
Economic Development Corporation (Type A)

DEPARTMENT: Economic Development
FROM: Alex Philips, Economic Development Director
MEETING: January 9, 2023

SUBJECT:

Consider approval of a Chapter 380 Agreement Between the Burleson 4A Economic Development Corporation and CHC Development for the development of 130 East Renfro Street, Burleson, Texas (*Staff presenter: Alex Philips, Economic Development Director*)

SUMMARY:

On April 4, 2022, the City Council directed staff to release a request for proposals to sell or long-term ground lease real property located at 130 E. Renfro St., currently the site of Hill College. Hill College is on track to move from this location to their new location (the former Kerr Middle School) by the end of the 2022. The following vision was cast by City Council and was included in RFP 2022-12:

- Allow retail, restaurant and office uses
- On or multiple building not to exceed 32 feet in height
- Prefer no multi-family/residential uses
- All options to include consistency with Old Town architecture, market based rents and tie into Old Town district walkability

RFP 2022-12 was open for 91 days and distributed to all major developers in the DFW area. One submission was received when the RFP closed on July 29, 2022. CHC Development, located Fort Worth. On September 19, 2022, the City Council selected CHC Development as the preferred developer and instructed staff to negotiate a potential development scenario.

The proposed chapter 380 agreement between CHC Development and the 4A is summarized as follows:

OBLIGATIONS OF CHC DEVELOPMENT

1. Enter into a Real Estate Contract for the property at 130 E. Renfro in Burleson, Texas on or before February 28, 2023 in the amount of \$2,000,000
2. Gain approvals for appropriate entitlement and zoning changes prior to closing

3. Close on the property on or before May 31, 2023
4. Gain approval of site plan and building permit for a new retail/restaurant and office development of at least 25,500 leaseable square feet consisting of the following:
 - a. 15,500 square feet of retail/restaurant space
 - b. 10,000 square feet of office lease space
5. Begin construction of development on or before December 31, 2024
6. Cause development total capital investment to meet or exceed \$9,600,000
7. Secure qualifying office tenant
 - a. Office tenant must be a regional/national headquarters
 - b. Office tenant must offer wages equal or above \$55,000 as an annual average
8. Work cooperatively with 4A to recruit mutually acceptable, new-to-market retail/restaurants tenants

OBLIGATIONS OF BURLESON 4A ECONOMIC DEVELOPMENT CORPORATION

1. Reimburse CHC for the construction of public improvements associated with the development up to \$750,000
2. Agree to sell 130 E. Renfro Street in Burleson, Texas for \$2,000,000
3. Deliver clean site upon closing of land sale on or before May 1, 2023
4. Issue a cash grant in the amount of \$450,000 once the developer has a building permit approved for the development
5. Issue a cash grant in the amount of \$450,000 once the developer receives the final certificate of occupancy for the development
6. Issue a cash grant in the amount of \$450,000 on the anniversary of a qualified office tenant (year three)
7. Issue a cash grant in the amount of \$450,000 on the second anniversary of a qualified office tenant (year four)
8. Issue a cash grant in the amount of \$450,000 on the third anniversary of a qualified office tenant (year five)

OPTIONS:

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

RECOMMENDATION:

Staff recommends approving the chapter 380 agreement with CHC Development as presented

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

N/A

FISCAL IMPACT:

N/A

STAFF CONTACT:

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