Topgolf project will bring awareness of the game of golf, which is expected to increase the number of golf rounds played locally; and

WHEREAS, the City intends to grant \$500,000 to support the development of the TopGolf project and to contribute additional funds of up to \$1,840,000 to the Topgolf project from an

increment of City GRT generated as a result of construction and activities related to the project; and

WHEREAS, the benefit to the City in terms of, among other things, increased City GRT and increased employment, will create a significant benefit to the City and its residents which will far outweigh the cost to the City of contributing to the Topgolf project; and

WHEREAS, Topgolf understands that the adoption of this resolution shall not obligate the City to contribute to the Topgolf project except in full compliance with the terms of an ordinance subsequently adopted by the City Council.

BE IT RESOLVED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF ALBUQUERQUE:

Section 1. That the following amount is hereby appropriated to the program strategy as indicated from unreserved fund balance for Fiscal Year 2018:

GENERAL FUND - 110

City Support Functions

Transfer to Capital Acquisition Fund (305) 500,000

Section 2. The City also intends to contribute up to \$1,840,000 in incremental City GRT to assist the site developer for the TopGolf project with costs of land, building or infrastructure necessary for the location of the Topgolf project to the former Beach Waterpark site at I-25 and Montañó. The City GRT increment shall not exceed 50% of tax revenues received by the City attributable to the development, construction and operation of the project.

Section 3. The City Council anticipates authorizing an ordinance approving the Topgolf project application and project participation agreement for the Topgolf project at an upcoming meeting.

Section 4. That the following appropriations are hereby made in the Capital Improvement Program to the specific funds and projects indicated below:

<u>Department/Fund</u>	<u>Source</u>	<u>Increase (Decrease)</u>
DMD/Streets- Fund 341		
Road Deficiencies	Transportation	(326,000)
	Infrastructure Tax	
Culture Road	Transportation	326,000
	Infrastructure Tax	

The scope of the Culture Road project is to plan, study, design, construct and equip

improvements to Culture Road in conjunction with and for the benefit of the Topgolf economic development project.

DMD/Misc- Fund 305

Topgolf Economic

Development Project	Transfer from Fund 110	500,000
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The scope of the project is to provide the operator of the Topgolf project with economic development assistance for land, building or infrastructure necessary for the Topgolf project to be constructed at the former Beach Waterpark site at I-25 and Montañó.

Section 5. To promote the local health and general welfare, safety, convenience and prosperity of the inhabitants of the City, it is the intent of the City Council to take all necessary and advisable steps to contribute to the project.

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