
City Council Regular Meeting

DEPARTMENT: Development Services

FROM: Tony D. McIlwain, Development Services Director

MEETING: September 5, 2023

SUBJECT:

Consider approval of an Estoppel Certificate for the Joshua Farms Development Agreement as amended and renamed First Amended and Renamed Silo Mills Development Agreement by and among Joshua Farms Municipal Management District No. 2, Silo Mills Investment I LLC, and the City of Burleson, Texas. *(Staff Contact: Tony D. McIlwain, Development Services Director)*

SUMMARY:

Silo Mills is comprised of a total of 836 acres and is located on the far southwest side of the City, within the City of Burleson's and the City of Cleburne's Extraterritorial Jurisdictions (ETJ). The development is within the Joshua Farms Municipal Management District (MMD) No 2.

MMDs are governmental agencies and political subdivisions of the State and are governed by Chapter 375 of the Local Government Code and Chapter 49 of the Water Code. A Board of Directors governs them and can construct and obtain financing for infrastructure, parks, and other public improvements and services. They are funded through assessments of properties within their boundaries. This MMD was specifically created by the State under Special District Local Law Code, Chapter 3929 in September 2015.

The portion within the Burleson ETJ consists of approximately 550 acres and includes 1,736 residential lots, general retail commercial, and a recently constructed elementary school. The general retail commercial is proposed at FM 917 and Silo Mills Parkway intersection. The construction of two lanes of Silo Mills Parkway was completed in 2022. The ultimate section is a four lane divided roadway. Silo Mills Parkway serves as the main entrance to the development.

A development agreement was approved in January 2018, establishing the terms and conditions for development of Joshua Farms. The development agreement required development standards to be submitted with the submission of the preliminary plat.

In September 2019, the City Council approved an amendment to the development agreement. The purpose of the amendment was to identify Terra Mana as the developer of Silo Mills in lieu of Joshua Land Farm LLC. Development standards for the project were also approved in September 2019.

In December 2019, the City Council approved a minute order ratifying an assignment agreement where the responsibilities for the Silo Mills Development associated with the Joshua Farms MMD No. 2 were transferred to Silo Mills Investment I LLC.

Silo Mills Investment I LLC began development of the residential lots within Cleburne's ETJ and plan to move to the north into Burleson's ETJ in the next two to four years. Godely ISD recently completed construction of a new elementary school within Cleburne's ETJ.

The purpose of this item is to consider an Estoppel Certificate for the Silo Mills Development Agreement (formerly the Joshua Farms Development Agreement). Frost Bank requires this certificate as part of the developer's loan refinance. The Estoppel Certificate will confirm the following:

- No party to the Agreement is in default under any terms of the Agreement nor has any event occurred, which with the passage of time (after notice, if any required by the Agreement), would become an event of default under the Agreement;
- The Agreement is in full force and effect, and has not been assigned, modified, amended, supplemented or changed in any respect, either orally or in writing.

OPTIONS:

1. Approve an Estoppel Certificate for the Joshua Farms Development Agreement as amended and renamed First Amended and Renamed Silo Mills Development Agreement by and among Joshua Farms Municipal Management District No. 2, Silo Mills Investment I LLC, and the City of Burleson, Texas.
2. Deny an Estoppel Certificate for the Joshua Farms Development Agreement as amended and renamed First Amended and Renamed Silo Mills Development Agreement by and among Joshua Farms Municipal Management District No. 2, Silo Mills Investment I LLC, and the City of Burleson, Texas.

RECOMMENDATION:

Staff recommends the Council approve an Estoppel Certificate for the Joshua Farms Development Agreement as referenced herein.

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

February 2015 – Pre-development and Professional Services Agreement with Joshua Land Farm LLC approved.

September 2015 – Joshua Farms Municipal Management District (MMD) No. 2 created by the legislation

February 2018- Development Agreement with Joshua Land Farm LLC and the Joshua Farms Municipal Management District No. 2 approved.

November 2018 – Resolution consenting to the addition of approximately 180 acres in the ETJ to Joshua Farms Municipal Management District No. 2 approved.

September 3, 2019 – Amended Development Agreement, including specific development standards and Preliminary Plat approved.

December 9, 2019 – Minute Order ratifying an assignment agreement transferring responsibilities for the Silo Mills Development from Joshua Land Farm LLC to Silo Mills Investment I LLC approved.

FISCAL IMPACT:

None

STAFF CONTACT:

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