

About the Incentive



The Round Rock City Council voted Dec. 15, 2016, on several agreements with Kalahari Resorts, including a Master Development Agreement, an Economic Development Agreement and a Ground Lease. Kalahari Resorts announced in June its intent to build a family resort, water park and convention center on 351 acres south of U.S. 79 near Old Settlers Park and the Dell Diamond.

What are the terms of the incentive?

The agreements provide for Kalahari to employ a minimum of 700 and invest at least \$350 million in a 975-room resort, 200,000-square-foot indoor/outdoor water park and 150,000-square-foot convention center. The City will own the 351-acre tract of land, which will be leased to Kalahari for up to 99 years. In addition, the City will issue bonds to provide \$40 million in net proceeds to construct the City-owned Convention Center, and \$30 million to construct city-owned improvements. Also, the City will waive most development fees. After the debt payments are made each year, the City and Kalahari will share remaining [*select State and City tax revenues*](#), with 75 percent going to Kalahari and 25 percent to the City in years 1-10 and 50-50 in years 11-40. Based on projected revenues the incentive payments to Kalahari are estimated to be \$7.5 million annually for years 1 through 10. The City expects to receive \$4.7 million a year in new tax revenue after debt and incentive payments are made for years 1 through 10.

How will the bonds be repaid?

The bond debt will be repaid through select State and City tax revenues generated by the project -- which are State hotel occupancy tax and sales tax; and City property tax, general sales tax, regular hotel occupancy tax and mixed beverage tax *generated solely by the project*. **Not included** are the State mixed beverage tax, and the City's half-cent sales tax for property tax reduction, half-cent sales tax for economic development and roads, and 2-percent hotel occupancy venue tax. The venue tax was approved by City voters in 2011 to fund debt and operation costs for the Round Rock Sports Center. The tax revenues not included in the agreement are retained by the City at 100 percent.

Updated May, 2017

What are the select State and City tax revenues?

State hotel occupancy tax and sales tax; and City property tax, general sales tax, regular hotel occupancy tax and mixed beverage tax generated solely by the project. **Not included** are the State mixed beverage tax, and City's half-cent sales tax for property tax reduction, half-cent sales tax for economic development and roads, and 2-percent hotel occupancy venue tax. The venue tax was approved by City voters in 2011 to fund debt and operation costs for the Round Rock Sports Center. The tax revenues not included in the agreement are retained by the City at 100 percent. Updated May 9, 2017

Update: How is the City going to pay for the 351-acre site?

The City purchased the property for approximately \$27.5 million on Dec. 21, 2106. Kalahari made an initial lease payment of \$17 million which the City used for the purchase. In addition, the City will contribute \$10.5 million towards the purchase. In eight years, Kalahari will make an additional lease payment of \$10.5 million plus interest. An additional 1.5 acre tract is scheduled to be added to the project following a City Council vote on Jan. 26, 2017. The City will purchase the property with funds provided by Kalahari in the form of a lease payment. Updated Jan. 24, 2017

What are the safeguards for the City?

A debt payment reserve fund will be established that gives the City enough money to pay a full year's debt payments. Here is the order in which the select State and City tax revenues will be spent:

1. Debt payments for Convention Center and infrastructure
2. Reserve fund equal to one year of debt payments
3. Sharing of program incentive payments between the City and Kalahari

By owning the 351 acres and the Convention Center, the City has real assets. The City will not sell the property until all project public debt is paid. At that point, Kalahari will have the option to purchase the property for \$1 per acre. Kalahari's proximity to Old Settlers Park and Dell Diamond – two well-established venues that together draw more than a million visitors annually – bodes well for a successful, tourism-oriented development.

Why offer incentives?

A company like Kalahari is highly prized as a corporate citizen, making recruitment very competitive and incentives often necessary. Kalahari will generate an estimated \$4.7 million of new net tax revenue a year to the City and bring hundreds of new jobs to Round Rock. The City believes the project will attract additional businesses and development in Round Rock beyond the \$350 million investment Kalahari will make for its resort. The City has used incentives in the past to attract other highly desirable companies to Round Rock and has a proven track record of providing performance-based incentives to businesses that expand employment opportunities and the tax base. Examples are Dell, Dell Diamond, Round Rock Premium Outlets, IKEA, Bass Pro and Emerson. These companies are assets to the community and our economy.

What are the benefits to the City/Community?

This project will diversify the property tax base by bringing a new industry – the resort/convention business – to Round Rock. We anticipate this project to generate an estimated \$4.7 million in net direct annual tax revenue to the City, and will provide many jobs for varying experience levels including: full time, salaried, part-time and hourly opportunities. Kalahari has committed to invest at least \$350 million in the project, which will create significant property tax revenue to the City, Williamson County and Round Rock ISD. And, while the City has successfully diversified our sources of sales tax revenue over the past 10 years, we have not had a single project add this much value to the property tax rolls.

What will the \$30 million for public improvements be used for?

The agreement calls for \$15 million in *onsite* public improvements – roads, utility lines, etc. – and \$15 million for *offsite* public improvements. The offsite improvements include a major upgrade to the intersection of U.S. 79 and Harrell Parkway – which will be a major entrance into the resort – as well as an upgraded railroad crossing further east on U.S. 79 that accesses a regional wastewater treatment plant. Improvements to the intersection of U.S. 79 and Joe DiMaggio Boulevard are also included. There will also be a new public roadway connecting Kenney Fort Boulevard to U.S. 79 and improvements to public utilities. All onsite and offsite public improvements will be owned by the City.

You say this is a performance-based incentive. How does Kalahari have to perform?

The company will need to invest at least \$350 million and employ at least 700. The shared revenues will be based on resort and convention center sales and increased property value. The more sales are generated by Kalahari, the more it will receive in incentive payments – after annual convention center and public improvement debt payments are made.

About the Proposal



About the Proposal

We believe this project is a game-changer for Round Rock, and we have a track record of providing incentives to businesses that provide significant, long-term positive impacts to the local economy.

Updated: What is this project?

The project being proposed is a family resort and convention center. The resort will feature a minimum of 975 guest rooms, a convention center, an indoor/outdoor water park, and other potential indoor and outdoor activities. The development will also include additional entertainment, recreation and other mixed uses on 351 acres on U.S. 79 across from the Dell Diamond and Old Settlers Park.

Who is proposing the project?

Kalahari Resorts, a family-owned, privately held company with an outstanding philanthropic reputation. Todd Nelson operates the business with his wife and five children and several key executives.

Why would this be a good project for the City of Round Rock?

The project will bring needed diversity to the Round Rock economy, in addition to significant convention and hotel space. We believe this is the highest and best use of this property, in that it will generate significant new revenues to the City while demanding fewer City services than other likely types of development on this site.

Updated: What are expected community benefits?

This project will diversify the property tax base by bringing a new industry – the resort/convention business – to Round Rock. We expect this project to generate millions of dollars in annual revenue to local governments and the state, and will provide many jobs for varying experience levels including: full time, salaried, part-time and hourly opportunities. Kalahari intends to invest at least \$350 million in the project, which will create significant property tax revenue to the City, Williamson County and Round Rock ISD. And, while the City has successfully diversified our sources of sales tax revenue

over the past 10 years, we have not had a single project add this much value to the property tax rolls. We anticipate the project will bring in approximately \$4.7 million in annual net, direct tax revenues to the City in the first 10 years of operations. The City believes the development will also attract additional business, development and investment in Round Rock and Williamson County. *Updated Dec. 9, 2016*

Why is the City planning to offer incentives?

Kalahari will generate millions of dollars in annual revenue and bring hundreds of new jobs to Round Rock. A company like Kalahari is highly prized as a corporate citizen, making recruitment very competitive and incentives often necessary. The City has used incentives in the past to attract other highly desirable companies to Round Rock and has a proven track record of providing performance based incentives to businesses that expand employment opportunities and the tax base. Examples are Dell, Dell Diamond, Round Rock Premium Outlets, IKEA, Bass Pro and Emerson. These companies are assets to the community and our economy.

Updated: What are the terms of the economic development agreement?

The agreements provide for Kalahari to employ a minimum of 700 and invest at least \$350 million in a 975-room resort, 200,000-square-foot indoor/outdoor water park and 150,000-square-foot convention center. The City will own the 351-acre tract of land, which will be leased to Kalahari for up to 99 years. In addition, the City will issue bonds to provide \$40 million in net proceeds to construct the City-owned Convention Center, and \$30 million to construct city-owned improvements. Also, the City will waive most development fees. After the debt payments are made each year, the City and Kalahari will share remaining select State and City tax revenues, with 75 percent going to Kalahari and 25 percent to the City in years 1-10 and 50-50 in years 11-40. Based on projected revenues, the incentive payments to Kalahari are estimated to be \$7.5 million annually for years 1 through 10. The City expects to receive \$4.7 million a year in new tax revenue after debt and incentive payments are made for years 1 through 10. You can find more details about the incentive agreements [here](#). *Updated Dec. 9, 2016*

What is a Memorandum of Understanding (MOU) and what is its purpose?

An MOU is a written agreement between two or more parties that expresses mutual accord regarding a matter between the parties. MOUs are not legally binding but they carry a degree of seriousness and mutual respect, and are significantly stronger than a “handshake.”

Updated: What are other potential uses for the property and their impacts?

There are two other feasible options. One is for mixed-use development and light industrial, the other is single family residential:

- **Option 1, Commercial/Mixed Use** – *There is already zoning in place for mixed uses on the 145-acre Bison property in the form of a Planned Unit Development (PUD). The PUD allows for a 35-acre “Main Street” style development that would include a hotel up to 15 stories tall, and 50,000 square feet of retail and 350,000 square feet of offices. It also allows for a 47 acre business park development, with building heights from 2 to 5 stories, 400 units of townhome development, 8 acres of retail development and 20 acres of open*

space and greenbelts. There is an additional 218 acres at the site with planned zoning for light industrial, with 5-story maximum building heights. That would yield up to 4.3 million square feet of business park/light industrial development.

- **Option 2, Residential** – *If the 351 available acres were developed as a residential neighborhood – which has been proposed to the City, but does not meet our future land use plans – there could be up to 1,404 homes built.*

Both of these options have the potential to impact traffic (particularly on U.S. 79) to a much greater extent than Kalahari. For example, Kalahari's traffic from tourists and visitors does not peak at a particular time of day, unlike that of mixed-use facilities and residential neighborhoods whose employees and residents leave for work and come home during peak travel periods. Water use is likely to be about the same for options 1 and 2 compared to the Kalahari project, which has an excellent track record with green initiatives. *Updated Dec. 9, 2016*

Will this have any impact on the Round Rock ISD?

The project will bring significant new tax revenues to support Round Rock ISD while not adding significant numbers of new students. If Option 2 above were to happen, we estimate it would add more than 900 new students to the district at build out.

Some economic development projects never come to fruition. Is there a possibility that this could happen in Round Rock?

Economic changes due to national and world upheavals can sometimes affect local decisions and those of the developers.

Won't this compete with existing hotels and businesses?

There is nothing like this in Central Texas. The Kalahari property will offer needed meeting space and hotel rooms to the area. The hotel market in Round Rock is very strong. Kalahari property guests will also take advantage of other Round Rock amenities like restaurants, the Dell Diamond, retail shops, etc.

Will this project negatively impact the newly expanded Rock'N River water park?

Won't this draw customers away from the City-owned facility?

While Rock'N River is much more than your average municipal pool, it's not serving the same market as Kalahari, a true year-round vacation destination and convention center. Rock'N River is designed as a local destination, geared for repeat business. Rock'N River pricing is designed to target guests who will come four or five times during the summer. Kalahari offers a unique vacation experience that compliments the City's Sports Capital of Texas tourism program. Many families combine sports tournaments and vacations, and we expect Kalahari to tap into that market, among others.

Employment Information



The Kalahari Resorts project will employ at least 700 when it opens, the majority of whom will be local to the Round Rock area. Construction of the resort and convention center will also employ hundreds of workers.

How many jobs will the resort create for residents?

The project will provide many jobs for varying experience levels including: full time, salaried, part-time and hourly opportunities.

How many resort employees working in other locations will come to Round Rock?

An overwhelming majority of workers will be local to the Round Rock area.

What will the jobs pay?

Pay varies based on position and experience. Opportunities exist for both full and part time work, and both hourly and salaried positions.

How many management positions will be available?

The number of management positions will correspond with the final amenities that are included in the resort. This number will materialize as resort planning begins.

Updated: Will local contractors and vendors have a chance to do business with Kalahari?

Yes, Kalahari Resorts and Conventions has always hired local firms to work on the planning and construction of the resort, and is expected to do so here. They have a strong record of hiring local firms whenever possible. Businesses interested in contacting Kalahari should send an email to roundrock@kalahariresorts.com. *Updated Dec. 9, 2016*

So far, Kalahari has only talked about the jobs created once the resort opens. What about jobs during construction?

Kalahari will be one of the largest projects ever constructed in this region. It will create hundreds of jobs. They will have a positive impact on our local economy.

Kalahari Resort Project



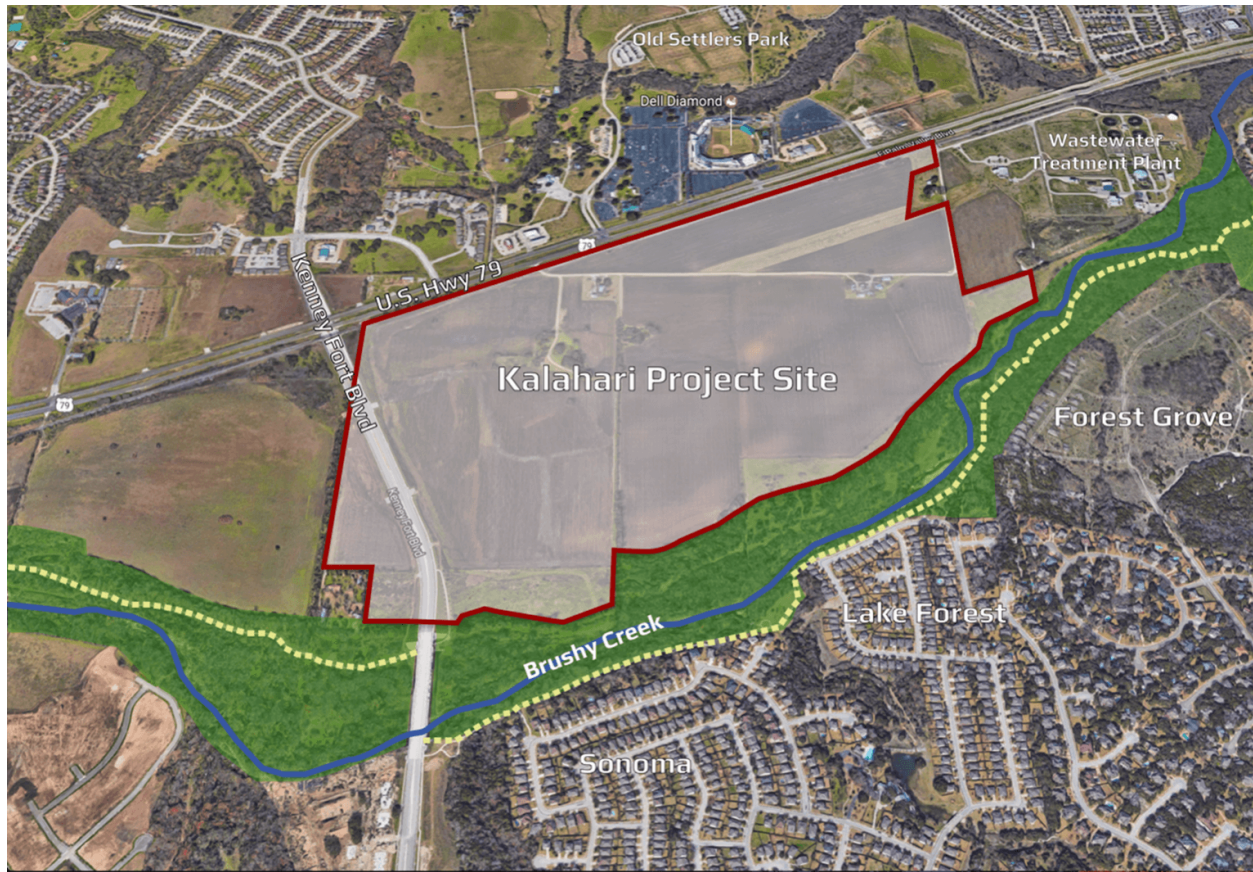
Kalahari Resorts has chosen Round Rock as the location of its fourth family resort and

convention center. Its proximity to Old Settlers Park and Dell Diamond – two well-established venues that together draw more than a million visitors annually – bodes well for a successful, tourism-oriented development. This is essentially a new industry for Round Rock that will provide substantial property tax revenues and diversify available employment opportunities. The City views this proposal as a game-changer for our community. A family-owned business, Kalahari Resorts delivers a “world-away” waterpark resort and conference experience beyond expectations. The authentically African-themed Kalahari Resorts feature well-appointed guest rooms, full-service amenities, fully equipped fitness centers, on-site restaurants, unique retail shops and state-of-the-art conference centers.

Information on project pages is updated as it becomes available. Questions and comments about the project can be emailed to: kalahari@roundrocktexas.gov

Location

The development will be located on U.S. 79 across from the Dell Diamond and Old Settlers Park. The map below provides a view of the project location.



Timeline

MAY2018

Kalahari breaks ground

Kalahari Resorts and Conventions' team members and executives gathered with 250 supporters to [break ground](#) on the new African-themed waterpark and convention center on May 15. The project is scheduled to open in 2020.

APR2018

Economic Development board, City Council approve series of agreements

The board of directors of the Round Rock [Transportation and Economic Development Corporation](#) (TEDCo) and the City Council approved at their respective meetings Thursday, April 26, a series of agreements related to the [Kalahari Resorts](#) project.

The most significant are a \$40 million construction agreement with Hensel Phelps to construct the City-owned convention center that will be a feature of the project, and a \$15 million agreement with Kalahari for the construction of onsite public improvements, that includes roads and water and wastewater lines. Both contracts are with TEDCo. The City Council votes were to authorize the agreements.

APR2018

City Council approves zoning

The Round Rock City Council [approved Kalahari's zoning applications](#) at its April 12, 2018, meeting.

MAR2018

Planning and Zoning Commission recommends zoning approval

The Round Rock [Planning and Zoning Commission](#) unanimously recommended approval of the [Planned Unit Development](#) (PUD) for the project at its March 7 meeting.

FEB2018

City Council debt reimbursement resolution

The City Council approved Feb. 22 a [resolution](#) expressing official intent to reimburse certain design and construction of offsite public improvement expenditures in conjunction with the Kalahari Project, from the proceeds of a future tax-exempt Certificate of Obligation debt issuance.

JAN2018

Transportation and Economic Development Corporation approvals

The [Round Rock Transportation and Economic Development Corporation](#) approved a series of resolutions related to the project, including: design and construction of onsite public improvements; design and construction of a Convention Center; intent to reimburse certain project expenditures related to the Convention Center from the proceeds of a future taxable sales tax backed revenue debt issuance; and, intent to reimburse onsite public improvement expenditures from the proceeds of a future tax-exempt sales tax backed debt issuance.

AUG2017

City Council to vote on Convention Center architect contract

The [City Council](#) voted Aug. 24, 2017, to approve an architectural contract for the [Convention Center](#).

MAY2017

Kalahari Rezoning Open Houses

A pair of open house meetings were held for public input on the rezoning process for the Kalahari Resort and Convention Center project. The meetings were Tuesday, May 9, and Thursday, May 18, at Ridgeview Middle School, [2000 Via Sonoma Trail](#). More information can be found here: <http://bit.ly/KalahariOpenMay17>

JAN2017

City Council votes Jan. 26 to purchase of additional 1.5 acres for project, amend lease agreements with Kalahari.

DEC2016

City Council [approves a series of incentive and other agreements](#) with Kalahari.

JUL2016

City officials, Kalahari representatives continue discussions on [incentive agreement](#). Kalahari and its consultants working on master plan for 355 acres it has under contract.

JUN2016

JUNE 23, 2016: Round Rock City Council unanimously approves [memorandum of understanding](#) with Kalahari Resorts

JUNE 15, 2016: Kalahari Resorts [announces intention](#) to locate in Round Rock

MAY2016

City, Round Rock Economic Development Partnership (RREDP), and Kalahari Resorts leadership and legal representatives collaborate on creating a Memorandum of Understanding (MOU)

DEC2015

Kalahari Resorts site selector asks Round Rock for details on a potential proposal

JUL2015

Kalahari opens its third resort in the Pocono Mountains in Pennsylvania

MAY2015

Economic feasibility study is completed

MAR2015

Round Rock is notified it is a finalist under consideration for Kalahari's first resort in Texas and an economic feasibility study is requested

JAN2015

Kalahari Resorts leadership and family members tour the currently proposed site

NOV2014

Kalahari Resorts leadership tours various potential sites throughout Texas

SEP2014

Kalahari Resorts site selector visits Round Rock to look at potential sites

AUG2014

Round Rock Economic Development Partnership (RREDP) sends information about Round Rock to Kalahari Resorts in an effort to diversify local economy and attract a destination resort to the community

Public Involvement



There will be opportunities for citizen participation, and input received will be shared with the City Council. We'll answer as many questions as we can as the project moves forward. Because it is still in the early planning stages, there is some information that is not yet available. If you have comments or questions, please send them to kalahari@roundrocktexas.gov.

Updated: What is the project schedule?

Kalahari currently plans to open the Round Rock resort by 2020. The City Council [voted on a series of financial agreements](#) on the project on Dec. 15, 2016. The process of putting together a [development agreement and zoning changes](#) began in spring 2017. A zoning vote is anticipated to occur at the March 7, 2018, Planning and Zoning Commission meeting. The City Council approved on a Memorandum of Understanding in June 2016. *Updated March 1, 2018*

How will the public be engaged?

The City of Round Rock has initiated an active community communications program, including:

- Elected and neighborhood leader briefings
- Media briefings and updates
- Information provided on the City website and social media channels
- [Community meetings](#)
- Required public hearings
- Communication of Council decisions

Two open house meetings on the Zoning Process were held May 9 and 18, 2017. Here is a [summary](#) of the meetings. The Planning and Zoning Commission held a public hearing at its [March 7, 2018, meeting](#).

Who will make the final decision and on what will that decision be based?

The Round Rock City Council will make the final decision based on benefit to the City, community input and staff and Chamber recommendations.

Residential Impacts



The resort, which will feature a multi-story hotel, will likely be visible to some nearby residents. Some may also be able to hear activities at the resort, but that's also the case with the Dell Diamond, especially during baseball season. The City and Kalahari will work with the neighborhoods to address potential impacts during the land use planning process.

What are the project's anticipated impacts?

Adjacent neighbors will be able to see some of the facilities on the site and may be able to hear park activities. To the extent possible, sight and sound concerns will be considered during the multi-stage zoning change approval process.

Will the resort be visible to commuters from U.S. 79?

Yes.

What will it do to nearby residential property values?

There are many factors that go into the valuation of residential property, including national, state and regional economic conditions, as well as neighboring development. According to its website, the Williamson Central Appraisal District compares a home to similar homes that have sold recently and determines the value accordingly. In other words, it is valued based on the sales of similar properties. Other considerations include age, size, condition and quality of construction of the home.

Updated: Wouldn't residential use of the property present fewer impacts?

No. Zoning would allow for 351 acres of development for single-family detached homes. At four units per acre, this is 1,404 units. Traffic impacts from residents living in these homes would create more peak hour traffic congestion. Residential use of the property would also have more impacts on local schools and likely use more water. *Updated Dec. 9, 2016*

How will the project impact Brushy Creek?

As part of the City's [stormwater management permit](#) from the Texas Commission on Environmental Quality, we implement various best management practices to ensure development does not negatively impact waterways. We have standards, guidelines, inspections and enforcement for projects under construction to ensure the construction process does not impact waterways. In short, the U.S. Environmental Protection Agency (EPA) forces TCEQ to regulate the City to protect water quality. The City also has a strong [Illicit Discharge](#) ordinance that regulates ongoing activities to address threats and impacts to the system.

How will the project impact the regional trail?

The regional trail is designed to accommodate Round Rock and surrounding communities. Kalahari Resort will be another destination on the regional trail. Residents and visitors will be able to continue to use the trail to commute to work, visit a local business, park or friends, and/or for exercise and recreational purposes.

Resort and Convention Center



Below are additional questions and answers about the proposed Kalahari Resort and Convention Center, including information about ownership and project benefits to Round Rock.

Updated: How big is the planned resort and convention center?

The project will include a minimum of 975-room family resort and 150,000-square-foot convention center on about 75 to 100 acres with a 200,000-square-foot indoor/outdoor water park. The height of the proposed hotel is planned to be significantly shorter than is currently allowable under the approved [Bison Planned Unit Development](#). A 15-story hotel is allowed currently. *Updated Dec. 9, 2016*

How many visitors can be anticipated for our area as a result of the resort?

At its peak, we expect Kalahari to attract up to 1 million visitors annually, if the Round Rock resort and convention center performs as well as other Kalahari locations. Many will come for multi-day conventions and meetings and bring their spouses and families. Kalahari has always worked with the local tourism industry in each community to enhance their marketing and promote packages for tours of the region's attractions.

Will the resort be open to the Round Rock community?

Yes, many of the resort's offerings will be open for local patrons to enjoy.

Updated: Who will own and operate the family resort in Round Rock?

Kalahari will own and operate the resort and indoor/outdoor water park. The City will own the convention center for a period of time to take advantage of unique financing options, but Kalahari will operate it. A management agreement between the City and Kalahari will be voted on by the City Council at a later date. *Updated Dec. 9, 2016*

Updated: Why do we need a convention center and how will it be paid for?

The Convention Center will provide large-scale meeting and exhibition space currently unavailable and represents a valuable new industry for Round Rock that improves our

economic diversity. The City will issue bonds to provide \$40 million in net proceeds to construct the Convention Center. We plan to use [select State and City tax revenues](#) generated by Kalahari to repay the bonds. The City will own the convention center, but will enter into an agreement with Kalahari to manage it. The lease will provide that Kalahari is responsible for all operation and maintenance costs. When the debt associated with the issuance of the bonds is retired, the City will convey the convention center to Kalahari at no cost. *Updated Dec. 9, 2016*

Why does the City want to own the convention center?

Due to a favorable state law, if the City owns the convention center, the resort hotel qualifies for approximately a \$50 million state rebate, which comes back to the City, which we anticipate sharing a portion of with Kalahari. This makes owning the convention center for a period of time very advantageous to the City.

Are there other Kalahari resorts?

Round Rock's family resort and convention center would be the company's first Texas resort and first location in the Southwest. Other Kalahari Resorts locations include the company's first resort in Wisconsin Dells, Wisconsin (the country's Waterpark Capital); Sandusky, Ohio; and the Pocono Mountains in Pennsylvania.

Will green initiatives be used?

Kalahari has a long-standing commitment to eco-friendly initiatives at Kalahari Resorts, introducing state of the art "green" operations that protect the environment. Kalahari Resort-Wisconsin is home to the state's largest solar hot water system and an Energize Energy Control System that conserves energy. In Ohio, the property introduced a Texion transparent roof system that works as a natural heating source for the indoor water park. The resort also participates in [Clean The World](#). Throughout their partnership, the resort has diverted nearly 40,000 pounds of waste distributed more than 125,000 sterilized soap bars and recycled almost 12,000 pounds of plastic. The Round Rock resort will be designed to incorporate Kalahari's corporate green initiatives.

Will wild animals be featured? If so, what safeguards are in place for both the animals and the public?

There are no current plans to feature live animals at Kalahari Resorts and Conventions in Round Rock.

Will Kalahari be a good corporate citizen?

Philanthropic efforts are a high priority for Kalahari Resorts and Convention owners the Nelson family. The company supports various initiatives on a global, national and local scale in the markets in which they have a property.

Rezoning Process



Kalahari has [submitted an application](#) for [Planned Unit Development](#) (PUD) zoning. A PUD is a site-specific zoning district tailored to a specific location and use(s). PUDs allow greater flexibility than standard zoning districts, but the development must be of equal or better quality. A PUD may be amended, or may be removed by rezoning the property to another zoning district or another PUD.

What are the uses requested by Kalahari?

Kalahari has requested the following uses be permitted in the PUD:

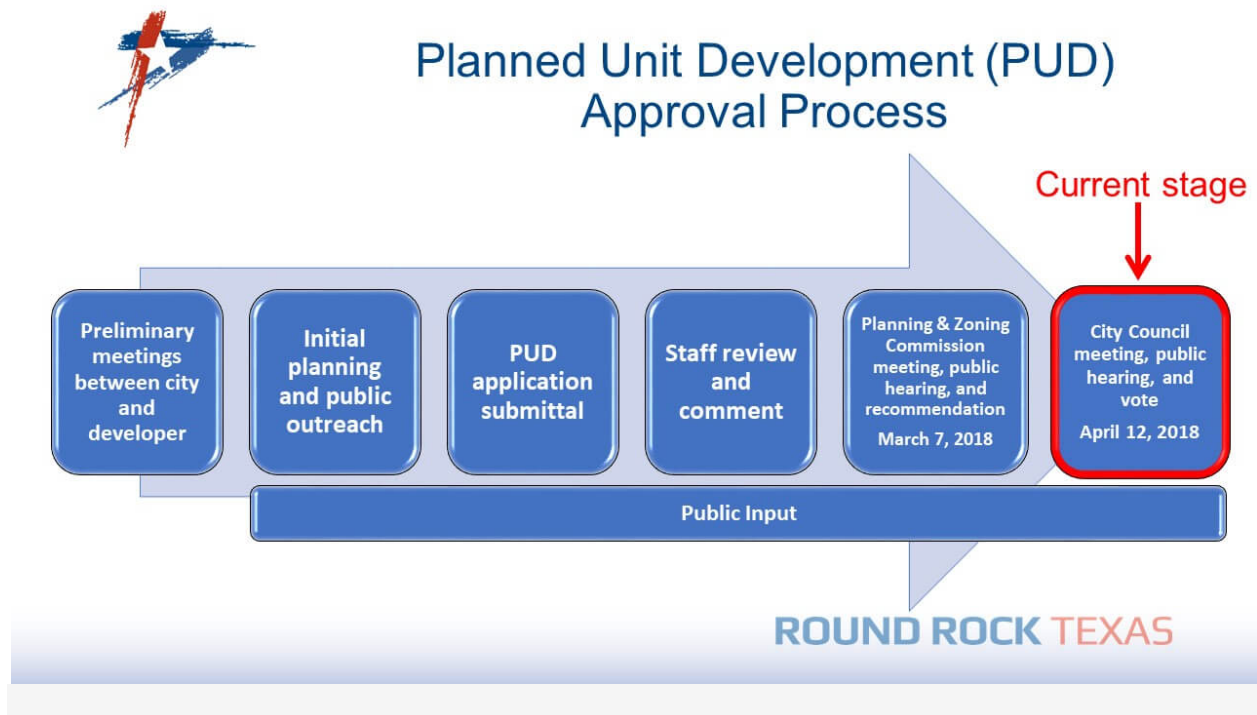
- Resort hotel
- Convention center, which will include related activities by the owner and/or operator of the convention center, convention attendees and others, such as entertainment and retail sales
- Indoor water park
- Outdoor water park
- Indoor family entertainment center
- Outdoor family entertainment center
- Wedding venue
- Recreational lake
- Spa
- Pet resort/small animal day care and boarding facility, where animals are not left outside overnight
- Restaurants/bars, which will include related activities such as performance spaces and may have drive-through service
- Retail sales and services
- Golf entertainment venue
- Mobile food establishments
- Employee housing
- Hotel/motel
- Fuel sales/convenience store
- Cinema

- Aquarium
- Day care
- Campgrounds

You can find this list, as well as ancillary uses requested by Kalahari, in this [draft zoning submittal](#).

What does the PUD process look like?

The chart below provides a simple overview of the process. There is detailed information on [Zoning and PUDs here](#).



When will the public have input on the zoning process?

A public hearing was held March 7, 2018, at the [Planning and Zoning Commission meeting](#) where a recommendation vote was unanimously approved. The PUD now moves to the [City Council](#) for public hearing and final vote, tentatively scheduled for April 12, 2018. There were [open house meetings](#) on May 9 and May 18, 2017, at Ridgeview Middle School, [2000 Via Sonoma Drive](#). Here is the [information that was presented](#) at the open houses. The public has also offered comments on social posts related to the project, dating back to June 2016 when Kalahari [announced its intention](#) to build a resort in Round Rock. City and Kalahari officials have met with leaders from neighboring homeowners' associations to discuss the project. Residents and others have also had multiple opportunities to offer comments and ask questions on the City's [Facebook](#) and [Twitter](#) accounts. If you have a question or comment, please email the project team at kalahari@roundrocktexas.gov. All input received is shared with the City Council.

What does the Kalahari site plan look like?

Below is a **draft illustration** of how Kalahari currently envisions the development. The site plan is subject to change.



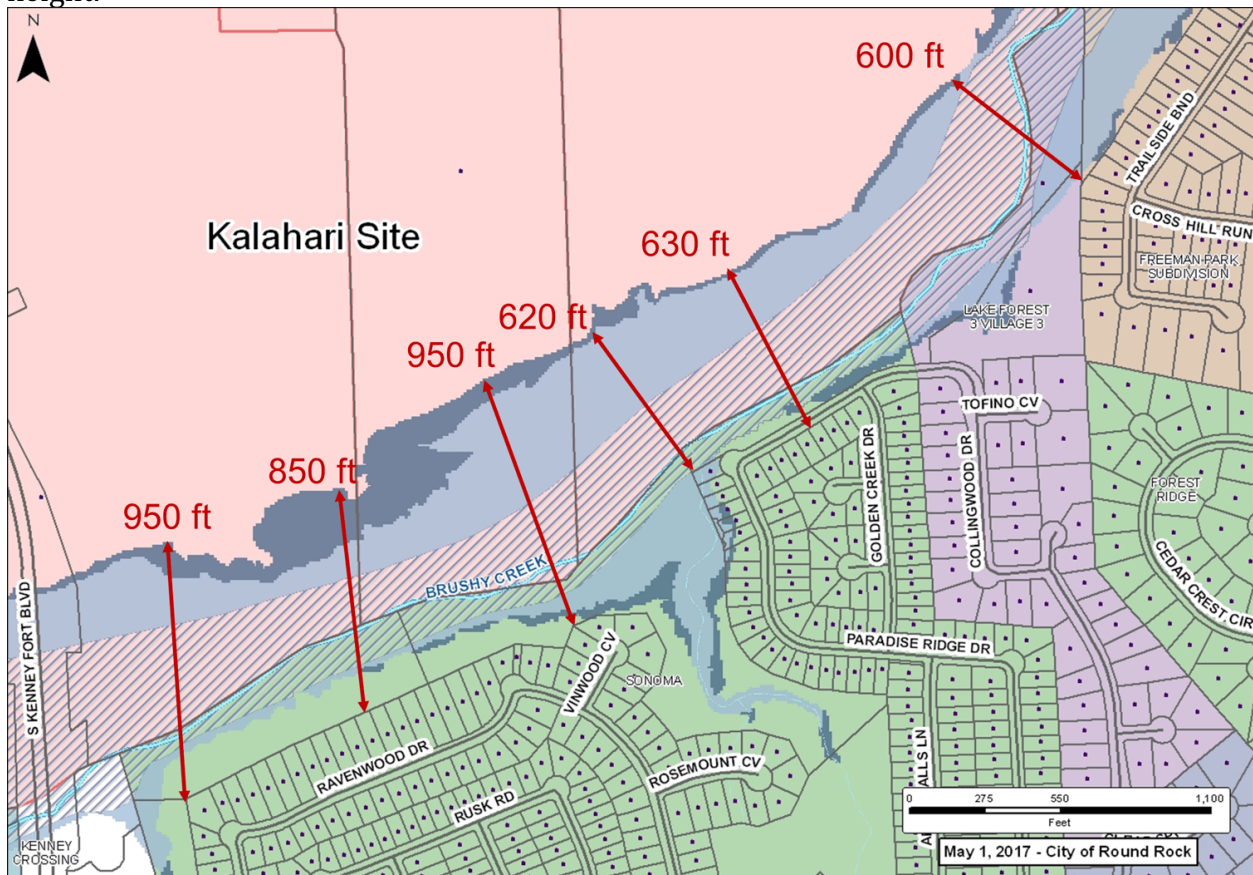
What can be done to mitigate potential impacts of the development on neighboring properties?

Among the methods to mitigate the impact are:

- Site design of the project
- Enhanced landscaping can provide a visual buffer
- Fencing can provide a visual buffer
- Shielded, directional lighting can minimize the impact from parking lot lights
- The presence of the Brushy Creek floodplain limits how close any permanent structures can be built on the southern edge of the project

How close will the development be to existing homes?

The map below shows the distance from the floodplain on the southern edge of the project to various properties on the south side of Brushy Creek. The City does not allow building in the floodplain. The tallest buildings in the project will be farther away from the neighborhoods. The maximum requested building height is 180 feet, and that is only allowed for buildings at least 750 feet away from the southern property line. This represents a larger setback than would be required by standard zoning requirements. In the C-1a zoning district, a 180-foot tall building would be set back about 210 feet. Buildings less than 750 feet away from the southern property line can be a maximum of 75 feet tall; however, no buildings may be located in the floodplain. The existing PUD zoning at the site allows buildings 15 stories tall, which could permit structures exceeding 200 feet in height.



Traffic Impact



This project is large, no doubt, but we believe visitors to the resort likely won't have much of an impact on rush hour traffic because they won't be on an 8-to-5 schedule. They'll come and go throughout the day. There will be a need to provide improved access to the property, so the City is designing improvements to both U.S. 79 and Kenney Fort Boulevard. Those improvements will benefit other motorists, not just Kalahari visitors.

How will Kalahari affect local traffic congestion?

Most of our region's traffic congestion occurs during peak times, i.e., rush hour. Kalahari's traffic does not peak at any particular time of day, so it should not have much impact or contribute to traffic congestion during peak times.

Updated: Will there be road improvements to improve access to the property?

Yes. The improvements will include a major upgrade to the intersection of U.S. 79 and Harrell Parkway – which will be a major entrance into the resort – as well as an upgraded railroad crossing further east on U.S. 79 that accesses a regional wastewater treatment plant. Improvements to the intersection of U.S. 79 and Joe DiMaggio Boulevard are also planned. There will also be a new public roadway connecting Kenney Fort Boulevard to U.S. 79. Our long term Transportation Master Plan includes other additions and expansions to the transportation system in the area. Some of those projects may be built sooner than projected to improve regional traffic flows. Those projects will also provide much earlier opportunity for congestion relief to the community at large. Among the current design projects underway is Kenney Fort Boulevard at Forest Creek, which will extend all the way south to Gattis School Road and eventually to SH 45. *Updated Dec. 9, 2016*

Updated: How will these improvements be paid for?

The City will issue bonds to provide \$30 million in net proceeds to construct City-owned improvements. The debt will be repaid through select State and City tax revenues generated by the project.

Why are these improvements being made in advance of other transportation projects on the Capital Improvement Project list?

Capital Improvements to the transportation grid are always fluid, giving us the opportunity to respond to the most urgent community needs and growth.

Is the Kenney Fort Boulevard extension related to this project?

If the Kalahari project moves forward, the extension could be built sooner than we originally anticipated. Kenney Fort Boulevard has been part of the approved Transportation Master Plan for many years, and is identified on all of the regional maps as a major corridor. Because it is considered a regional roadway, Williamson County is currently contributing voter-approved bond funds to help pay for the design.

Water Use



The City's long-term water plan has been developed with large commercial projects in mind, so we have ample supplies now and in the future to serve a project like Kalahari Resorts.

Is there enough water for a resort and water park?

The City has exercised due diligence to ensure that water supplies are available for the community and for economic development projects like Kalahari. The City's water reuse and water conservation programs optimize water resources. Even after Kalahari is operational, the City will still have more than 26 million gallons per day of available capacity.

How much water will the water park use and where will that water come from?

The entirety of the Kalahari operation is predicted to use in the range of 180,000 to 260,000 gallons of water daily. The company has an excellent water-recycling program already implemented in its other properties. And, because of the property's proximity to the City's wastewater treatment plant, Kalahari has expressed an interest in purchasing reuse (non-drinkable) water for some uses. Guests in the hotel rooms will consume the most water, but Kalahari has a strong record of implementing many water and energy conservation measures. Details of the resort's projected daily water usage in other locations include: hotel rooms (47%); restaurants (19%); water park (19%); meeting space (6%); public space (6%); and retail shops (3%). The City of Round Rock gets its water from a number of sources, including Lake Travis, Lake Georgetown, Stillhouse Hollow Lake and the Edwards Aquifer.

Updated: What is the financial agreement for water?

Per the Master Development Agreement, the City agrees that utility rates shall not exceed the lowest retail [water rate and wastewater rate](#) charged by the City for other property within the City limits. The City encourages Kalahari to utilize the City's [reuse water](#) utility for non-potable uses, and will sell that at a rate equal to 70 percent of regular reuse water rates. *Updated Dec. 9, 2016*

Central Texas frequently experiences drought conditions. If water restrictions are ever placed on the community, how will Kalahari be affected?

Kalahari would be placed on the same water restrictions as all other hotels and retail establishments in the community.

Updated: Isn't this a waste of water that should be available for community uses?

Even after Kalahari is operational, the City will still have more than 26 million gallons per day of available capacity. The City has master planned water use for the ultimate build-out of the City based on a water demand per acre. The future land use for this property was planned to be a commercial development, which is what Kalahari is considered. If it chooses to utilize the City's water reuse system, Kalahari will be able to reduce its overall impact on the City's potable (drinkable) water supply. Under state law, Kalahari has the right drill its own wells to supply its water needs. *Updated Dec. 9, 2016*