



Council questions and staff responses for items on December 11th, 2025 City Council Meeting

Item 8.4 Midtown area Baseball Complex

Sponsors: Michael Ostrowski

Although no formal action is currently anticipated on Item 8.4 due to ongoing negotiations regarding the letter of intent, it remains on the Council agenda should action become necessary. However, responses to the questions raised are provided below.

Question 1: What did the taxpayer pay for the Midtown Business Park tract

Response 1: The Midtown Business Park property was acquired through multiple land transactions in 2000 and 2005. The majority of the property, along with additional parcels totaling 339 acres, was purchased in 2000 for approximately \$3.8 million. This equates to a cost of just over \$11,250 per acre for the City.

Question 2: What is the estimated total developable acreage of the site?

Response 2: The total developable area is approximately 194 acres, which would be reduced by the acreage required for roadway construction.

Question 3: what is the maximum lease term in years allowable by state statutes for municipal ground leases [for a P3 sports complex]?

Response 3: The distinction between a lease and a conveyance often hinges on the nature and duration of the interest transferred. A lease typically grants the right to use and occupy property for a specified term in exchange for consideration, usually rent, without transferring ownership of the property itself ([City of Galveston v. Texas General Land Office, 196 S.W.3d 218 \(2006\)](#)). In contrast, a conveyance involves the transfer of ownership or a more permanent interest in the property, such as an estate of inheritance or a freehold ([V.T.C.A., Property Code § 5.021.](#)) There is no rule as the actual length of a lease term. This depends on if the City retains ownership of the facilities after the lease termination, if the land will be taxable, and that it does not look as if the transaction is a conveyance masked as a lease agreement. The longer the lease the more it would appear to be a conveyance of the City's interests, but this depends on the nature of the use and the City adding lease terms to not convey any interests.

Article III, Section 52 of The Texas Constitution prohibits counties, cities, and other political subdivisions from lending their credit or granting public money to individuals or corporations. This restriction states that the Legislature has no power to authorize such lending.

In conversations with bond counsel, the city cannot “lend” its credit rating, provide any debt guarantee or provide the MFN status as asked in the question from council.

Question 4: The proposed P3 partner believes CSTX can bestow Most Favored Nation (MFN) borrowing terms to them in some form. Do we know if this is possible and what it entails?

Response 4: Most favored nations clauses are widely used in various industries to address concerns about fairness and competitive equity. In the healthcare sector, they are included in provider network contracts to regulate reimbursement rates and contractual terms among providers and contracting entities (V.T.C.A., Insurance Code § 1458.001). In intellectual property licensing, they protect licensees from receiving less favorable terms than other licensees, particularly in competitive markets (JP Morgan Chase Bank, N.A. v. DataTreasury Corp., 823 F.3d 1006 (2016)). In long-term supply contracts, they safeguard vendors against price undercutting by competitors during periods of falling rates (In re Mirant Corp., 332 B.R. 139 (2005)).

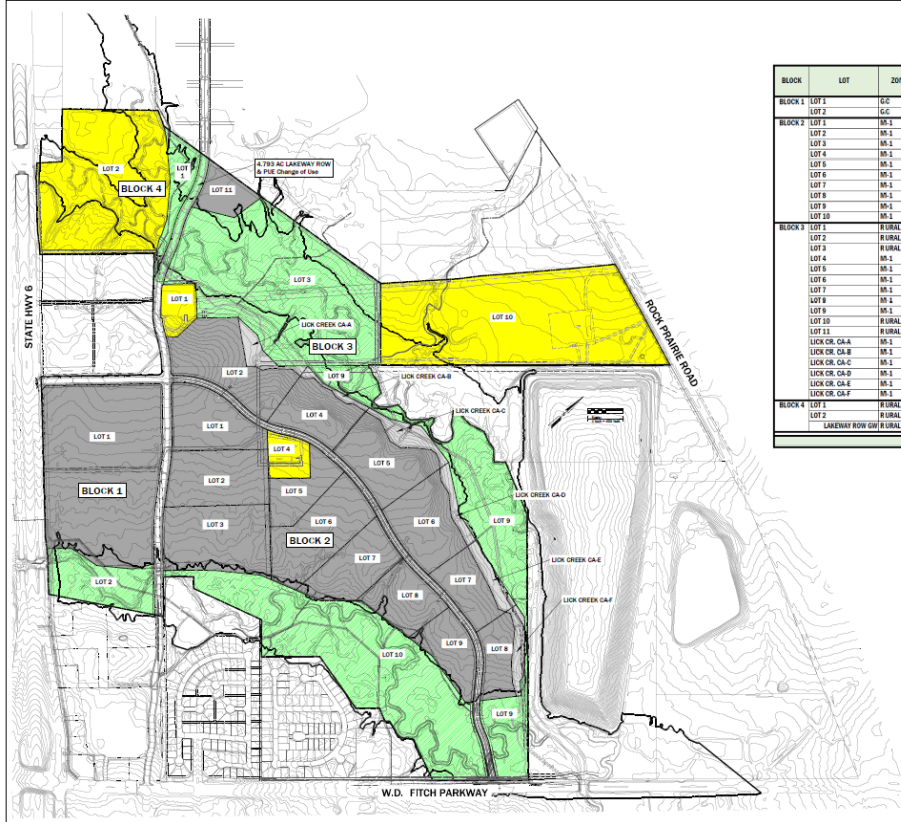
In the context of a lease agreement and economic development agreement the use of MFN clause by the City to another party the City would have to be the lender. The one who controls the terms of a note or borrowing. I am not sure the City can step into that position. The City will need to discuss this project and the financing with our bond counsel before obligating the City to any financing or note. Also, in this case it seems that there may not be any other party that would be similarly situated as the party who enters a baseball related economic development agreement and related lease. Even if it's decided the City can offer a MFN clause I think it limits future Council and any bargaining they may or then may not have.

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Question 5: Had the city previously budgeted for infrastructure improvements to the Midtown Business Park tract and, if so, how much? If we had not, had we previously estimated what those costs would be and if so, what was the estimated capital expenditure to the taxpayer?

Response 5: The infrastructure improvements were an unfunded capital project. These improvements could have been done as a stand-alone initiative, in which the City would install the infrastructure and subsequently sell the lots. Alternatively, they could have been incorporated into a private development project, depending on necessity. The estimated cost for the improvements was approximately \$26 million, based on the following layout.



BLOCK	LOT	ZONING	AREA (AC)	GREENWAYS		MIDTOWN	OIL PAD	ELECTRICAL	PARKLAND	LANDFILL
				TRICHEY TRACT (AC)	TOTAL (AC)					
BLOCK 1	LOT 1	GC	97.399		97.399					
	LOT 2	GC	13.297	13.297						
BLOCK 2	LOT 1	M-1	13.473		13.473					
	LOT 2	M-1	18.727		18.727					
	LOT 3	M-1	26.179		26.179					
	LOT 4	M-1	8.904		8.904		5.000			
	LOT 5	M-1	8.407		8.407					
	LOT 6	M-1	17.431		17.431					
	LOT 7	M-1	12.317		12.317					
	LOT 8	M-1	10.116		10.116					
	LOT 9	M-1	3.005		3.005					
	LOT 10	M-1	61.955		61.955					
BLOCK 3	LOT 1	RURAL	4.863		4.863			4.863		
	LOT 2	RURAL/ M-1	18.593		18.593					
	LOT 3	RURAL	66.874	66.874	66.874					
	LOT 4	M-1	10.528		10.528					
	LOT 5	M-1	14.125		14.125					
	LOT 6	M-1	13.577		13.577					
	LOT 7	M-1	8.291		8.291					
	LOT 8	M-1	1.428		1.428					
	LOT 9	M-1	41.628		41.628					
	LOT 10	RURAL	97.825		97.825				97.825	
	LOT 11	RURAL	5.876		5.876					
	LICK CR. CA-A	M-1	2.889		2.889					
	LICK CR. CA-B	M-1	1.129		1.129					
	LICK CR. CA-C	M-1	3.723		3.723					
	LICK CR. CA-D	M-1	2.183		2.183					
	LICK CR. CA-E	M-1	2.794		2.794					
	LICK CR. CA-F	M-1	2.746		2.746					
BLOCK 4	LOT 1	RURAL	6.772	6.772	6.772					6.772
	LOT 2	RURAL	48.587		48.587					48.587
	LANEWAY ROW GW	RURAL	3.487	3.487	3.487					
TOTALS				77.518	155.955	257.504	5.000	4.863	97.825	68.587

NOT FOR RECORD
PRELIMINARY PLAN
MIDTOWN BUSINESS PARK

600.2 Acres
 COLLEGE STATION
 Brazos County, Texas

SCALE: 1" = 200' (SEE SHEET 1-10)
 1" = 100' (SEE SHEET 1-11)
 COMMON AREAS: 1" = 100' (SEE SHEET 1-12)
 & 1" = 200' (SEE SHEET 1-2)

DATE: 06/16/2016
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