

**MEETING OF THE BOARD OF DIRECTORS OF TAX INCREMENT FINANCE
REINVESTMENT ZONE NUMBER TWO
September 23, 2024
DRAFT MINUTES**

BOARD MEMBER PRESENT

Alexa Boedeker
Chris Fletcher
Dan McClendon, Chairman
Kenny Howell

BOARD MEMBERS ABSENT

Bret Jimerson

Staff present

Tommy Ludwig, City Manager
Amanda Campos, City Secretary
Monica Solko, Deputy City Secretary
Allen Taylor, Jr., City Attorney
Matt Ribitzki, Deputy City Attorney

1. CALL TO ORDER – 4:45 P.M.

Chairman Dan McClendon called the meeting order. **Time: 4:46 p.m.**

2. CITIZEN APPEARANCE

- No speakers.

3. GENERAL

A. Minutes from the August 19, 2024 Tax Increment Finance Reinvestment Zone #2 (TIF #2). (*Staff Contact: Amanda Campos, City Secretary*)

Motion was made by Chris Fletcher and seconded by Alex Boedeker to approve.

Motion passed 4-0, with Bret Jimerson absent.

B. Consider approval of the Second Amendment to the 380 and Development Agreement for Public and Private Improvements in the Reinvestment Zone Number Two (CSO#542-11-2016), City of Burleson between the City of Burleson and Realty Capital Management, LLC. (*Staff Contact: Alex Philips, Economic Development Director*) - TABLED

Alex Philips, Economic Development Director, presented a second amendment development agreement to the board. The amendments presented:

- Realty Capital has requested to amend their site plan to remove the dog park and associated sidewalks, lighting, etc. and amend Ch. 380 agreement accordingly
- Lower the 380 public improvement reimbursement from \$2 million to \$1.5

million

- Amend 380 exhibits to include new site plan and updated costs of approved public improvements
- If approved, per City policy, staff will administratively approve the Site Plan Amendment
- Depot on Main will retain ownership and maintenance; the public will still have access open space or recreational use

Chair Dan McClendon reflected on the city's initial support for the development project by Realty Capital, referencing his 2016 vision of a mixed-use development with retail on the ground floor and residential units above. He expressed concern over the project's deviation from that vision and questioned the justification for public investment.

- The original plan included five buildings and a strong retail component, which have not materialized.
- One of the buildings could not be constructed due to drainage issues.
- The project has evolved into a five-story residential complex, with limited or no retail or public-use features.
- The inclusion of a dog park was the last justification for public parking and taxpayer investment.
- Without the dog park or any public amenities, the project primarily benefits private tenants.

Chair McClendon emphasized that the city has upheld its funding commitment (up to a \$2 million cap) and expects Realty Capital to do the same even if project costs exceeded original estimates. He drew on his professional experience as a public works contractor to reinforce his point: commitments should be honored, even when costs rise.

Kyle Cooper, representing Realty Capital, responded that he reviewed the original 380 Agreement and acknowledged that design changes occurred due to unforeseen flood-related challenges. Two options were presented: 1. Reimbursement of bridge costs plus \$200,000, along with transferring the land back to the city. 2. Accepting a reduced TIF allocation, with the city reserving future public use of the land. He emphasized Realty Capital's desire to build the dog park and detailed collaborative efforts with city staff and engineers to make it happen. Mr. Cooper noted that the site has significantly improved since 2016, especially in flood mitigation, and that current residents have responded positively to the development. He clarified that the ground-floor "live-work units" meet PD requirements but have not yet attracted retail tenants despite outreach.

Other board members added their frustration over the lack of the originally promised public amenities, especially the dog park. They expressed concerns about justifying the use of public funds for what is now a private, residential development. The absence of retail or truly public-use space reduces the project's value to non-resident citizens. Recognition that any private business should bear the cost of its own infrastructure if it offers no clear public benefit.

Clarification was made by staff that the actual bridge cost is \$483,000, not \$438,000 as previously stated. The board discussed tabling the vote to allow further negotiation and encouraged Realty Capital to honor its commitments or provide public value to justify remaining public investment.

Motion was made by Chris Fletcher and seconded by Alexa Boedeker to table.

Motion passed 4-0, with Bret Jimerson absent.

4. BOARD REQUEST FOR FUTURE AGENDA ITEMS OR REPORTS

- None.

5. RECESS INTO EXECUTIVE SESSION

Pursuant to Section 551.071, Texas Government Code, the Board reserves the right to convene in Executive Session(s), from time to time as deemed necessary during this meeting for any posted agenda item, to receive advice from its attorney as permitted by law.

- **Pending or contemplated litigation or to seek the advice of the City Attorney pursuant to Section 551.071, Texas Government Code.**
- **Discussion regarding possible purchase, exchange, lease, or value of real property pursuant to Section 551.072, Texas Government Code.**
- **Deliberation regarding commercial or financial information received from or the offer of a financial or other incentive made to a business prospect seeking to locate, stay or expand in or near the territory of the City and with which the City is conducting economic development negotiations pursuant to Section 551.087, Texas Government Code.**

No need for executive session.

6. ADJOURN

There being no further discussion Chairman Dan McClendon adjourned the meeting. **Time: 5:11 p.m.**

Monica Solko
Deputy City Secretary