
Economic Development Corporation (Type A)

DEPARTMENT: Economic Development
FROM: Alex Philips, Economic Development Director
MEETING: June 20, 2023

SUBJECT:

Consider approval of a Performance Agreement between the Burleson 4A Economic Development Corporation and Craftmasters for a development located within Hooper Business Park in Burleson, Texas (*Staff Presenter: Alex Philips, Economic Development Director*)

SUMMARY:

Craftmasters is a new for profit trade school that has identified Hooper Business Park for its Campus Headquarters, student experience center, coffee shop and future Headquarters Expansion.

Staff and Craftmasters Staff will present a timeline history of the development of the west side of the community as well as a timeline history of the staff's interaction with the project. Staff and representatives from Craftmasters have agreed to an incentive package for the development.

Project Workforce and staff have been engaged on the site since January of 2023 and have moved forward on a Performance Agreement for the development of their \$150 Million capital investment in Burleson, Texas. The details of the Performance Agreement are as follows:

- Craftmasters to purchase 62 acres in 2 phases located in the Hooper Business Park for the campus headquarters, headquarters expansion, coffee shop and student experience center.
- Craftmasters is proposing a corporate campus of construction trade skills with an enrollment of a minimum of 5000 students by 2031, phased in six equal portions over a six-year period beginning 2026. Capital investment would be \$90 million by the 2026 tax year.
- Corporate headquarter expansion of a minimum of 400 new employees with an average wage of \$57,000 by 2031 phased in over a six year period beginning in 2026. The headquarters would add an additional \$25 million in capital investment by the 2029 tax year.

- Design and construct a residential community of at least 100 single-family units on a property in the vicinity as a part of the trade school training program. Capital investment would be \$35 million by the 2033 tax year, phased in six equal portions over a six-year period beginning 2028.

Craftmasters Obligations – Phase One Property

- Real estate contract executed on the Phase 1 property which is a 54 acre property in the amount of \$2,500,000 and on the Phase 2 property which is an 8 acre tract in the amount of \$360,000 by August 31, 2023.
- Craftmasters to complete a pre-development meeting with the City of Burleson by December 31, 2023.
- Craftmasters to submit an application for platting and zoning approval by December 1, 2023.
- Prospect to submit building plans of at least 190,000 square feet development for the Campus Headquarters by March 31, 2024.
- Purchase the Phase one 54 acre parcel by May 31, 2024 with a down payment of \$125,000.
- Commence construction of the Campus and Craftmasters Headquarters by June 30, 2024.
- Once Craftmasters receives the \$2,500,000 incentive payment for exceeding the \$4,000,000 in construction expenditures Craftmasters will have 90 days to pay the balance of the land purchase in the amount of \$2,375,000.
- Complete the construction of the Campus and Craftmasters Headquarters by September 30, 2026.
- Craftmasters to make a \$90,000,000 minimum capital investment with the construction of the Campus and Craftmasters Headquarters.

Burleson 4A EDC Obligations – Phase One Property

- EDC to pay for additional cost to design, construct or realign the water and sewer infrastructure for Craftmasters usage up to \$445,000.
- Regional detention will need to be constructed with the first tenant of Hooper Business Park. It will be completed by September 30, 2026.

- Within 30 days of the issuance of the building permit the EDC will provide a cash grant of \$500,000.
- Once Craftmasters has submitted plans for the full development and has expended more than \$1,000,000 in development fees the EDC will provide a cash grant of \$500,000 within 30 days.
- Upon verifying Campus and Craftmasters Headquarter construction expenditures in an amount exceeding \$4,000,000 the EDC will provide a cash grant of \$2,500,000.
- Upon 20 qualified jobs being employed by Craftmasters Headquarters on the phase 1 property for one consecutive year after the opening date the EDC shall provide a cash grant of \$50,000 within 30 days.
- Upon 100 FTE's being employed by the school and/or Craftmasters Headquarters on the phase 1 property for one consecutive year after the opening date the EDC shall provide a cash grant of \$100,000 within 30 days.
- Upon 200 FTE's being employed by the school and/or Craftmasters Headquarters on the phase 1 property for one consecutive year after the opening date the EDC shall provide a cash grant of \$100,000 within 30 days.
- Upon 380 FTE's being employed by the school and/or Craftmasters Headquarters on the phase 1 property for one consecutive year after the opening date the EDC shall provide a cash grant of \$100,000 within 30 days.
- Upon 1,000 being enrolled in school on the phase 1 property after the opening date the EDC shall provide a cash grant of \$100,000 within 30 days.
- Upon 5,000 being enrolled in school on the phase 1 property after the opening date the EDC shall provide a cash grant of \$100,000 within 30 days.

Craftmasters Obligations – Phase Two Property

- Complete a pre-development meeting by February 28, 2028.
- Complete a zoning application for Phase 2 property by April 30, 2028.
- Complete a platting application for the Phase 2 property by May 31, 2028.
- Submit the building plans for the Headquarters expansion by July 31, 2028.
- Close and purchase the Phase 2 property by August 31, 2028.
- Commence construction of the Headquarter expansion by September 30, 2028.

- Complete construction of the Headquarter expansion with a minimum of a capital investment of \$25,000,000.

Burleson 4A EDC Obligations – Phase Two Property

- Upon receiving the Certificate of Occupancy and the capital investment meeting or exceeding \$25,000,000 the EDC shall make a payment of \$100,000 to Craftmasters.

OPTIONS:

- 1) Approve the Performance Agreement between the Burleson 4A Economic Development Corporation and Craftmasters.
- 2) Deny the Performance Agreement between the Burleson 4A Economic Development Corporation and Craftmasters.

RECOMMENDATION:

Staff recommends approval of the Performance Agreement between Burleson 4A Economic Development Corporation and Craftmasters.

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

List date and description of any prior action related to the subject

FISCAL IMPACT:

Explain fiscal impact if any

STAFF CONTACT:

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