
TIF #2

DEPARTMENT: Economic Development

FROM: Alex Philips, Economic Development Director

MEETING: September 23, 2024

SUBJECT:

Consider approval of the Second Amendment to the 380 and Development Agreement for Public and Private Improvements in the Reinvestment Zone Number Two, City of Burleson Between the City of Burleson and Realty Capital Management, LLC. (*Staff Contact: Alex Philips, Economic Development Director*)

SUMMARY:

The Depot on Main is a multi-family development at 125 N. Main St. in Old Town Burleson consisting of 275 residential and six live/work, ground-floor units for future retail use. The site was previously the city-owned Public Works Service Center and was sold to the developer, Realty Capital Management (RCM) to redevelop. The project has an appraised value of over \$21 million.

On November 14, 2016, the City Council approved an agreement with RCM to reimburse the developer's cost for public improvements (roads, sidewalks, etc.) with funds from the Reinvestment Zone Number Two (TIF #2). On September 8, 2020, the City Council approved the First Amendment to the agreement extending performance dates, extending the term of the agreement, and decreasing the percentage of the TIF #2 fund reimbursement from 80% to 75%. The total maximum reimbursement of \$2,000,000 did not change. The Amendment also included exhibits detailing a list of approved public improvements, and the site plan.

On June 7, 2021, the City Council approved a planned development zoning amendment that reducing the dwelling units per acre from 75 to 56.22, expanding the list of prohibited uses, prohibiting the use of corrugated metal as a building material and extending the allowable height from three stories to five. The amendment was requested by RCM to adjust the layout of the site to accommodate an area that was determined to be undevelopable as the result of a flood study and would need to be used instead for 100-year flood storage. RCM agreed to construct a dog park amenity in the detention area that would also be available to the public. RCM planned to construct a trail in the Union Pacific Railroad (UPRR) right-of-way for their residents and the public to access the dog park.

Despite coordination with City staff and UPRR, RCM could not be granted permission to construct a pedestrian trail in the UPRR right-of-way. Exhausting all other options, the only ADA accessible path to the dog park is a pedestrian bridge over the low-water crossing.

After research by RCM, the pedestrian bridge was deemed too cost-prohibitive. Without any feasible means to access the dog park, RCM has requested to remove the amenity from their project. In lieu of the dog park, RCM has agreed to lower the agreed upon public improvement reimbursement from \$2,000,000 to \$1,500,000. RCM has also agreed to retain ownership of the drainage easement and maintain to all City codes and regulations.

If approved, this 380 amended would lower the maximum reimbursement amount to \$1,500,000, replace exhibits to reflect the updated list of public improvements and the updated site plan removing the dog park, fencing and sidewalk around the dog park, and the trail in UPRR right-of-way.

If approved, per current City policy the amended site plan will be approved administratively.

RECOMMENDATION:

Staff recommends approval

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

380 and Development Agreement for Public and Private Improvements in Reinvestment Zone Number Two, City of Burleson Between the City of Burleson and Realty Capital Management, LLC was passed by City Council on November 14, 2016. CSO#542-11-2016

First Amendment to 380 and Development Agreement for Public and Private Improvements in Reinvestment Zone Number Two, City of Burleson Between the City of Burleson and Realty Capital Management, LLC was passed by City Council on September 8, 2020. CSO#1499-09-2020

REFERENCE:

CSO#542-11-2016 (380 & Development Agreement)

CSO#1499-09-2020 (First Amendment)

FISCAL IMPACT:

N/A

STAFF CONTACT:

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