



GEDC BOARD PACKET

**MEETING DATE:
MONDAY, JUNE 1, 2020**



AGENDA ITEM # 5

GRANT REQUEST FROM ACE INVEST, LLC:

Attached is the additional information that was requested from Ace Invest, LLC and the grant application.

Agenda # 5

Here is the response to your questions.

- What was the acquisition cost of the property located at 608 St. Paul Street?
 - Rajeev : \$105,000
- Will this project create any new jobs? If so, how many?
 - Rajeev:
 - It should create temporary jobs for local people. The center will be used for bringing various businesses to have their trade shows (e.g. Antique or gun shows etc) and parties (business, birthday, weddings etc) which will require temporary workforce (from 1 to 10+ people at a time based on the shows/party) to be hired to support the events.
 - This project will enable local businesses to position their products and services better via trade shows, community events etc, which will drive up their top line growth.
 - The conference center is also supposed to be an extension of the Alcalde Hotel which is expected to drive more hotel stays due to hosting of weddings, birthday parties and business conferences. Hence, revenue from tourism is expected to increase for the city due to this addition.
 - Local services such as food catering, flower decorators, cleaning services, event planning etc will benefit hugely by this addition which will indirectly result in increased tax money for the city
 - The center will provide more money (recurring) to city of Gonzales in terms of property tax.
 - The center/project will add to the appeal of downtown.
 - Once the business grows, there are prospects to hire full time staff for the upkeep of the property (1-4 people in 3 years)
- Will this project be retaining any jobs, if applicable?
 - Rajeev: This is not applicable as this is a new project/offering.

Please let me know if there is any question.

Thanks

Regards

Rajeev

LOAN/GRANT APPLICATION

Name of the Organization: Ace Invest LLC.
Project Contact(s): Prashanth Tangutur, Rajeev Jain
Phone(s): 920-265-1359 (Prashanth), 603-943-0518 (Rajeev)
Address: 16238 RR 620 N #122 Austin TX 78717

Project Summary:

Name: Texian Heritage Conference Center

Background:

Ace Invest LLC is an Austin based company owned by Prashanth Tangutur and Rajeev Jain who are well versed with rental real estate business and who also hail from business families. The owners have been very successfully with multiple projects in the Austin metro area and are looking to expand to the next upcoming areas in and around Austin.

Market Opportunity:

Gonzales is going through a growth phase that encompasses various types of businesses such as mining, tourism, realty and law firms. The city is expected to attract more people and is expected to be on a growth trajectory in the next 5 years. There is an imminent need to provide a convention /business center that is close to the downtown and city center. Based on our market analysis we have collected data that the surrounding hotel establishments are in dire need of this facility. There isn't one available in the downtown area today which makes it harder for business to conduct conventions or meetings or celebrations.

Business Plan

The plan is to expand 608 St. Paul St which is currently an office space to be a convention center that is in close proximity to the Hotel Alcalde and Gonzales Courthouse. This would require an overall investment of \$95K to convert the existing business area to the convention center. This property (608 St. Paul St.) meets current city property zoning requirements. We would also like to keep alive the Gonzales history and heritage and will be naming our boardrooms and main hall in the name of our heroes and historical figures.

Model:

Please see the attached.

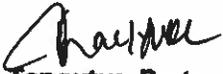
Project Goals & Objectives:

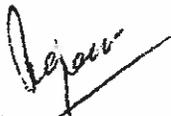
To provide a convention center to host businesses to conduct meetings in the downtown area of Gonzales city. Convention center can accommodate a large gathering of audience up to 120 people and also be able to host business meetings in 2 different meeting rooms/boardrooms.

Funding Amount Requested : \$33,200

Projected Beginning Date : 4/20/2020

Projected Ending Date: 6/30/2020


(Prashanth Tangutur, Partner, ACE Invest LLC)


(Rajeev Jain, Partner, ACE Invest LLC)

Date:

05/19/20

Date:

5/19/2020

The Application

A. Project Description

Title : **Texian Heritage Conference Center**

We would like to build a conference center at 608 St Paul Street which should be functional by July 1st, 2020. The center is going to have 2 boardrooms and one big hall. The facility can be used as a business center to host corporate events. The main big hall can be used for large events, parties, weddings and shows. The hall should be able to host 100+ guests. The location for the property makes it attractive for people to host their events and overall should uplift the economy of the city of Gonzales.

Construction work has started on April 20th, 2020. Please see the attached renovation plan for more details. The estimated completion date for the project is June 30th, 2020.

The center will be named as "Texian Heritage Conference Center". The two boardrooms will be called "**Almaron Dickinson Boardroom**" and "**Thomas R. Miller Boardroom**". The main hall is being named as "**Albert Martin Hall**". This will keep the heritage and pride of Texas in our city of Gonzales.

When we started the project, we had a budget of \$60,000 for renovation. Towards the finalization of the project plan (after we started), we had to accommodate a major safety precaution that included installation of the sprinkler system which exceed the overall project estimate by \$35,000. This cost includes the necessary design changes during construction, installation of sprinkler system and also modifications in the current floor plan.

As the conference/convention center is going to add value to the city of Gonzales and will be adding appeal to the downtown area, we are requesting \$33,200 grant from GEDC for the help with complying with city and safety codes for the building for installing sprinkler system and making other necessary changes. We were able to find additional \$1800 to fund this and requesting \$33,200 from the overall cost of \$35000.

The capital investment for this project has been from our hard-earned nest egg that we have been accumulating over the years doing real estate in the Austin metropolitan area. The incremental funds that are needed to cover the costs related to the sprinkler installation needs external sources of funding. We are looking to GEDC to support us so that as a result, this ends up being a great value-add for the Gonzales city.

B. Project Budget

Project budget is as follows:

Demolition and Framing -	\$11700
Rough-In Electrical, Plumbing -	\$16500
HVAC Systems	\$10000
Wall insulation, Sheetrock, Trim & Doors-	\$11700
Finishing Sheetrock, Painting, Ceiling -	\$7800
Flooring (Tiles), Trim out Electrical/Plumbing -	\$15800
Hardware Install and Final Testing/Finishing -	\$4145
Sprinkler System (Chero-Key Piping) -	\$15500
Builder Risk Insurance	\$500
Travel, Miss Expenses	\$1355
Total Amount	\$95000

We are using local "Alcalde Group" for building construction and "Chero-Key Piping Co" from Houston, TX for installing the sprinkler system as we were unable to find a local Gonzales company for such work. "Alcalde Group" is a well-known builder in Gonzales, TX with constructing many buildings in downtown area and have told us that they will be using local labor and supplies (whatever is available) from Gonzales, TX.

C. Project Motivation

We first heard of City of Gonzales from our kids who study in Austin, TX. One of their teacher told them about the great history of the city and this is where we decided to come and visit the city. While visiting, we met some of local resident and saw a business opportunity which aligned with business needs of the city. Our goals are very much aligned with "Economic Development Corporation Act" as the proposed center is going to make the overall place an attractive venue for businesses as well as for the local resident of the city of Gonzales.

In our survey, we found that there aren't many places where people can have boardroom meeting specially for the people coming from out of town. The location is easily accessible and near the courthouse which makes it a perfect venue for court related meetings. Local residents can take advantage for their birthday parties or weddings or reception by renting the big hall. The food/catering as well as accommodation can be arranged from next door hotel.

We have a plan to connect with "Gonzales County Historical Commission" in order to add authenticity to the center by adding some historical painting/photos of the great leaders of Texas.

D. Project Addenda and/or Attachments

- 1) Floor plan is attached.

Business Plan

A. Executive Summary

1. Objectives

The plan is to expand 608 St. Paul St which is currently an office space to be a convention center that is in close proximity to the Hotel Alcalde and Gonzales Courthouse. This would require an overall investment of \$95K to convert the existing business area to the convention center. This property (608 St. Paul St.) meets current city property zoning requirements.

2. Mission

Our mission is to make City of Gonzales very visible in the state of Texas and make it a prime business hub at par with other growing areas around Austin.

We would also like to keep alive the Gonzales history and heritage and will be naming our boardrooms and main hall in the name of our heroes and historical figures.

B. Company Summary

Ace Invest LLC is an Austin based company owned by Prashanth Tangutur and Rajeev Jain who are well versed with rental real estate business and who also hail from business families. The owners have been very successful with multiple projects in the Austin metro area and are looking to expand to the next upcoming areas in and around Austin.

C. Products

Convention center with Party Hall in the city of Gonzales and in the heart of the downtown.

D. Market Segmentation

1. Market Needs

We couldn't find many good options for businesspeople to have boardroom meeting or for having a large party room which can fit in 100+ people.

2. Main Competitors

Based on submitted plan, we couldn't identify any competitor.

E. Strategy and Implementation Summary

Our tenant will be marketing the center thru online as well as thru local advertising.

I (We), hereinafter referred to as "APPLICANT", on behalf of the identified entity, submit to the Gonzales Economic Development Corporation, hereinafter referred to as "GEDC", this application for consideration of a Loan/Grant under the provisions of the GEDC's 4B Sales Tax funded Loan/Grant program.

As part of this application, APPLICANT represents to GEDC the following:

1. APPLICANT has received a copy of the GEDC Guidelines and Criteria for the GEDC Loan/Grant Program. APPLICANT acknowledges to GEDC that in making this application, APPLICANT understands the terms and provisions thereof, and all questions relating to any needed interpretation thereof have been answered by authorized representatives of GEDC prior to the submission of this application.
2. APPLICANT has secured such legal, accounting, and /or other advice that may be necessary for APPLICANT to determine the desirability of making this application and/or accurately and correctly answering any questions as hereinafter set out. APPLICANT acknowledges that it has completely relied on the advice and counsel of experts and/or appropriate persons retained, employed, or compensated by APPLICANT, and that it has not relied upon, nor is APPLICANT now attempting to rely upon, the advice and counsel of GEDC, its appointed board of directors, employees, agents, and/or elected officials.
3. By signing this document, "Applicant for Loan/Grant of 4B Sales Tax Funds from the Gonzales Economic Development Corporation" either in an individual capacity, jointly, or in a representative capacity, APPLICANT acknowledges and verifies that all of the facts, information, and allegations as herein set out are true, correct and accurate, and that GEDC may rely thereon as if the same had been signed by APPLICANT or APPLICANT'S agent before a Notary Public or other authorized officer permitted by law to administer oaths and to take acknowledgements. APPLICANT further acknowledges and understands that any materially false or misleading statements of fact may be considered a violation of the criminal laws of the State of Texas.
4. If APPLICANT is a corporate entity, APPLICANT swears and affirms that all applicable franchise taxes, sales tax, or other taxes paid for the privilege of conducting business have been fully paid, and that the APPLICANT is fully authorized to transact business in the State of Texas, and in the state of incorporation if different from the State of Texas. In addition, APPLICANT, whether a corporate entity, partnership, or other legal type of business entity, or an individual, acknowledges and verifies that APPLICANT is current on all current tax obligations, assessments, or other governmental levies and assessments, and that the same have been paid when due and payable, and that no delinquencies exist at this time.
5. By signing this document, "Application for Loan/Grant of 4B Sales Tax Funds from the Gonzales Economic Development Corporation" either in an individual capacity, jointly, or in a representative capacity, APPLICANT acknowledges and gives express permission for GEDC, its appointed board of directors, employees, and/or agents to conduct background and credit checks, employment verification, and criminal history on APPLICANT.
6. By signing this document, "Application for Loan/Grant of 4B Sales Tax Funds from the Gonzales Economic Development Corporation" either in an individual capacity, jointly, or in a representative capacity, APPLICANT certifies that the business does not and will not knowingly employ an undocumented worker. If the APPLICANT is convicted of engaging in a pattern or practice of violations of federal law governing the unlawful employment of aliens, APPLICANT will be required to repay the total amount of funds received from the GEDC, at a rate and term, to be specified in the written agreement, within 120 days of receiving notice of the violation.

**Texian Heritage Conference Center
at The Alcalde Hotel and Grill
608 St. Paul St., Gonzales, TX**

