



Legislation Text

File #: 24-6077, **Version:** 1

Resolution - A Resolution of the City Council of the City of Mansfield, Texas, Authorizing the City Manager or His Designee to Finalize, Negotiate and Execute an Economic Development Agreement between the City of Mansfield, Texas, the Board of Directors of Reinvestment Zone Number Four in the City of Mansfield, Texas, and Arcadia Realty Corp; Finding that the Meeting at which this Resolution is Passed is Open to the Public as Required by Law; And Declaring an Effective Date (General Fund, TIRZ #4, Utility Fund)

To Consider Approving the Resolution

To Approve the Resolution

As part of the major sports and entertainment district, also referred to as Harvest Point, Arcadia plans to develop approximately 134 acres of land located south of Lone Star Road, and east of Toll Road 360, with residential development as defined in the zoning case, ZC#24-009 Lonestar Mansfield PD, along with open space, trails, enhanced streetscapes, and other public and private amenities.

Because the land is situated away from any existing public infrastructure required for the development, the developer requested city participation in funding major off-site improvements to bring utilities and roadways to the site. The attached agreement contemplates this and allows for development to occur upon completion of the public infrastructure. Additionally, the developer is requesting the creation of a Public Improvement District (PID) to provide construction financing for the internal infrastructure needed for the residential development. The PID provides tax-exempt bond funding up front to the developer, and the repayment is handled through assessments paid by all parcel owners within the PID boundary. This allows the infrastructure to be funded by the development itself.

The zoning district requires enhanced features such as architecture on buildings and the streetscape, therefore to offset the additional enhancements, the developer is requesting the following consideration:

1. Extension of major roadways, water, storm sewer, and sanitary sewer to the site (estimated value of \$12.1 million which is reimbursed by TIRZ #4)
2. Creation of a PID
3. Deferred Development Fees to be paid by the TIRZ (estimated value of fees deferred are \$6 million)
4. Construction sales tax grant equal to 50% of the city's total local sales tax collection on materials purchased for this development (estimated value of \$1,000,000 over fifteen years, this is funding we would not receive otherwise)

In return, the developer will deliver an upscale residential development with an estimated taxable value over \$300 million. Expected TIRZ revenue from the development over 30 years is estimated at \$45 to \$50 million, with the general fund retaining a similar amount over the same time period.

Incentives are needed to bridge the gap for infrastructure requirements, community space, and enhanced architecture and landscaping. It is anticipated that for city funded infrastructure, the general fund or utility fund will provide funding for the initial design and construction while the TIRZ #4 revenues will reimburse

these accounts over the life of TIRZ #4. While the major business points of the agreement are finalized in the draft agreement, there are minor legal changes that may need to be amended before the document is executed by the parties.

TIRZ #4, General Fund, Utility Fund

Jason Moore, Executive Director of Economic Development