Johnson County CAD

Facility Acquisition Proposal

240 N. Burleson Blvd. • Burleson, Texas

Request for taxing unit approval under Texas Property Tax Code § 6.051 which requires 3/4's of the voting taxing units to approve the transaction.

CENTRAL APPRAISAL DISTRICT OF JOHNSON COUNTY

www.johnsoncad.com | 109 N Main St, Cleburne TX 76033 | Metro (817) 648-3000

Tuesday, August 11, 2026

City of Burleson
Harlan Jefferson
hjefferson@burlesontx.com
141 W Renfro St
Burleson, TX 76028

Re: Resolution Seeking Approval to Purchase an Office Building to Accommodate the Office of the Central Appraisal District of Johnson County

Mr. Jefferson,

The Board of Directors of the Central Appraisal District of Johnson County (JCAD) respectfully requests that the approve its plans to purchase and renovate an existing office building located at 240 N. Burleson Blvd., Burleson, Texas. Enclosed is a resolution by the Board of Directors requesting authorization to purchase an appraisal office and a sample resolution for your taxing entity to authorize the Board of Directors to purchase the building, renovate it and finance these costs. It is requested that the approve this resolution to authorize the Board of Directors to proceed with this project.

Under the Texas Property Tax Code section 6.051, a taxing unit must pass a resolution to approve or disapprove an appraisal district's purchase of property within thirty days of the date it receives a request from the Appraisal District. On behalf of the Board of Directors, I respectfully request that at the next meeting of your governing body you place on your agenda as an action item "To consider a resolution approving the Central Appraisal District of Johnson County to purchase an appraisal office".

A document summarizing the analysis and conclusions Board of Directors of the Central Appraisal District of Johnson County has been included for review. Please feel free to contact me with any questions regarding the JCAD Board of Directors plan to purchase an office facility to serve as the location of the Central Appraisal District of Johnson County. I can be reached at (817) 648-3053 or mfast@johnsoncad.net.

Mitch Fast
Executive Director/Chief Appraiser
Central Appraisal District of Johnson County

BUC bldg notification 8-11-2026 hjefferson@burlesontx.com

Presentation summary

Purpose • Need • Alternatives • Property • Financing • Action

Requested Action

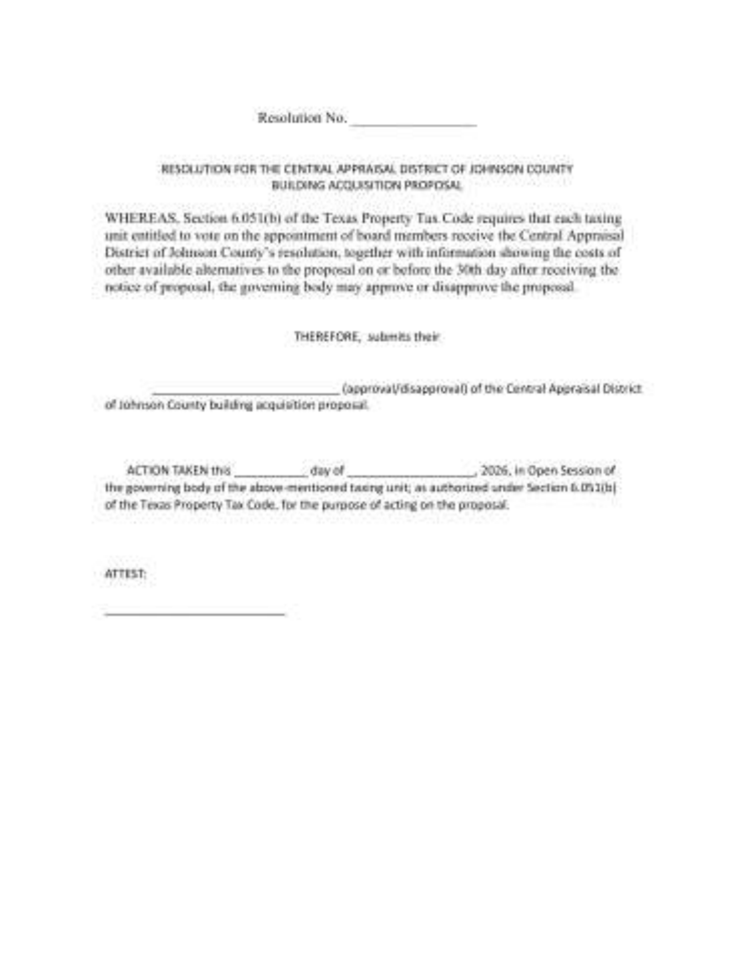
Approve a resolution authorizing the building acquisition proposal.

Taxing Unit Decision

JCAD requests approval to purchase and renovate an existing office building.
The proposal location is 240 N. Burleson Blvd., Burleson, Texas.
The governing body is asked to place an action item on its next agenda.
Section 6.051 requires action to approve or disapprove within 30 days after receiving the request.

Suggested agenda wording

"To consider a resolution approving the Central Appraisal District of Johnson County to purchase an appraisal office."



Resolution No. ________________

RESOLUTION FOR THE CENTRAL APPRAISAL DISTRICT OF JOHNSON COUNTY
BUILDING ACQUISITION PROPOSAL

WHEREAS, Section 6.051(b) of the Texas Property Tax Code requires that each taxing unit entitled to vote on the appointment of board members receive the Central Appraisal District of Johnson County's resolution, together with information showing the costs of other available alternatives to the proposal on or before the 30th day after receiving the notice of proposal, the governing body may approve or disapprove the proposal.

THEREFORE, submits their

________________________ (approval/disapproval) of the Central Appraisal District of Johnson County building acquisition proposal.

ACTION TAKEN this __________ day of _________________, 2026, in Open Session of the governing body of the above-mentioned taxing unit; as authorized under Section 6.051(b) of the Texas Property Tax Code, for the purpose of acting on the proposal.

ATTEST:

____

Resolution template

Why a Facility Solution Is Needed

Current facilities are limiting public service, operations, and hearing capacity.

1

Facility condition

Significant disrepair, very limited space, and no practical expansion path.

2

Health & safety

Independent organizational audit documented employee health and safety concerns and overcrowding.

3

Public access

Insufficient onsite parking; offsite parking must be leased each month.

4

Meeting capacity

Board meetings require outside space because the current office lacks a large enough meeting room.

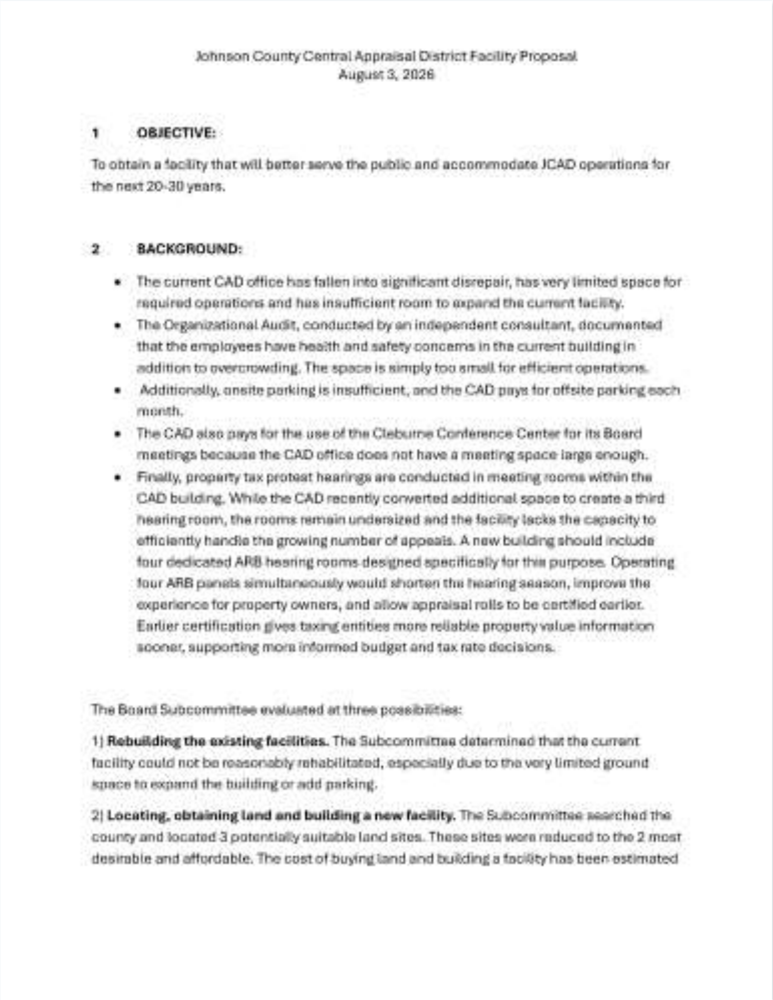
5

ARB hearings

Current hearing rooms remain undersized for the growing appeal workload.

4

dedicated ARB hearing rooms recommended for concurrent panels



Johnson County Central Appraisal District Facility Proposal
August 3, 2026

1 OBJECTIVE:

To obtain a facility that will better serve the public and accommodate JCAD operations for the next 20-30 years.

2 BACKGROUND:

- The current CAD office has fallen into significant disrepair, has very limited space for required operations and has insufficient room to expand the current facility.
- The Organizational Audit, conducted by an independent consultant, documented that the employees have health and safety concerns in the current building in addition to overcrowding. The space is simply too small for efficient operations.
- Additionally, onsite parking is insufficient, and the CAD pays for offsite parking each month.
- The CAD also pays for the use of the Cleburne Conference Center for its Board meetings because the CAD office does not have a meeting space large enough.
- Finally, property tax protest hearings are conducted in meeting rooms within the CAD building. While the CAD recently converted additional space to create a third hearing room, the rooms remain undersized and the facility lacks the capacity to efficiently handle the growing number of appeals. A new building should include four dedicated ARB hearing rooms designed specifically for this purpose. Operating four ARB panels simultaneously would shorten the hearing season, improve the experience for property owners, and allow appraisal rolls to be certified earlier. Earlier certification gives taxing entities more reliable property value information sooner, supporting more informed budget and tax rate decisions.

The Board Subcommittee evaluated at three possibilities:

1) **Rebuilding the existing facilities.** The Subcommittee determined that the current facility could not be reasonably rehabilitated, especially due to the very limited ground space to expand the building or add parking.

2) **Locating, obtaining land and building a new facility.** The Subcommittee searched the county and located 3 potentially suitable land sites. These sites were reduced to the 2 most desirable and affordable. The cost of buying land and building a facility has been estimated

Alternatives Evaluated

The subcommittee reviewed three broad paths before recommending purchase/rehabilitation.

1 Rebuild current facility

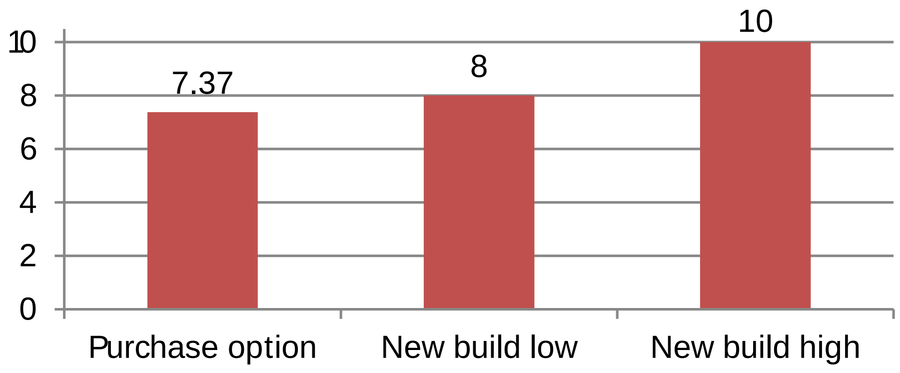
Not reasonably rehabilitable due to limited ground space for expansion and parking.

2 Buy land + build new

Estimated at $8-10 million and approximately 1.5 to 2 years to completion.

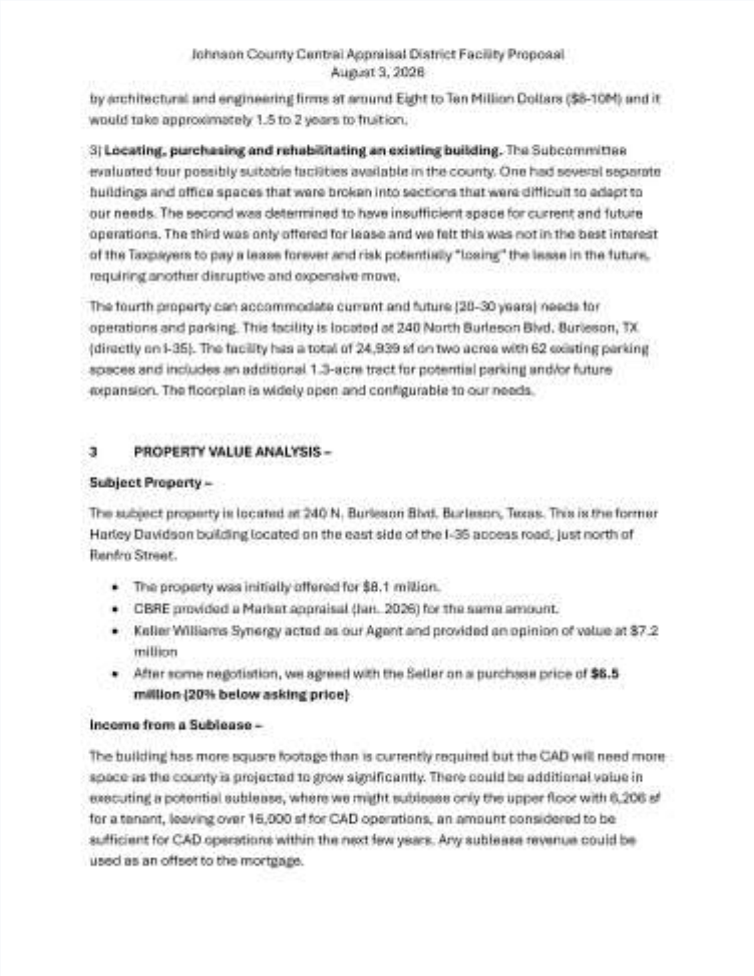
3 Purchase/rehabilitate existing

Recommended path: suitable space, parking, configurability, and faster occupancy.



Recommended Property

240 N. Burleson Blvd. provides capacity for current and future operations.



Johnson County Central Appraisal District Facility Proposal
August 3, 2026

by architectural and engineering firms at around Eight to Ten Million Dollars ($8-10M) and it would take approximately 1.5 to 2 years to fruition.

3| **Locating, purchasing and rehabilitating an existing building.** The Subcommittee evaluated four possibly suitable facilities available in the county. One had several separate buildings and office spaces that were broken into sections that were difficult to adapt to our needs. The second was determined to have insufficient space for current and future operations. The third was only offered for lease and we felt this was not in the best interest of the Taxpayers to pay a lease forever and risk potentially "losing" the lease in the future, requiring another disruptive and expensive move.

The fourth property can accommodate current and future (20-30 years) needs for operations and parking. This facility is located at 240 North Burleson Blvd. Burleson, TX (directly on I-35). The facility has a total of 24,939 sf on two acres with 62 existing parking spaces and includes an additional 1.3-acre tract for potential parking and/or future expansion. The floorplan is widely open and configurable to our needs.

3 PROPERTY VALUE ANALYSIS –

Subject Property –

The subject property is located at 240 N. Burleson Blvd. Burleson, Texas. This is the former Harley Davidson building located on the east side of the I-35 access road, just north of Renfro Street.

- The property was initially offered for $8.1 million.
- CBRE provided a Market appraisal (Jan. 2026) for the same amount.
- Keller Williams Synergy acted as our Agent and provided an opinion of value at $7.2 million
- After some negotiation, we agreed with the Seller on a purchase price of **$6.5 million (20% below asking price)**

Income from a Sublease –

The building has more square footage than is currently required but the CAD will need more space as the county is projected to grow significantly. There could be additional value in executing a potential sublease, where we might sublease only the upper floor with 6,206 sf for a tenant, leaving over 16,000 sf for CAD operations, an amount considered to be sufficient for CAD operations within the next few years. Any sublease revenue could be used as an offset to the mortgage.

$6.5M

negotiated purchase price

24,939 sf

building area

2 acres

site size

62

existing parking spaces

1.3 acres

additional tract for parking / expansion

20-30 yrs

current and future operational needs

Open and configurable floorplan suitable for offices, conference space, public service needs, and dedicated hearing rooms.

Financial Framework

The plan uses financing for the purchase and reserves for finish-out.

Use of funds

Purchase price	$6,500,000	100% bank loan
Finish-out	$900,000	Building Purchase Fund
Closing costs	$130,000	Building Purchase Fund
Potential sublease income	($155,150)	Offset opportunity
Total transaction expenditures	$7,374,850	Before final offsets

Budget impact

No CAD budget increase is expected for 2027. The 2028 budget is anticipated to include mortgage payments and additional operational expenses due to the new facility

Recommendation & Public Service Benefit

The proposed purchase supports capacity, service, and operational continuity.

Cost-effective path

Negotiated purchase price of $6.5M is below asking price and below market appraisal indications.

Faster solution

Avoids the longer timeframe associated with constructing a new facility.

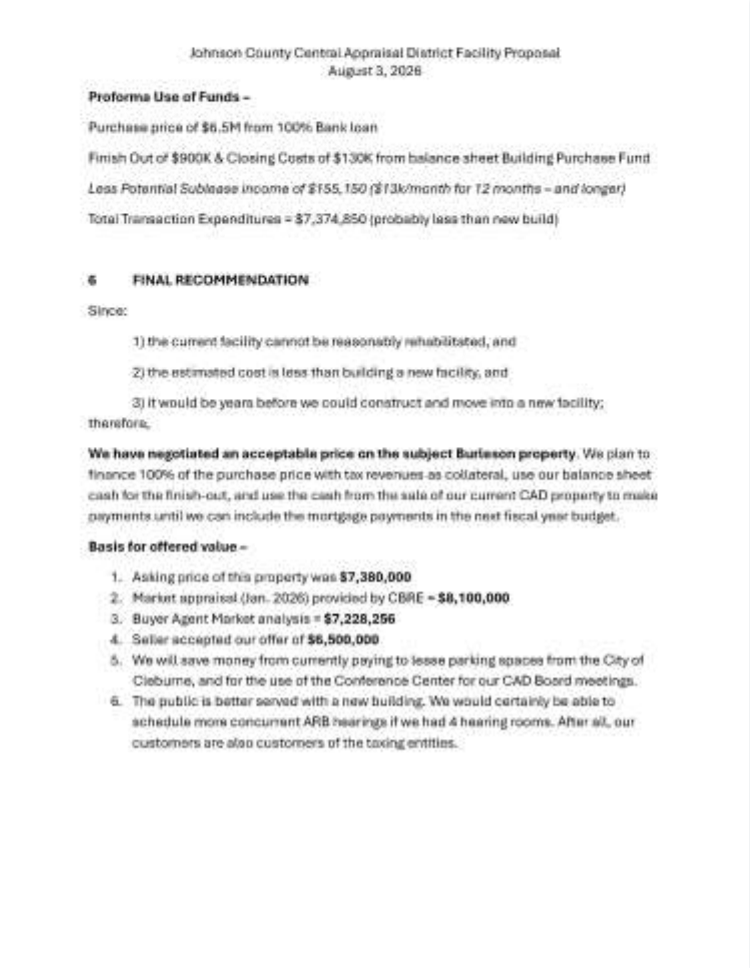
Better public access

Improved parking, more meeting capacity, and room for future growth.

ARB efficiency

More concurrent hearing rooms can shorten hearing season and improve taxpayer experience.

Board recommendation: proceed with purchase, financing, and finish-out plan



Johnson County Central Appraisal District Facility Proposal
August 3, 2026

Proforma Use of Funds –

Purchase price of $6.5M from 100% Bank loan

Finish Out of $900K & Closing Costs of $130K from balance sheet Building Purchase Fund

Less Potential Sublease income of $155,150 ($13k/month for 12 months – and longer)

Total Transaction Expenditures = $7,374,850 (probably less than new build)

6 FINAL RECOMMENDATION

Since:

1) the current facility cannot be reasonably rehabilitated, and

2) the estimated cost is less than building a new facility, and

3) it would be years before we could construct and move into a new facility;

therefore,

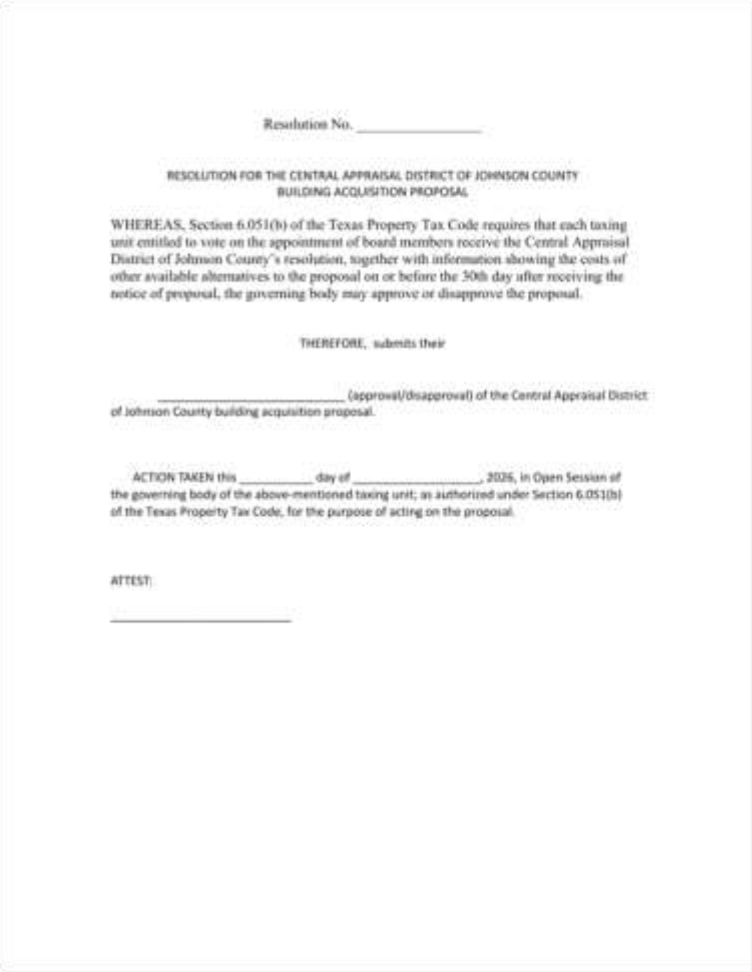
We have negotiated an acceptable price on the subject Burleson property. We plan to finance 100% of the purchase price with tax revenues as collateral, use our balance sheet cash for the finish-out, and use the cash from the sale of our current CAD property to make payments until we can include the mortgage payments in the next fiscal year budget.

Basis for offered value –

1. Asking price of this property was **$7,380,000**
2. Market appraisal (Jan. 2026) provided by CBRE = **$8,100,000**
3. Buyer Agent Market analysis = **$7,228,256**
4. Seller accepted our offer of **$6,500,000**
5. We will save money from currently paying to lease parking spaces from the City of Cleburne, and for the use of the Conference Center for our CAD Board meetings.
6. The public is better served with a new building. We would certainly be able to schedule more concurrent ARB hearings if we had 4 hearing rooms. After all, our customers are also customers of the taxing entities.

Next Step for Taxing Units

Approve or disapprove the building acquisition proposal by resolution.



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ACTION TAKEN this __________ day of ________________, 2026, in Open Session of the governing body of the above-mentioned taxing unit; as authorized under Section 6.051(b) of the Texas Property Tax Code, for the purpose of acting on the proposal.

ATTEST:

____

Action requested

Review the JCAD Board resolution and facility proposal.
Place the resolution on the governing body agenda.
Take action to approve or disapprove the proposal under Section 6.051(b).
Return the completed resolution to JCAD.

Contact

Mitch Fast, RPA
Executive Director / Chief Appraiser
(817) 648-3053 • mfast@johnsoncad.net