

January 13, 2020

Ms. Lisa Sudbury  
Director of Planning  
City of Mansfield  
1200 E Broad Street  
Mansfield, TX 76063

**RE: Main Street Lofts – 380 and Development Agreement for Public Improvements to Property within Reinvestment Zone Number Two, City of Mansfield.**

Dear Lisa,

In 2012, the City of Mansfield created the TIRZ No. 2 as part of the Historic Mansfield Implementation Plan. This TIRZ would allocate expected ad valorem tax revenue toward the reimbursement of public and private improvements in the area to support the revitalization of Historic Downtown. As one of the highest ad valorem generators in this TIRZ district, the Main Street Lofts Project entered into a Chapter 380 and Development Agreement with the determination that the Project would promote local economic development and stimulate commercial business activity. With Phase I of the Project complete, Phase II of the project is scheduled to begin construction this year with the final delivery of the public and private improvements in December 2021.

The improvements constructed in Phase I included Sanitary Sewer and Water Line extensions, Roadway Improvements, Public Trails and Landscaping, and “General Standard Increase”, or surplus Private improvements that set a high standard for the redevelopment of Historic Mansfield and generate additional ad valorem revenue. The improvements proposed in the 380 Agreement for Phase II of Project include a similar General Standard Increase, Public Trail and Landscape improvements, and a new 3-acre Public Trail Park that will connect underneath N Main Street to the City’s greater North Mail Trail System.

While the total cost of improvements will substantially exceed the funds allocated to the Project by the TIRZ district, the work completed in Phase I and Federal/City regulations restrict much of what can be eligible for reimbursement in Phase II. Therefore, to deliver the highest value project to Mansfield, Realty Capital Management (as Main Street Lofts L.P.) is requesting to amend the Chapter 380 Agreement for a reallocation of funds within the budgeted Project Elements for the construction of Phase II and the Trail Park, and a two-year time extension to insure we have time to complete the project. The following is a summary of the current TIRZ funds allocation, the Phase I expense summary, and the proposed reallocation of funds within the budgeted expenses for the improvements in Phase II.

### CHAPTER 380 – EXISTING TIRZ ALLOCATION:

PROJECT ELEMENTS	PHASE I	PHASE II	TRAIL PARK
12" SANITARY SEWER LINE RELOCATION	176,850	-	-
16" WATER LINE CONSTRUCTION	477,000	-	-
FRANCHISE UTILITY LINE RELOCATION	120,000	-	-
GENERAL STANDARD INCREASE (loft windows, ghost lettering, stoops, awnings, signage, etc.)	350,000	150,000	-
HARDSCAPE (trails, corner plaza, way finding signs, etc.)	103,950	86,350	161,700
LANDSCAPE + IRRIGATION (trees, shrubs, sod, ground cover in Main Street Trails and Trail Park)	60,060	72,050	47,300
SITE FURNISHINGS (benches, trash cans, bike racks, light fixtures in Main Street Trails and Trail Park)	44,000	44,000	33,000
MAIN STREET TURN LANE AND STRIPING	99,001	-	-
<b>TOTAL ABOVE</b>	<b>1,430,861</b>	<b>352,400</b>	<b>242,000</b>

### PHASE I – TIRZ REIMBURSEMENT SUMMARY:

Description	TIRZ Budget	Amount Spent	Amount Received	Delta
12" Sanitary Sewer Line Relocation	176,850	92,000	92,000	-
16" Water Line Construction	477,000	282,000	282,000	-
Franchise Utility Line Relocation	120,000	62,000	62,000	-
General Standard Increase	350,000	395,600	350,000	(45,600)
Hardscape	103,950	166,155	103,950	(62,205)
Landscape and Irrigation	60,060	219,000	60,060	(158,940)
Site Furnishings	44,000	140,350	44,000	(96,350)
Main Street Left Turn Lane and Striping	99,001	30,900	30,900	-
	<b>\$ 1,430,861</b>	<b>\$ 1,388,005</b>	<b>\$ 1,024,910</b>	<b>\$ (363,095)</b>

**TOTAL TIRZ BUDGET \$1,430,861**

**TOTAL REIMBURSED \$1,024,910**

**DELTA \$405,951**

**ADDITIONAL SPENT (NOT REIMBURSED) \$363,095**

### Highlights:

1. Phase I of the project did not receive reimbursement for \$405,951 of the total Phase I TIRZ Budget.
2. Phase I of the project expensed an additional \$363,095 amongst the Project Elements that did not receive reimbursement.

3. The General Standard Increase allotment for Phase II is half of the Phase I amount, despite greater quality of improvements and higher cost of construction. We anticipate that the total General Standard Increase between both phases of the project to be well over \$1MM.
4. In combination with the reimbursed hard costs from Phase I, this proposal results in a reduction of \$405,951 in TIRZ spending; from \$1,807,461 to \$1,402,510.

#### PROPOSED TIRZ REALLOCATION:

PROJECT ELEMENT*	TIRZ PHASE II	PROPOSED	TIRZ TRAIL PARK	PROPOSED
GENERAL STANDARD INCREASE	150,000	243,650	-	-
HARDSCAPE	86,350	50,000	161,700	240,200
LANDSCAPE + IRRIGATION	72,050	26,000	47,300	1,800
SITE FURNISHINGS	44,000	32,750	33,000	-
<b>TOTAL TIRZ REIMBURSEMENT</b>	<b>\$ 352,400</b>	<b>\$ 352,400</b>	<b>\$ 242,000</b>	<b>\$ 242,000</b>

\*Initial TIRZ budget was created in 2015 with estimates on preliminary plans and quantities

#### Highlights:

1. The total dollar amount allotted to the Phase II and Trail Park improvements remains the same.
2. Given the Main Street Trail completion in Phase I, the Phase II budget for Hardscape, Landscape, and Site Furnishings along N Main Street cannot be met. The shortages in these line items are reallocated to General Standard Increase, which substantially exceeds the \$150,000 TIRZ budget.
3. The original TIRZ budget for the Trail Park was created before any flood studies, FEMA review, and construction plans. As plans have evolved and flood studies have been completed, there are FEMA and City regulations that restrict Landscaping and Site Furnishing elements within the Trail Park (because it is floodway). The shortages in these line items are reallocated to Hardscape that will reimburse for the trail, retaining walls, and public stairs from N Main Street to the park, which improvements have either been added or increased since the initial TIRZ budget.

Each of these budgeted Project Elements have been determined to be in the public's benefit and in support of Historic Mansfield's redevelopment. In order to provide the full scope of improvements at the highest dollar value, and in turn the most ad valorem revenue, we need to ensure that the full amount of allotted TIRZ funds for Phase II and the Trail Park are capitalized and committed to the project.

Conclusion – Proposal Summary:

1. Reallocate TRIZ funds within the Phase II and Trail Park project elements, as depicted above.
2. Extend the expiration of the Agreement to December 31, 2022 (currently December 2020).
3. No inspection fees charged for the inspection of improvements approved for reimbursement.
4. Phase II to pay additional Impact and Park Fees for the 30 additional units that were not originally apart of the 380 Agreement.

Thank you for your time and consideration.

Sincerely,



Tim S. Coltart



**EXHIBIT A: TIRZ CONSTRUCTION BUDGET**

PROJECT ELEMENT	PHASE II	TRAIL PARK
<b>GENERAL STANDARD INCREASE</b>		
Ghost Lettering	35,000	-
Metal Canopies	75,000	-
Loft Windows	25,000	-
Balcony Doors	45,000	-
Storefront Glass (Deck)	125,000	-
Cable/Metal Rail (Deck)	30,000	-
Monument Sign	35,000	-
Curtain Wall System	190,000	-
Architectural Design Fees	-	-
<b>SUBTOTAL BUDGET</b>	<b>560,000</b>	<b>-</b>
TIRZ ALLOCATION	150,000	-
DELTA	410,000	-
<b>HARDSCAPE</b>		
Trails + Trail Connection	-	75,000
Corner Plaza	-	-
Way Finding Signs	-	-
Retaining Walls	-	185,000
Stairs to Park	-	50,000
Culvert in Park (under Trail)	-	5,000
Rails along Stairs and Trail	-	2,000
Curb Inlet Reconstruction + Grass Crete	10,000	-
Emergency Access Approach & Curb	15,000	-
Re-Striping of Parking Spaces	25,000	-
Civil and Landscape Design Fees	-	-
<b>SUBTOTAL BUDGET</b>	<b>50,000</b>	<b>317,000</b>
TIRZ ALLOCATION	86,350	161,700
DELTA	36,350	155,300
<b>LANDSCAPING + IRRIGATION</b>		
Trees	8,000	1,800
Shrubs	3,000	-
Sod	10,000	-
Landscape Lighting	-	-
Landscape Irrigation	5,000	-
Landscape Design Fees	-	-
<b>SUBTOTAL BUDGET</b>	<b>26,000</b>	<b>1,800</b>
TIRZ ALLOCATION	72,050	47,300
DELTA	46,050	45,500
<b>SITE FURNISHINGS</b>		
Benches	20,000	-
Outdoor Tables + Seating	-	-
Waste Receptacles	1,500	-
Powder-Coated Fences	11,250	-
Site Lighting	-	-
Landscape Design Fees	-	-
<b>SUBTOTAL BUDGET</b>	<b>32,750</b>	<b>-</b>
TIRZ ALLOCATION	44,000	33,000
DELTA	11,250	33,000
<b>PROJECT ELEMENT TOTALS</b>		
<b>TOTAL PROJECT BUDGET</b>	<b>668,750</b>	<b>318,800</b>
TOTAL TIRZ ALLOCATION	495,430	242,000
DELTA	173,320	76,800
TOTAL TIRZ FUNDS NOT REIMBURSED	93,650	78,500
TOTAL BUDGET EXPENSES NOT REIMBURSED	410,000	155,300

EXHIBIT A: CONTINUED

Items to be Included in the Project Elements:

**General Standard Increase:** Ghost Lettering, Signage, Metal Canopies, Loft Windows, Balcony Rails and Doors, Curtain Wall/Storefront Glazing System at the Entrance of Building I, The 4<sup>th</sup> Floor Storefront Glazing/Rails/Doors in Building IV.

**Hardscape:** Trails, Enhanced Paving/Sidewalks, Curb/Grate Inlet Reconstruction, Grass-Crete access on N Main Street, N Main Street Striping, Retaining Walls, Stairs to Park, Rails along Stairs and Trail, Culvert in Trail Park.

**Landscape and Irrigation:** Trees, Shrubs, Sod, Landscape Lighting, Landscape Irrigation.

**Site Furnishings:** Benches, Outdoor Tables and Seating, Waste Receptacles, Fencing, Bike Racks, Site Lighting.