
City Council Regular Meeting

DEPARTMENT: Economic Development
FROM: Alex Philips, Director of Economic Development
MEETING: February 5, 2024

SUBJECT:

Consider approval of an estoppel certificate concerning Burleson Cold Storage, LP and Burleson Cold Storage II, LP Tax Abatement Agreement and an Assignment of Tax Abatement between Burleson Cold Storage, LP, a Delaware Limited Partnership and VCS Burleson Property I, LLC, a Delaware Limited Liability Company, and The City of Burleson, Texas, Johnson, County on the subject property in HighPoint Business Park. (*Staff Contact: Alex Philips, Economic Development Director*)

SUMMARY:

On June 7, 2021, the City of Burleson approved an Amended and Restated Tax Abatement for Project Yukon Burleson, LLC (“Yukon”) covering 43.51 acres in HighPoint Business Park. The 50% tax abatement for five years was part of an Economic Development package to construct a private 250,000 square foot cold storage facility, and two additional cold storage buildings of 350,000 square feet and 175,000 square feet as future phases.

To date, Yukon has completed (and greatly exceeded) all covenants required by the agreement. Including opening the first 250,000 square foot cold storage facility with a capital investment exceeding \$35,000,000. The additional buildings are nearing completion and all 775,000 square feet will be open and occupied.

On December 13, 2021, the City Council approved a first estoppel certificate acknowledging that Yukon has met its obligations under the agreement and the tax abate is active, to facilitate splitting the property and selling a portion.

On September 18, 2023, the City Council approved a second estoppel certificate for the sale of phase one of the original property (RLS Refrigeration site), and approved an assignment of the original tax abatement to the new owner.

On November 13, 2023, the City Council approved an estoppel certificate for a land sale. The sale fell through prior to closing.

The property is set to be sold again, this time to VCS Burleson Property I, LLC, and the purchaser has requested another estoppel agreement and tax abatement assignment as part of the land sale.

OPTIONS:

- 1) Approve as presented
- 2) Approve with changes
- 3) Deny

RECOMMENDATION:

Staff recommends approving the item as presented

PRIOR ACTION/INPUT (Council, Boards, Citizens):

N/A

FISCAL IMPACT:

N/A

STAFF CONTACT:

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