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

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

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

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.

4 FINISH OUT

The building has five restrooms and a dozen or so office spaces built out but much of the space is open area that can be configured into offices and conference space, at a cost. According to a JDG Consulting report dated April 2, 2026, Tenant improvement finish-out costs in Burleson, Texas (part of the Dallas-Fort Worth metro area) typically range from $32 to $60 per square foot for a moderate remodel and $65 to $120 per square foot for a full buildout (including bathrooms, etc.). The building is already complete with HVAC, restrooms, etc. The primary finish out would be to primarily install office cubicles. An estimate of that cost is ~ $900k.

5 FINANCING PLAN –

Source of Funds -

We plan to obtain a mortgage for the full amount of the purchase price, then use our cash for finish out. We have a current reserve on the balance sheet of $2,396,812 in the Building Purchase fund (per the approved 2025 Audit).

We also own the current facility on Main Street with no debt and have a purchase commitment at fair market value. We have yet to obtain that firm sales value but estimating it to be ~ $800k. We plan to use the funds from the sale to make mortgage payments for the first year so that no CAD budget increase will be needed for 2027. We anticipate the 2028 budget will require an approximate 12% increase in annual CAD expenses to cover mortgage payments but this *might* be offset by Sublease income to a net increase of only 8.5%. The alternative is to obtain a special assessment of $6.5 million in this current year to cover the cost of the building. We believe that will be difficult for the Taxing Entities, so we decided on the financing option.

Proposal –

Our proposed plan is to finance 100% of the purchase and use the existing balance sheet cash to finish out the building. Then we would use the proceeds from the sale of our existing building to make payments until we adjust our annual budget to include the mortgage payments. We have discussed the opportunity with our current banker, First Financial Bank. We asked them to provide financing of $6.5M for 15-20 years at a 5% interest rate. They will accept tax revenues as collateral and finance 100% of the tax-free transaction.

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.

RESOLUTION BY THE BOARD OF DIRECTORS OF THE CENTRAL APPRAISAL DISTRICT OF JOHNSON COUNTY REQUESTING AUTORIZATION TO PURCHASE A BUILDING TO OPERATE THE CENTRAL APPRAISAL DISTRICT OF JOHNSON COUNTY OFFICE

WHEREAS. Section 6.051 of the Texas Tax Code authorizes the Board of Directors of an appraisal district to purchase real property and improvements as necessary to establish and operate the appraisal office; and

WHEREAS, the Board of Directors of the Central Appraisal District of Johnson County will notify the presiding officer of each governing body entitled to vote on the approval to purchase property which is situated in Johnson County; and

WHEREAS, Section 6.051 of the Texas Tax Code requires that an appraisal district's purchase of such real property and improvements must be approved by three-fourths (3/4) of the taxing units entitled to vote on the appointment of board member(s).

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Central Appraisal District of Johnson County, Texas, that the commercial building located at 240 N Burleson Blvd. Burleson, Texas is a suitable facility for the Central Appraisal District of Johnson County office location and desire to seek approval to purchase this building for a total purchase price of Six Million Five Hundred Thousand, and No/100 Dollars ($6,500,000.00).

The foregoing resolution was moved, seconded, and adopted by majority vote at a meeting of the Central Appraisal District of Johnson County on this 24th Day of July, 2026.

Tina M. White
Chair, Tina White

Jason Marbut
Secretary, Jason Marbut

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:

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