

# Bethany Water

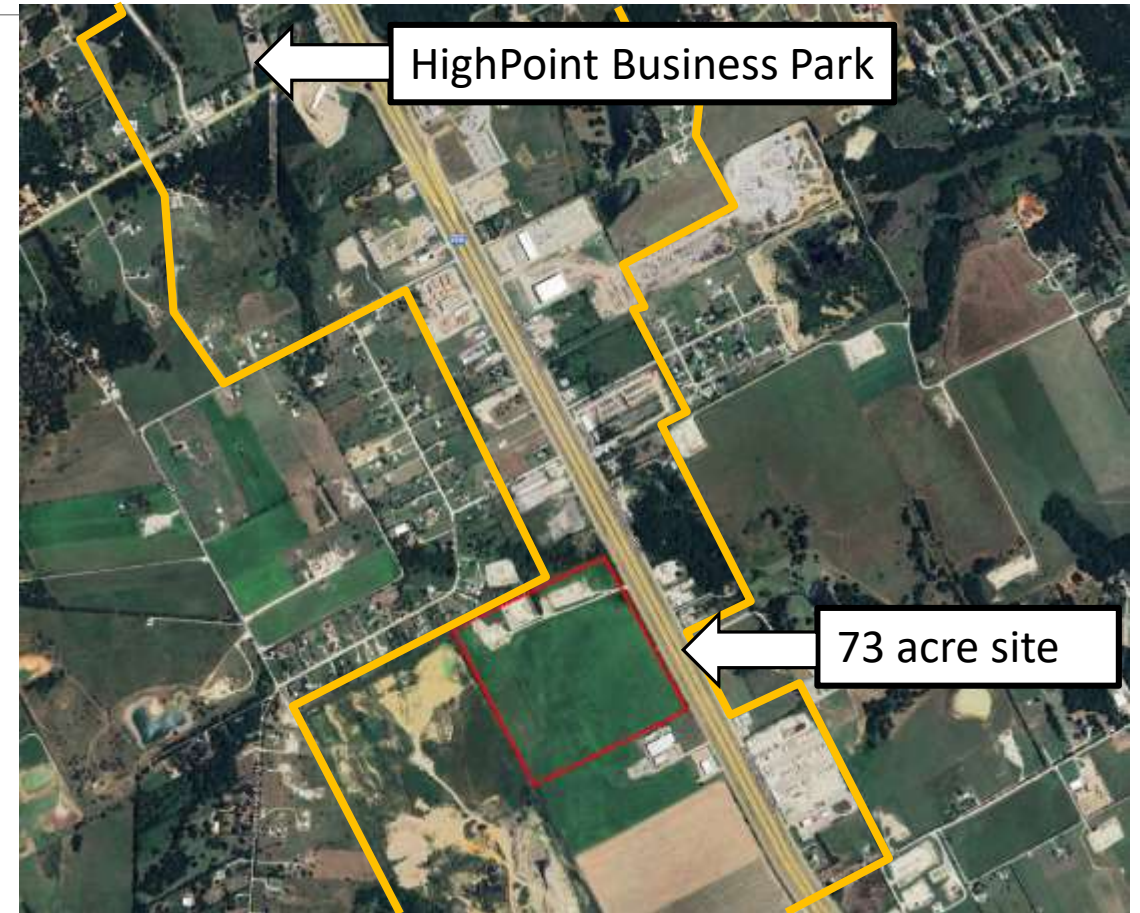
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BURLESON 4A ECONOMIC DEVELOPMENT CORP.

9/23/2024

# Bethany Water

- Sourced from multiple wells and JCSUD
- Current capacity is 1.9 million gallons
  - Over 1 million gallons available
- Approximately 73 acre site in Bethany Water CCN
- Undeveloped due to Bethany Water infrastructure
- All desired industrial prospects that have considered the site pass due to lack of water pressure for fire suppression, restricting buildings to 6,000 square feet
- Adjacent industrial companies have expressed a desire to expand once water pressure will support fire suppression



# Development Obstacle

- Bethany has studied the necessary upgrades to serve industrial users in this area
- The total cost for Bethany to upsize the line is \$3 million
- Bethany is committed to contribute \$800,000 toward the project
- Staff proposes to match Bethany's contribution of \$800,000
- Future area development will be responsible for remainder of the cost
- Will increase pressure only, will not increase capacity



# Return on Investment

	2025 Year 1	2026 Year 2	2027 Year 3	2028 Year 4	2029 Year 5	2030 Year 6	2031 Year 7	2032 Year 8	2033 Year 9	2034 Year 10
<b>CAPEX</b>	\$ 35,000,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Appraised Value (70% of CAPEX)</b>	\$ 24,500,000.00	\$ 25,235,000.00	\$ 25,992,050.00	\$ 26,771,811.50	\$ 27,574,965.85	\$ 28,402,214.82	\$ 29,254,281.26	\$ 30,131,909.70	\$ 31,035,866.99	\$ 31,966,943.00
<b>Revenue</b>										
4A Sales Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GF Sales Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property Tax	\$ 154,962.50	\$ 159,611.38	\$ 164,399.72	\$ 169,331.71	\$ 174,411.66	\$ 179,644.01	\$ 185,033.33	\$ 190,584.33	\$ 196,301.86	\$ 202,190.91
<b>Expenses</b>										
Water Contribution	\$ (800,000.00)									
<b>Annual</b>	\$ (645,037.50)	\$ 159,611.38	\$ 164,399.72	\$ 169,331.71	\$ 174,411.66	\$ 179,644.01	\$ 185,033.33	\$ 190,584.33	\$ 196,301.86	\$ 202,190.91
<b>Cumulative</b>		\$ (485,426.13)	\$ (321,026.41)	\$ (151,694.70)	\$ 22,716.96	\$ 202,360.97	\$ 387,394.30	\$ 577,978.62	\$ 774,280.48	\$ 976,471.40

<b>4A 10yr ROI</b>	<b>4A 20yr ROI</b>
<b>-100%</b>	<b>-100%</b>
<b>GF 10yr ROI</b>	<b>GF 20yr ROI</b>
<b>122%</b>	<b>420%</b>

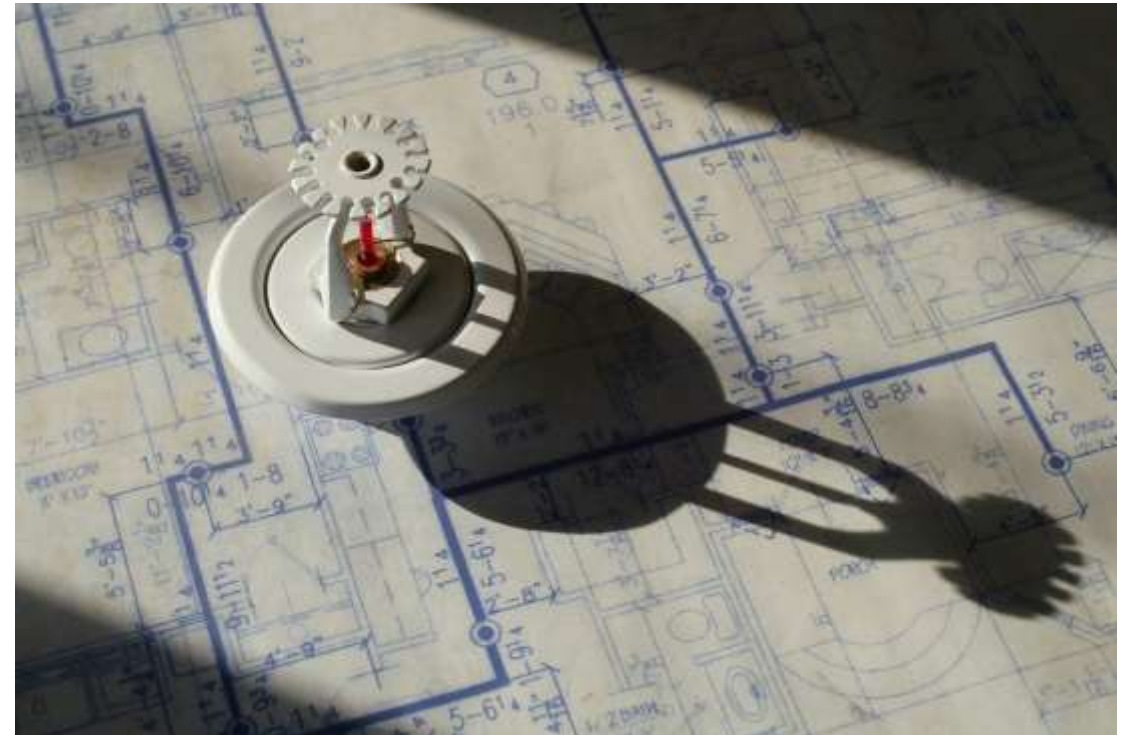


# Performance Agreement

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## TERMS

- EDC commits \$800,000 toward water line project
- EDC will only make payment once line is complete and verified to provide sufficient pressure
- Bethany Water must complete the project within five years to receive contribution
- Payment will be made after testing verifies the pressure is sufficient for fire suppression



# Requested Action

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- \*Approve a Performance Agreement between The Burleson 4A Economic Development Corporation and the Bethany Special Utility District for infrastructure to support industrial development in the City of Burleson, Texas
- Deny a Performance Agreement between The Burleson 4A Economic Development Corporation and the Bethany Special Utility District for infrastructure to support industrial development in the City of Burleson, Texas

\*Staff recommends approval

# Questions / Comments

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