
Monday, September 23, 2024
4:45 PM

City Hall - 141 W. Renfro
Burleson, TX 76028

1. **CALL TO ORDER**

2. **CITIZEN APPEARANCES**

Each person in attendance who desires to speak to the TIF#2 Board on an item NOT posted on the agenda, shall speak during this section.

A speaker card must be filled out and turned in to the recording secretary prior to addressing the board. Each speaker will be allowed three (3) minutes.

3. **GENERAL**

A. Consider approval of the minutes from the August 19, 2024 Tax Increment Finance Reinvestment Zone #2 (TIF #2) Board meeting. *(Staff Contact: Amanda Campos, City Secretary)*

B. Consider approval of the Second Amendment to the 380 and Development Agreement for Public and Private Improvements in the Reinvestment Zone Number Two (CSO#542-11-2016), City of Burleson Between the City of Burleson and Realty Capital Management, LLC. *(Staff Contact: Alex Philips, Economic Development Director)*

4. **BOARD REQUESTS FOR FUTURE AGENDA ITEMS OR REPORTS**

5. **RECESS INTO EXECUTIVE SESSION**

In accordance with Chapter 551 of the Texas Government Code, the Board may convene in Executive Session in the City Council Workroom in City Hall to conduct a closed meeting to discuss any item listed on this Agenda. The Board may reconvene into open session and take action on posted items.

Pending or contemplated litigation or to seek the advice of the City Attorney pursuant to Section 551.071, Texas Government Code

Discussion regarding possible purchase, exchange, lease, or value of real property pursuant to Section 551.072, Texas Government Code

Deliberation regarding commercial or financial information received from or the offer of a financial or other incentive made to a business prospect seeking to locate, stay or expand in or near the territory of the City and with which the City is conducting economic development negotiations pursuant to Section 551.087, Texas Government Code

6. **ADJOURN****CERTIFICATE**

I hereby certify that the above agenda was posted on this the **18th of September 2024, by 5:00 p.m.**, on the official bulletin board at the Burleson City Hall, 141 W. Renfro, Burleson, Texas.



Amanda Campos

City Secretary

ACCESSIBILITY STATEMENT

The Burleson City Hall is wheelchair accessible. The entry ramp is located in the front of the building, accessible from Warren St. Accessible parking spaces are also available in the Warren St. parking lot. Sign interpretative services for meetings must be made 48 hours in advance of the meeting. Call the A.D.A. Coordinator at 817-426-9600, or TDD 1-800-735-2989.

TIF #2

DEPARTMENT: City Secretary's Office
FROM: Amanda Campos, City Secretary
MEETING: September 23, 2024

SUBJECT:

Consider approval of the minutes from the August 19, 2024 Tax Increment Finance Reinvestment Zone #2 (TIF #2) Board meeting. *(Staff Contact: Amanda Campos, City Secretary)*

SUMMARY:

The Board duly and legally met on August 19, 2024 for a TIF #2 meetings.

OPTIONS:

- 1) Board may approve the minutes as presented or approve with amendments.

RECOMMENDATION:

Approval

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

N/A

FISCAL IMPACT:

N/A

STAFF CONTACT:

Name: Amanda Campos, TRMC
Department: City Secretary's Office
Email: acampos@burlesontx.com
Phone: 817-429-9665

**MEETING OF THE BOARD OF DIRECTORS OF TAX INCREMENT FINANCE
REINVESTMENT ZONE NUMBER TWO**

**August 19, 2024
DRAFT MINUTES**

BOARD MEMBER PRESENT

Alexa Boedeker
Chris Fletcher
Dan McClendon, Chairman

BOARD MEMBERS ABSENT

Kenny Howell
Bret Jimerson

Staff present

Tommy Ludwig, City Manager
Amanda Campos, City Secretary
Monica Solko, Deputy City Secretary
Allen Taylor, Jr., City Attorney
Matt Ribitzki, Deputy City Attorney

1. CALL TO ORDER – 5:00 P.M.

Chairman Dan McClendon called the meeting order. **Time: 5:00 p.m.**

2. CITIZEN APPEARANCE

- No speakers.

3. GENERAL

A. Minutes from the August 15, 2023 Tax Increment Finance Reinvestment Zone #2 (TIF #2). (Staff Contact: Amanda Campos, City Secretary)

Motion was made by Chris Fletcher and seconded by Alexa Boedeker to approve.

Motion passed 3-0, with Kenny Howell and Bret Jimerson absent.

B. TIF208152024BudgetFY24, resolution adopting the Tax Increment Finance Reinvestment Zone #2 (TIF #2) FY 2024-2025 annual budget). (Staff Presenter: Harlan Jefferson, Deputy City Manager)

Harlan Jefferson, Deputy City Manager presented the resolution to the board.

Motion was made by Chris Fletcher and seconded by Alexa Boedeker to approve.

Motion passed 3-0, with Kenny Howell and Bret Jimerson absent.

4. RECESS INTO EXECUTIVE SESSION

Minutes 08.19.24

Pursuant to Section 551.071, Texas Government Code, the Board reserves the right to convene in Executive Session(s), from time to time as deemed necessary during this meeting for any posted agenda item, to receive advice from its attorney as permitted by law.

- A. Pending or contemplated litigation or to seek the advice of the City Attorney pursuant to Section 551.071, Texas Government Code.**
- B. Discussion regarding possible purchase, exchange, lease, or value of real property pursuant to Section 551.072, Texas Government Code.**
- C. Deliberation regarding commercial or financial information received from or the offer of a financial or other incentive made to a business prospect seeking to locate, stay or expand in or near the territory of the City and with which the City is conducting economic development negotiations pursuant to Section 551.087, Texas Government Code.**

No need for executive session.

5. ADJOURN

There being no further discussion Chairman Dan McClendon adjourned the meeting. **Time: 5:04 p.m.**

Monica Solko
Deputy City Secretary

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:

Alex Philips
Economic Development Director
aphilips@burlesontx.com
817-426-9613



Depot on Main – Ch. 380 Agreement Amendment

TAX INCREMENT FINANCE REINVESTMENT ZONE #2

9/23/24

Depot on Main

- 275-unit, Class-A Multifamily Development
- Located on N. Main St. & King St. in Old Town
- Former site of the City of Burleson Service Center
- Appraised value: \$21 million+
- Current 380 agreement with Realty Capital
 - 75% TIF #2 rebate annually
 - Maximum rebate: \$2 million
 - Rebate to reimburse public infrastructure (sidewalks, parking, streetscape, etc.)



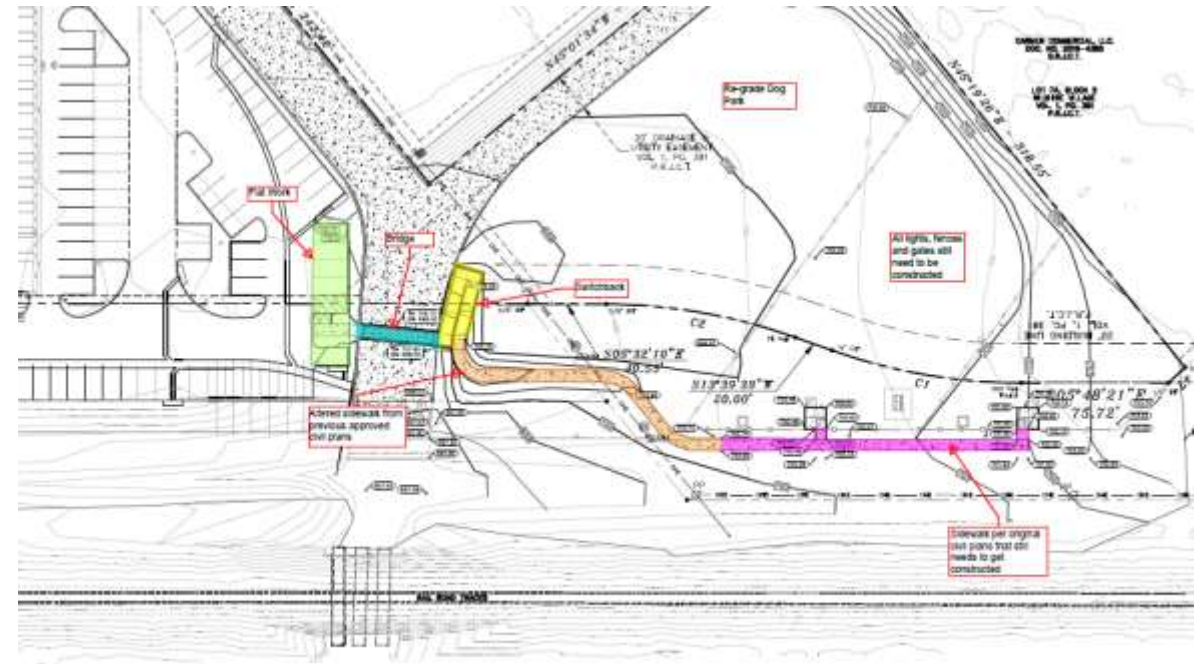
Drainage and Dog Park

- On June 7, 2021, City Council approved a PD zoning amendment reducing dwelling units/acre from 75 to 56.22, prohibiting corrugated metal
- The amendment was requested to due site restrictions caused by the results of a flood study
- The Site Plan was also amended to include a public dog park in the detention area. And a trail on UPRR right-of-way for the public to access the park



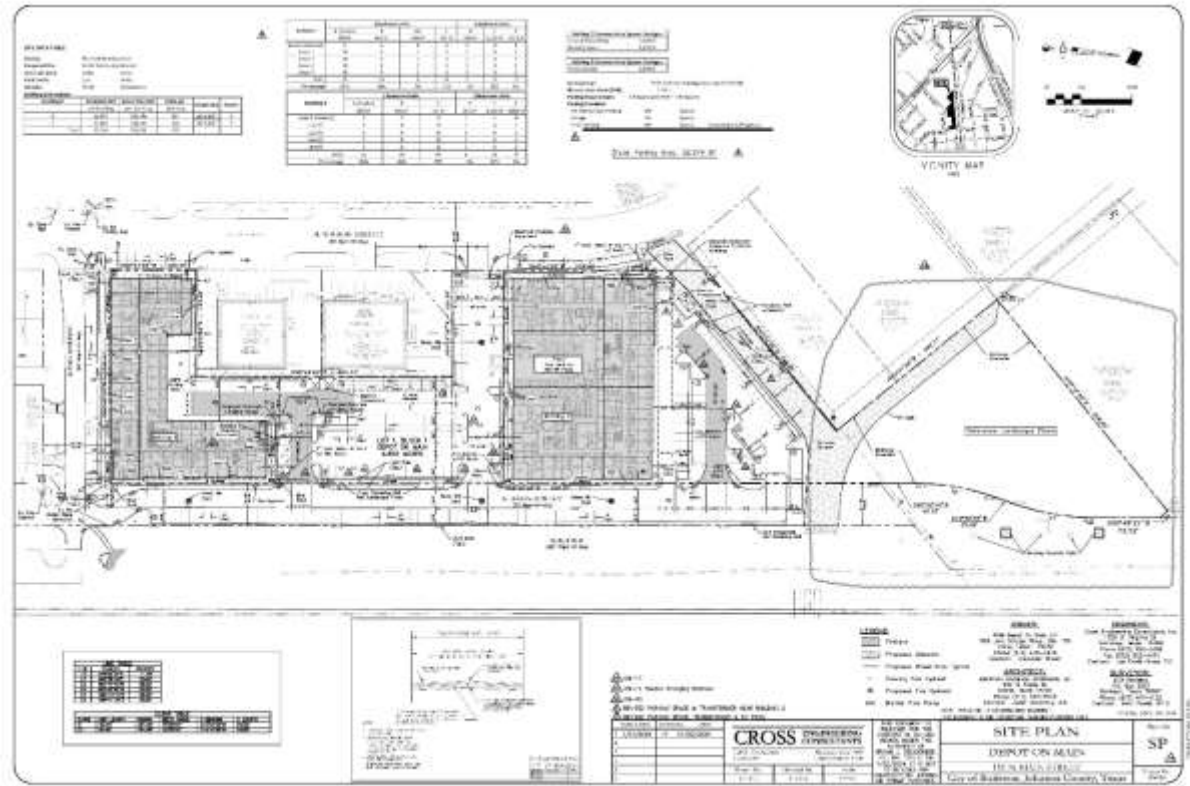
Drainage and Dog Park

- Realty Capital and City staff worked with UPRR and exhausted all options for a pedestrian trial. UPRR will not allow any pedestrian infrastructure on their right-of-way
- Staff made recommendations for a sidewalk and pedestrian bridge for ADA access over the drainage channel to the dog park possible
- Realty Capital studied initial design, and priced full design and construction
- The bridge has been deemed cost-prohibitive and the last viable option for ADA access
 - Cost is \$438,220



Amendments

- Realty Capital has requested to amend their site plan to remove the dog park and associated sidewalks, lighting, etc. and amend Ch. 380 agreement accordingly
- Lower the 380 public improvement reimbursement from \$2 million to \$1.5 million
- Amend 380 exhibits to include new site plan and updated costs of approved public improvements
- If approved, per City policy, staff will administratively approve the Site Plan Amendment
- Depot on Main will retain ownership and maintenance; the public will still have access open space or recreational use



Requested Action

- *Approve 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
- Deny 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 recommends approval

SECOND 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

This Second 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 ("Second Amendment" or "Amendment") is made and entered into by and between City of Burleson, a Texas municipal corporation of Tarrant and Johnson Counties, Texas (hereinafter called "City"), acting by and through its City Manager; the Board of Directors of the Tax Increment Financing Reinvestment Zone Number Two, City of Burleson, Texas (hereinafter called "Board"), acting by and through its Board President; and Depot on Main Holdings, LLC ("Depot"), a Delaware limited liability company, acting by and through its authorized Manager.

RECITALS:

WHEREAS, on or about November 14, 2016, the City, the Board and Realty Capital Management, LLC ("RCM") entered into that 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 (the "Original Agreement"), as amended by that certain 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 (the "First Amendment"; the Original Agreement, as amended by the First Amendment is referred to as the "Agreement" and is as attached hereto as Exhibit A);

WHEREAS, on or about February 2, 2022, RCM assigned to Depot, and Depot assumed, all of RCM's right, title and interest in and to the Agreement as permitted by Article 12 of the Agreement; and

WHEREAS, the parties desire to amend the Agreement by revising it to read as set forth below, with all other terms to remain unchanged.

NOW THEREFORE, in consideration of the mutual benefits and promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Program Grant.** Section 5.02(b) of the Agreement is hereby amended to read as follows:

“(b) Payments will cease upon the end of the Term of the Agreement or when Grant Payments equal \$1,500,000, whichever comes first.”

2. **Conditions of Grant Payment Regarding RCM Development and Operations.** Section 4.01 “Conditions of Grant Payment Regarding RCM Development and Operations” is hereby amended by adding Section 4.01(O) without otherwise replacing any other text in the section:

“(O) As additional consideration for the Grant Payment received by RCM under this Agreement, RCM or its assignee shall grant the City an easement over the area depicted on Exhibit D, attached hereto and incorporated herein by reference for all purposes, for open space or other public use, as determined by the City. In granting the easement, the City shall have no responsibility in maintaining the easement or underlying real property.”

3. **Exhibits.** Exhibit B to the Agreement is hereby replaced in its entirety with Exhibit B to this Amendment. Exhibit C to the Agreement is hereby replaced in its entirety with Exhibit C to this Amendment.

4. **Effect of Amendment.** All other terms and conditions of the Agreement, with the exception of the terms modified by this Amendment, shall remain in full force and effect.

APPROVED AS TO FORM:

City Attorney

THE CITY OF BURLESON
a Texas municipal corporation

By: _____
Name: _____
Title: _____

STATE OF TEXAS
COUNTY OF JOHNSON

This instrument was acknowledged before me on _____, 2024 by _____, known personally by me to be the _____ of the City of Burleson, on behalf of said City.

Notary Public, State of Texas

DEPOT ON MAIN HOLDINGS, LLC,
a Texas limited liability company

BY: RCR Manager 22, LLC,
a Texas limited liability company,
its Manager

BY: Realty Capital Residential, LLC,
a Texas limited liability company,
its Manager

By: _____
Name: Alexander Brown
Title: President

STATE OF TEXAS
COUNTY OF _____

This instrument was acknowledged before me on _____, 2024 by Alexander Brown, known personally by me to be the President of Realty Capital Residential, LLC, in its capacity as the manager of RCR Manager 22, LLC, in its capacity as the manager of Depot on Main Holdings, LLC, a Texas limited liability company, on behalf of said limited liability company.

Notary Public, State of Texas

**TAX INCREMENT FINANCING
REINVESTMENT ZONE NUMBER TWO
CITY OF BURLESON, TEXAS**

By: _____
Name: _____
Title: _____

STATE OF TEXAS
COUNTY OF _____

This instrument was acknowledged before me on _____, 2024 by _____,
known personally by me to be the _____ of Tax Increment Financing Reinvestment
Zone Number Two, City of Burleson, Texas, on behalf of said entity.

Notary Public, State of Texas

EXHIBIT A**(The Agreement, Including First Amendment)****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**

This 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 ("Amendment") is made and entered into by and between City of Burleson, a Texas municipal corporation of Tarrant and Johnson Counties, Texas (hereinafter called "City"), acting by and through its City Manager; the Board of Directors of the Tax Increment Financing Reinvestment Zone Number Two, City of Burleson, Texas (hereinafter called "Board"), acting by and through its Board President; and Realty Capital Management, LLC ("RCM"), a Texas limited liability company, by and through its Managing Director, Tim Coltart.

RECITALS:

WHEREAS, on or about November 14, 2016, the City, the Board and RCM entered into that 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 (the "Agreement" as attached hereto as Exhibit A); and

WHEREAS, the parties desire to amend the Agreement by revising it to read as set forth below, with all other terms to remain unchanged.

NOW THEREFORE, in consideration of the mutual benefits and promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Term.** Section 3.01 of the Agreement is hereby amended to read as follows:
 - 3.01 The term of this Agreement shall commence on the Effective Date and will terminate twenty years following the Opening Date (the "Term").
2. **Conditions of Grant Payment Regarding RCM Development Operations.** Section 4.01(C) of the Agreement is hereby amended to read as follows:
 - (C) Obtain a building permit for the Development no later than May 31, 2021.
3. **Conditions of Grant Payment Regarding RCM Development Operations.** Section 4.01(K) of the Agreement is hereby amended to read as follows:
 - (K) Cause the Development to have a minimum cumulative value of twenty million dollars (\$20,000,000) on the Johnson County Tax

Appraisal District rolls beginning the tax year following the Opening Date and continuing for the Term.

4. **Program Grant.** Section 5.02a) of the Agreement is hereby amended to read as follows:

5.02 a) Annual installments should vary based on appraisal value. At a minimum of \$20,000,000 appraised value, the annual installment shall be equal to 75% of Available TIF Revenue for the prior calendar year of the operation of the Development. For every \$1,000,000 of appraisal value higher than \$20,000,000 and every amount in-between calculated proportionally, the annual installment shall increase by 1% of Available TIF Revenue for the prior calendar year of the operation of the Development up to a maximum reimbursement percentage of 80%. Reimbursements shall begin on or before March 1st of the year following the year the City accepts the Public Improvements and receives acceptable documentation of the Capital Investment expended during the construction of the Public Improvements and/or Project Costs. The City agrees to act reasonably and diligently in determining whether the Public Improvements are acceptable. Throughout the term of this Agreement, the annual reimbursement paid to RCM shall not exceed the Available TIF Revenue.

5. **Default and Remedies.** Section 7.01(C) of the Agreement is hereby amended to read as follows:

(C) In the event RCM has not commenced rough grading for the foundation of the Development by July 31, 2021, or thereafter fails to diligently pursue completion of construction of the Development, then upon written demand from the City at any time prior to the date rough grading has commenced or RCM has resumed completion of construction of the Development, as the case may be, RCM shall convey the Property back to the City by special warranty deed in its then existing condition (and subject to all matters then of record) within 90 days of RCM's receipt of such notice, and City shall refund to RCM the entire purchase price paid to City at the original closing of the Property. City agrees not to unreasonably refuse to issue building permits for the Development to RCM.

6. **Recitals.** Third recital of the Agreement is hereby amended to read as follows:


WHEREAS, RCM seeks to acquire and develop a mixed-use facility at the northern limits of Main Street addressed as 133 N. Main Street and certain surrounding parcels labeled on Exhibit D attached hereto as parcels 3, 5, 6, 8, 10 ('Velma' tract) and 11 (collectively, the "Property"); and


7. **Exhibits.** Exhibit A to the Agreement is hereby replaced in its entirety with Exhibit D to this Amendment. Exhibit B to the Agreement is hereby replaced in its entirety with Exhibit B to

this Amendment. Exhibit C to the Agreement is hereby replaced in its entirety with Exhibit C to this Amendment.

8. **Effect of Amendment.** All other terms and conditions of the Agreement, with the exception of the terms modified by this Amendment, shall remain in full force and effect.

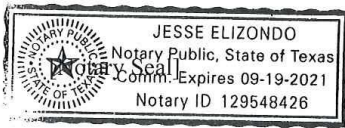
APPROVED AS TO FORM AND LEGALITY:

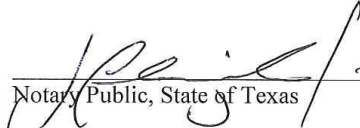

City Attorney
BY: MATT RIBITZKI, DEPUTY CITY ATTORNEY

**THE CITY OF BURLESON,
a Texas municipal corporation**
By: 
Name: KEN SHETTER
Title: MAYOR

STATE OF TEXAS
COUNTY OF JOHNSON

This instrument was acknowledged before me on Sept 8, 2020 by KEN SHETTER, known personally by me to be the Mayor of the City of Burleson, on behalf of said City.




Notary Public, State of Texas

**Reality Capital Management, LLC,
a Texas limited liability company**

By: _____
Name: Tim Coltart
Title: Managing Director
Date: _____

this Amendment. Exhibit C to the Agreement is hereby replaced in its entirety with Exhibit C to this Amendment.

8. **Effect of Amendment.** All other terms and conditions of the Agreement, with the exception of the terms modified by this Amendment, shall remain in full force and effect.

APPROVED AS TO FORM AND LEGALITY:

City Attorney

**THE CITY OF BURLESON,
a Texas municipal corporation**

By: _____

Name: _____

Title: _____

STATE OF TEXAS
COUNTY OF JOHNSON

This instrument was acknowledged before me on _____, 2020 by _____, known personally by me to be the _____ of the City of Burleson, on behalf of said City.

[Notary Seal]

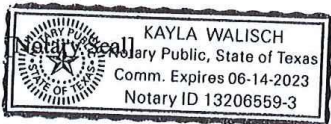
Notary Public, State of Texas

**Reality Capital Management, LLC,
a Texas limited liability company**

By: 
Name: Tim Coltart
Title: Managing Director
Date: 7/9/20

STATE OF TEXAS
COUNTY OF Dallas

This instrument was acknowledged before me on September 9th, 2020 by Tim Coltart, known personally by me to be the Managing Director of Realty Capital Management, LLC, on behalf of said company.



K Walisch
Notary Public, State of Texas

**Tax Increment Financing
Reinvestment Zone Number Two,
City of Burleson, Texas**

By: _____
Name: _____
Title: _____

STATE OF TEXAS
COUNTY OF _____

This instrument was acknowledged before me on _____, 2020 by _____, known personally by me to be the _____ of Tax Increment Financing Reinvestment Zone Number Two, City of Burleson, Texas, on behalf of said entity.

[Notary Seal]

Notary Public, State of Texas

STATE OF TEXAS
COUNTY OF _____

This instrument was acknowledged before me on _____, 2020 by Tim Coltart, known personally by me to be the Managing Director of Realty Capital Management, LLC, on behalf of said company.

[Notary Seal]

Notary Public, State of Texas

**Tax Increment Financing
Reinvestment Zone Number Two,
City of Burleson, Texas**

By: [Signature]
Name: DAN McLENDON
Title: CHAIRMAN

STATE OF TEXAS
COUNTY OF TARRANT/Burleson

This instrument was acknowledged before me on Sept. 8, 2020 by DAN McLENDON, known personally by me to be the CHAIRMAN of Tax Increment Financing Reinvestment Zone Number Two, City of Burleson, Texas, on behalf of said entity.

[Notary Seal]

[Signature]
Notary Public, State of Texas

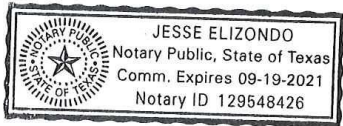


Exhibit A

The Agreement

**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**

THIS DEVELOPMENT AGREEMENT ("Agreement") is entered as of November 14, 2016 (the "Effective Date") into by and among the City of Burleson, a Texas municipal corporation of Tarrant and Johnson Counties, Texas (hereinafter called "City"), acting by and through its City Manager; the Board of Directors of the Tax Increment Financing Reinvestment Zone Number Two, City of Burleson, Texas (hereinafter called "Board"), acting by and through its Board President; and RCM Depot on Main, L.P. ("RCM"), a Texas limited partnership, by and through its General Partner, RCM Portfolio Genpar, LLC, a Texas limited liability company.

WITNESSETH:

WHEREAS, the City recognizes the importance of its continued role in local economic development; and

WHEREAS, in accordance with the provisions of the Tax Increment Financing Act, V.T.C.A. Tax Code, Chapter 311 (the "Act"), on December 15, 2005, the Burleson City Council approved Ordinance No. C-592, creating, establishing and designating "Tax Increment Financing Reinvestment Zone Number Two, City of Burleson" (hereinafter called the "TIF District" or "District"); and

WHEREAS, RCM seeks to acquire and develop a mixed-use facility at the northern limits of Main Street addressed as 133 N. Main Street and certain surrounding parcels labeled on **Exhibit A** attached hereto as parcels 3, 5, 6, 8 and 11 (collectively, the "Property"); and

WHEREAS, the Act authorizes the expenditure of funds derived within a reinvestment zone, whether from bond proceeds or other funds, for the payment of expenditures made or estimated to be made and monetary obligations incurred or estimated to be incurred by a municipality consistent with the project plan of the reinvestment zone, which expenditures and monetary obligations constitute project costs, as defined in the Act; and

WHEREAS, on September 22, 2005, after approval of the Board, the Burleson City Council approved the Tax Increment Reinvestment Zone Financing and Project Plan (herein so called), and the Financing Plan (herein so called); and

WHEREAS, the Board authorized the execution of this Agreement, for the construction of Public and Private Improvements in accordance with the approved Project Plan and Financing Plan, and authorizing reimbursement to RCM from the Tax

Increment Fund for the construction of the Public Improvements and Private Improvements under the conditions set forth herein; and

^{TIF 2 - Mixed-Use District}
WHEREAS, pursuant to Resolution No. [REDACTED], the City Council authorized the execution of this Agreement, for the construction of the Public Improvements to facilitate development of the Property and the Development in accordance with the approved Project Plan and Financing Plan, and authorizing reimbursement to RCM from the Tax Increment Fund for the construction of the Public Improvements and the Development under the conditions set forth herein; and

WHEREAS, the Public Improvements constructed within the TIF District boundaries, as set forth in this Agreement, are consistent with encouraging development of the TIF District in accordance with the purposes for its creation and are in compliance with the ordinance creating the TIF District adopted by the City and all applicable laws; and

WHEREAS, the City and Board agree to reimburse funds advanced by RCM for the cost of making certain Public Improvements and Private Improvements as contemplated herein and as contemplated by the Act and as is consistent with the Project Plan and Financing Plan; and

WHEREAS, the City is authorized by Article 52 of the Texas Constitution and Section 380.001 Texas Local Government Code to provide economic development grants to promote local economic development and stimulate business and commercial activities in the City; and

WHEREAS, the City Council has determined that quality mixed use residential and commercial developments in urban settings stimulate commercial activity; and

WHEREAS, on May 27, 1993, the City adopted Resolution No. 583 establishing an Economic Development Program (the "Program") pursuant to Section 380.001 of the Local Government Code (Section 380.001); and

WHEREAS, the City Council finds that the Development will promote local economic development and stimulate commercial and business activity;

NOW, THEREFORE, in consideration of the mutual covenants and obligations herein, the parties agree as follows:

**ARTICLE 1.
AUTHORIZATION**

The City Council finds and determines that this Agreement is authorized by Chapter 311 of the Texas Tax Code and by Section 380.001 of the Texas Local Government Code.

**ARTICLE 2.
DEFINITIONS**

In this Agreement, the following words shall have the meanings ascribed to them:

- 2.01 "Available TIF Revenue" means the TIF Revenue attributable to the Property, less the portion of the TIF Revenue attributable to the Base Year Value.
- 2.02 "Base Year Value" means the value of the Property as established by the Johnson County Appraisal District, as of January 1, 2016.
- 2.03 "Capital Investment" means and shall include all costs incurred relating to the improvement of the Property, including the purchase price of the building and actual construction costs including soft costs of all buildings, structures, infrastructure, utilities, landscaping and other onsite improvements, including all labor and materials.
- 2.04 "Certificate of Occupancy" means the certificate issued by the City evidencing that the Development is in compliance with applicable development regulations and in satisfactory condition to be occupied by private residential users.
- 2.05 "Development" or "Private Improvements" mean the construction of a mixed-use building(s) on the Property to contain multi-family housing and associated amenities and providing for potential live/work locations and substantially similar to one of the two conceptual site plans attached hereto as **Exhibit B**.
- 2.06 "Effective Date" means the date first set forth above.
- 2.07 "Event of Bankruptcy or Insolvency" means the dissolution or termination of RCM's existence as a going business, insolvency, appointment of receiver for any part of RCM's property and such appointment is not terminated within 60 days after such appointment is initially made, any general assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against RCM and such proceeding is not dismissed within 60 days after the filing thereof.
- 2.08 "Grant Payments" mean the payments made to RCM pursuant to Section 5 of this Agreement, to be paid exclusively from Available TIF Revenues.
- 2.09 "Opening Date" means the date RCM receives a Certificate of Occupancy for the Development, provided, however, if more than one Certificate of Occupancy is issued for the Development, the Opening Date shall mean the date RCM receives the last Certificate of Occupancy for the Development.

- 2.010 "Project Costs" means those costs associated with the construction of Public Improvements as set forth on **Exhibit C**, subject to reallocation as set forth therein.
- 2.011 "Property" is defined in the Recitals above.
- 2.012 "Public Improvements" means those items set forth on **Exhibit C**.
- 2.013 "Substantial Completion" or "Substantially Complete" means with regard to the Public Improvements, the date the City issues a Letter of Acceptance.
- 2.014 "Tax Increment Fund" means the Tax Increment Fund of Burleson Tax Increment Financing Reinvestment Zone No. Two.
- 2.015 "TIF District" means the district created by Ordinance No. C-592 of which the Property is a part.
- 2.016 "TIF Taxing Units" means those political subdivisions who by contract have agreed to contribute Available TIF Revenue to the TIF District.
- 2.017 "TIF Revenue" means the total revenue collected from the TIF Taxing Units and required by the Act to be deposited into the Tax Increment Fund each calendar year.
- 2.018 "City-Owned Property" means those tracts labeled as parcels 3, 5, 6 and 8 on **Exhibit A**.

ARTICLE 3.
TERM

- 3.01 The term of this Agreement shall commence on the Effective Date and will terminate fifteen years following the Opening Date (the "Term").

ARTICLE 4.
CONDITIONS OF GRANT PAYMENT

- 4.01 Conditions of Grant Payment Regarding RCM Development and Operations. In consideration of City agreeing to pay RCM the Grant Payments in accordance with the terms, provisions and conditions of this Agreement, RCM agrees to the following, which are not obligations of RCM, but are conditions that must be fulfilled in order to receive Grant Payments:
 - (A) Intentionally Deleted.
 - (B) Design, construct and operate the Development in conformance with the criteria and development standards set forth in the ordinances of the City

of Burleson and applicable state and federal laws, subject to approval and variances granted by the Burleson Old Town Design Standards Review Committee and the Burleson City Council.

- (C) Obtain a building permit for the Development no later than three (3) years after the Effective Date.
- (D) Obtain a Certificate of Occupancy for the Development within two years of the issuance of the building permit.
- (E) Substantially complete the Public Improvements no later than six (6) months after the Opening Date.
- (F) Grant Payments shall be used only for Project Costs and associated public infrastructure improvements generally outlined and shown herein as **Exhibit C**.
- (G) The Development will incorporate through public art the historical significance of the MKT Railroad Depot that was built in 1914 as mutually and reasonably determined by RCM and the City.
- (H) Present zoning request of PD – Planned Development for the Property within three (3) months from the Effective Date of this Agreement.
- (I) Enter into a land sale contract with the City of Burleson for the purchase of the City-Owned Property and complete the purchase in accordance with such contract.
- (J) Complete purchase of the tract identified as parcel #11 on **Exhibit A** no later than 90 days after zoning approval from City Council.
- (K) Cause the Development to have a minimum cumulative value of twenty five million dollars (\$25,000,000) on the Johnson County Tax Appraisal District rolls beginning the tax year following the Opening Date and continuing for the Term
- (L) Submit reasonably satisfactory written evidence within 60 days of the Opening Date showing the Capital Investment expended during the construction of Public Improvements and indicating the validity of the expenses as Project Costs as generally outlined on **Exhibit C**.
- (M) Subject to Article 12 below, RCM shall operate the Development for the Term subject to (i) Force Majeure, (ii) casualty and condemnation, and (iii) temporary closings of the Development for repair, renovations and/or alterations not to exceed 90 days. Notwithstanding the previous sentence, RCM shall have the right to sell the Property to a third party after the Opening Date, in which event RCM may assign all of its rights, title and

interests in this Agreement to RCM's successor, provided such successor assumes all of RCM's duties hereunder.

- (N) RCM shall remain current and paid on all City property taxes, subject to appeal rights in accordance with law and subject to a right to cure any delinquency as set out in Section 7.01 (a).

**ARTICLE 5.
PROGRAM GRANT**

- 5.01 Subject to RCM complying with its duties and obligations under this Agreement, the City agrees that, subject to the terms and conditions contained herein, RCM shall be entitled to receive Grant Payments and benefits according to the schedule set forth in this Article.
- 5.02 The City shall make Grant Payments to RCM from the Available TIF Revenue for the Term of this Agreement based on the following conditions:
 - a) Annual installments shall be equal to 80% of Available TIF Revenue for the prior calendar year of the operation of the Development. Reimbursements shall begin on or before March 1st of the year following the year the City accepts the Public Improvements and receives acceptable documentation of the Capital Investment expended during the construction of the Public Improvements and/or Project Costs. The City agrees to act reasonably and diligently in determining whether the Public Improvements are acceptable. Throughout the term of this Agreement, the annual reimbursement paid to RCM shall not exceed the Available TIF Revenue.
 - b) Payments will cease upon the end of the Term of the Agreement or when Grant Payments equal \$2,000,000, whichever comes first.
 - c) RCM shall be responsible for the invoicing and tracking of payments and may submit information to the City on or after March 1st of each year, providing at least 60 days for the City to submit the Grant Payment.
 - d) In addition to the Grant Payment the City agrees to waive all permitting and inspection fees relating to the development, excluding impact fees.
- 5.03 The City will perform and deliver a Phase 1 and Phase 2 environmental survey on the City-Owned Property as well as lot #11 simultaneously or in conjunction with one another.
- 5.04 City will cause a Renfro Street crossing at Main Street that provides for pedestrian access from the Development to activity south of Renfro Street, the cost of which shall not be part of Available TIF Revenues. Improvements to establish a pedestrian crossing will be completed by March 31, 2018. City may

elect to partner with RCM in the construction of improvements subject to acceptance by RCM.

- 5.05 City will make improvements to Renfro Street near Main Street to incorporate walkable elements and new urbanism design by March 31, 2019, the cost of which shall not be part of Available TIF Revenues. City may elect to partner with RCM in its construction of improvements subject to acceptance by RCM.

**ARTICLE 6.
AUTHORITY; COMPLIANCE WITH LAW**

- 6.01 RCM hereby represents and warrants to the City that it has full lawful right, power and authority to execute and deliver and perform the terms and obligations of this Agreement and that the execution and delivery of this Agreement has been duly authorized by all necessary action by RCM and this Agreement constitutes the legal, valid and binding obligation of RCM, and is enforceable in accordance with its terms and provisions.
- 6.02 Notwithstanding any other provision of this Agreement, RCM shall comply with all federal, state, and local laws.
- 6.03 During the term of this Agreement, RCM agrees not to knowingly employ any undocumented workers at the Development, and if convicted of a violation under 8 U.S.C. Section 1324a(f), RCM shall repay the amount of the Grant Payments received by RCM as of the date of such violation within 120 business days after the date RCM is notified by the City of such violation, plus interest at the rate Burleson is paying on the most recent issuance of bonded indebtedness prior to RCM's violation of this section. The Parties agree that the provision of this Section 6.03 shall not apply to the employees, agents and workers of any contractor or subcontractor hired by RCM in the construction or operation of the Development.

**ARTICLE 7.
DEFAULT AND REMEDIES**

- 7.01 Default by RCM.
 - (A) In the event: (i) the conditions under Article 4 of this Agreement have not been timely performed; (ii) RCM has delinquent ad valorem or sales taxes owed to the City (provided that RCM retains the right to timely and properly protest and/or contest any such taxes); or (iii) RCM materially breaches any of the material terms and conditions of this Agreement, then RCM after the expiration of the notice and cure periods described herein, shall be in default of this Agreement. In the event of such a default, City shall give RCM written notice of such breach and/or default, and if RCM has not cured such breach or default within 90 days after receipt of such

notice, the City may terminate this Agreement by written notice to RCM, and the City shall have no further obligation to RCM and payments previously received by RCM shall be retained by RCM.

- (B) In the event any condition is not timely performed under Section 4.01 and the Development closes or ceases operation prior to the end of the Term of this Agreement, RCM shall not be entitled to any additional Grant Payments from City.
- (C) In the event RCM has not commenced rough grading for the foundation of the Development within four years after the date RCM acquires the Property, or thereafter fails to diligently pursue completion of construction of the Development, then upon written demand from the City at any time prior to the date rough grading has commenced or RCM has resumed completion of construction of the Development, as the case may be, RCM shall convey the Property back to the City by special warranty deed in its then existing condition (and subject to all matters then of record) within 90 days of RCM's receipt of such notice, and City shall refund to RCM the entire purchase price paid to City at the original closing of the Property. City agrees not to unreasonably refuse to issue building permits for the Development to RCM.

7.02 No waiver or any breach of any term or condition of this Agreement shall be construed to waive any subsequent breach of the same or any other term or condition of this Agreement. Any waiver of any term or condition of this Agreement must be in writing and approved by the City Council of Burleson.

**ARTICLE 8.
RIGHT OF OFFSET**

RCM agrees that, subject to the provision of Notice by City and 60-day period following receipt of Notice in which RCM may respond or act, City may offset the amount of Grant Payments installment due to RCM for any calendar year under this Agreement against any amount which is: (i) lawfully due to City from RCM, and (ii) not subject to challenge by RCM in a court of competent jurisdiction by RCM.

**ARTICLE 9.
VENUE AND GOVERNING LAW**

This Agreement is performable in Johnson County, Texas and venue of any action arising out of this Agreement shall be exclusively in Johnson County, Texas. This Agreement shall be governed and construed in accordance with the Charter, ordinances, and resolutions of the City of Burleson, applicable federal and state laws, violation of which shall constitute a default of this Agreement. To the extent permitted by law, the laws of the State of Texas shall apply without regard to applicable principles

of conflicts of law, and the parties submit to the jurisdiction of the state and federal courts in Burleson, Johnson County, Texas.

**ARTICLE 10.
FORCE MAJEURE**

Performance of RCM's obligations under this Agreement shall be subject to extension due to delay by reason of events of force majeure, and RCM's obligations shall be abated during any period of force majeure. Force majeure shall include, without limitation, damage or destruction by fire or other casualty, condemnation, strike, lockout, civil disorder, war, issuance of any permit and/or legal authorization (including engineering approvals by any governmental entity), governmental approvals and permits, shortage or delay in shipment of materials or fuel occasioned by any event referenced herein, acts of God, unusually adverse weather or wet soil conditions or other causes beyond the parties' reasonable control, including but not limited to, any court or judgment resulting from any litigation affecting the Property or this Agreement. City agrees it shall not condemn any portion of the Development.

**ARTICLE 11.
GIFT TO PUBLIC SERVANT OR TO RCM REPRESENTATIVE**

- 11.01 No Benefit. Each party hereto represents to the other that it has not offered, conferred, or agreed to confer and that it will not offer, confer or agree to confer in the future any benefit upon an employee or official of the other party. For purposes of this section, "benefit" means anything reasonably regarded as economic advantage, including benefit to any other person in whose welfare the beneficiary is interested, but does not include a contribution or expenditure made and reported in accordance with law.
- 11.02 Right of Reimbursement. Notwithstanding any other legal remedies, City may obtain reimbursement for any expenditure made to RCM as a result of the improper offer, agreement to confer, or conferring of a benefit to a City employee or official.

**ARTICLE 12.
ASSIGNMENT**

RCM shall have the right to assign this agreement to an affiliated or related party under control by, or under common control with RCM (an "Affiliate"). Any assignment to a third party other than an Affiliate shall require the consent of the City Council, which consent shall not be unreasonably withheld. In the event the City Council fails to reply to a written request for consent to an assignment within 30 days, such consent shall be deemed given.

**ARTICLE 13.
INDEMNIFICATION**

13.01 RCM EXPRESSLY AGREES TO FULLY AND COMPLETELY DEFEND, INDEMNIFY, AND HOLD HARMLESS THE CITY, AND ITS OFFICERS, AND EMPLOYEES, AGAINST ANY AND ALL CLAIMS, LAWSUITS, LIABILITIES, JUDGMENTS, COSTS, AND EXPENSES FOR PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE OR OTHER HARM, DAMAGES OR LIABILITY FOR WHICH RECOVERY OF DAMAGES IS SOUGHT, SUFFERED BY ANY PERSON OR PERSONS, THAT MAY ARISE OUT OF OR BE OCCASIONED BY ANY NEGLIGENT, GROSSLY NEGLIGENT, WRONGFUL, OR STRICTLY LIABLE ACT OR OMISSION OF RCM OR ITS AGENTS, EMPLOYEES, OR CONTRACTORS, ARISING OUT OF THE PERFORMANCE OF THIS CONTRACT. Nothing in this paragraph may be construed as waiving any governmental immunity available to the City under state law. This provision is solely for the benefit of RCM and the City and is not intended to create or grant any rights, contractual or otherwise, in or to any other person.

13.02 It is acknowledged and agreed by the parties that the terms hereof are not intended to and shall not be deemed to create a partnership or joint venture among the parties. The City (including its past, present and future officers, elected officials, directors, employees and agents of the City) does not assume any responsibility to any third party in connection with RCM's construction of the Development.

**ARTICLE 14.
MISCELLANEOUS MATTERS**

14.01 Time is of Essence. Time is of the essence in this Agreement. The parties hereto will make every reasonable effort to expedite the subject matters hereof and acknowledge that the successful performance of this Agreement requires their continued cooperation.

14.02 Agreement Subject to Law. This Agreement is made subject to and in accordance with the Burleson Home Rule Charter and ordinances of City, as amended, and all applicable State and federal laws.

14.03 Interpretation. Each of the Parties have been represented by counsel of their choosing in the negotiation and preparation of this Agreement. In the event of any dispute regarding the interpretation of this Agreement, this Agreement will be interpreted fairly and reasonably and neither more strongly for nor against any Party based on draftsmanship.

14.04 Counterparts Deemed Original. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

- 14.05 Captions. The captions to the various clauses of this Agreement are for informational purposes only and shall not alter the substance of the terms and conditions of this Agreement.
- 14.06 Complete Agreement. This Agreement embodies the complete agreement of the parties hereto, superseding all oral or written previous and contemporary agreements between the parties and relating to matters in the Agreement, and except as otherwise provided herein cannot be modified without written agreement of the parties to be attached and made a part of this Agreement.
- 14.07 Notice. Any notice to be given or served hereunder or under any document or instrument executed pursuant hereto shall be in writing and shall be (i) delivered personally, with a receipt requested therefore; or (ii) sent by a nationally recognized overnight courier service; or (iii) delivered by United States certified mail, return receipt requested, postage prepaid. All notices shall be addressed to the respective party at its address set forth below, and shall be effective (a) upon receipt or refusal if delivered personally; (b) one business day after depositing, with such an overnight courier service or (c) two business days after deposit in the United States mails, if mailed. Any party hereto may change its address for receipt of notices by service of a notice of such change in accordance with this subsection.

RCM:

RCM Depot on Main, L.P.
909 Lake Carolyn Parkway
Suite 150
Irving, TX 75039
Attn: Tim Coltart

With a copy to:

Andy Rogers
Kelly Hart and Hallman
201 MAIN STREET, SUITE 2500
FORT WORTH, TEXAS 76102
TELEPHONE (817) 878-3546
FAX (817) 878-9746
andy.rogers@kellyhart.com

City:

City Manager
City of Burleson, Texas
141 West Renfro
Burleson, Texas 76028

With a copy to:

Betsy Elam
Taylor, Olson, Adkins, Sralla & Elam, L.L.P.

6000 Western Place
Suite 200
Fort Worth, Texas 76107

- 14.08 Amendment. This Agreement may only be amended by the mutual written agreement of the parties.
- 14.09 Severability. In the event any section, subsection, paragraph, subparagraph, sentence, phrase, or word herein is held invalid, illegal, or unenforceable, the balance of this Agreement shall stand, shall be enforceable, and shall be read as if the parties intended at all times to delete said invalid section, subsection, paragraph, subparagraph, sentence, phrase, or word. In the event there shall be substituted for such deleted provision a provision as similar in terms and in effect to such deleted provision as may be valid, legal and enforceable.

ARTICLE 15.
PUBLIC-PRIVATE PARTNERSHIP

- 15.01 This Agreement shall serve as the Comprehensive Agreement for the City-Owned Property in conformance with the P3 Guidelines adopted by the City Council on August 5, 2013, and the Interim Agreement adopted by the City Council on May 16, 2016.
- 15.02 The rights and obligations that shall exist between the City and RCM, the designated Private Partner as listed in the P3 Guidelines, are included in this Agreement in prior articles.
- 15.03 The City has complied with all posting and hearing requirements in conjunction with the P3 Guidelines.
- 15.04 RCM is hereby awarded the rights and responsibilities to construct and operate the Development subject to the terms provided in this Agreement.

ARTICLE 16.
PURCHASE OF CITY-OWNED PROPERTY

- 16.01 RCM shall enter into a real estate contract with the City for the City-Owned Property that shall be in substantial conformance with the proposal attached herein as **Exhibit D**.
- 16.02 The City Council authorizes the City Manager or his designee to sign the associated documents required to complete the transaction with RCM for the City-Owned Property subject to the requirements of this article.

[Signature pages to follow]

EXECUTED on the respective dates of acknowledgement, to be effective as of the Effective Date.

APPROVED AS TO FORM AND LEGALITY:

Retana Sam
City Attorney

THE CITY OF BURLESON,
a Texas municipal corporation

By: *KS*

Name: Ken Shetter

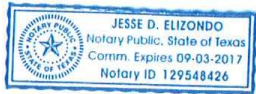
Title: Mayer

STATE OF TEXAS
COUNTY OF JOHNSON

This instrument was acknowledged before me on November 14, 2016 by Ken Shetter, known personally by me to be the Mayer of the City of Burleson, on behalf of said City.

[Notary Seal]

JESSE ELIZONDO
Notary Public, State of Texas



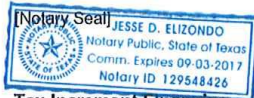
RCM Depot on Main, L.P.,
a Texas limited partnership

By: RCM Portfolio Genpar, LLC,
A Texas limited liability company,
Its General Partner

By: [Signature]
Name: Tim Collart
Title: Director
Date: 11/14/16

STATE OF TEXAS
COUNTY OF _____

This instrument was acknowledged before me on November 14, 2016 by Tim Collart, known personally by me to be the Director of RCM Portfolio Genpar, LLC, a Texas limited liability company, general partner of RCM Depot on Main, L.P., a Texas limited partnership, on behalf of said entities.



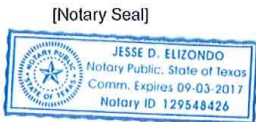
Jesse Elizondo
Notary Public, State of Texas

**Tax Increment Financing
Reinvestment Zone Number Two,
City of Burleson, Texas**

By: [Signature]
Name: Dan McLendon
Title: President

STATE OF TEXAS
COUNTY OF _____

This instrument was acknowledged before me on November 14, 2016 by Dan McLendon, known personally by me to be the Chairman of Tax Increment Financing Reinvestment Zone Number Two, City of Burleson, Texas, on behalf of said entity.



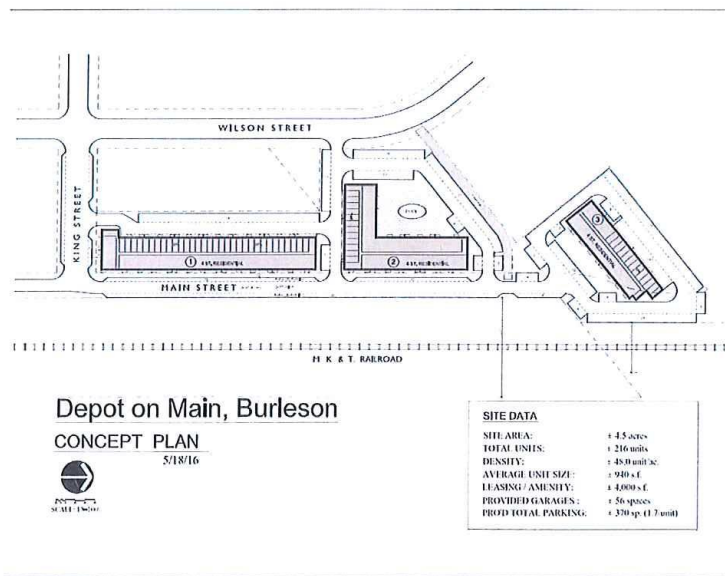
Jesse Elizondo
Notary Public, State of Texas

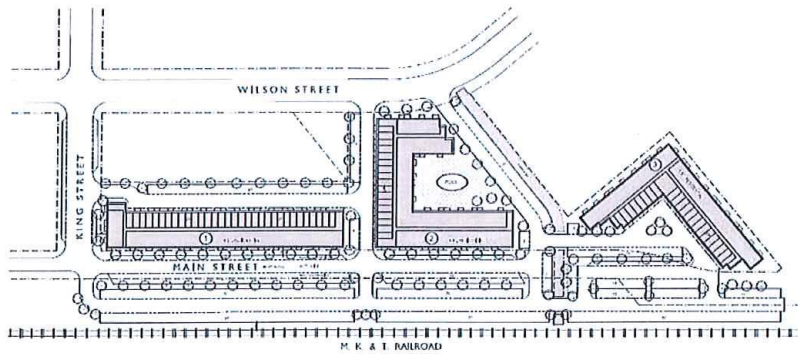
Exhibit A
Property



380 Agreement Comparison - RCM 11-4-16.CLEAN Exhibit "A"

Exhibit B
Conceptual Site Plan of Development





Depot on Main, Burleson
CONCEPT PLAN



SITE DATA	
SITE AREA:	± 4.5 acres
TOTAL UNITS (4 STORY):	± 284 units
DENSITY:	± 63.0 units/ac
AVERAGE UNIT SIZE:	± 930 s.f.
LEASING / AMENITY:	± 5,500 s.f.
PROVIDED GARAGES:	± 66 spaces
PROV. TOTAL PARKING:	± 535 spaces

**Exhibit C
Project Costs and Improvements**

The Depot on Main Detailed Cost Estimates - 380 Agreement					
Line Item	Cost/Item	Quantity	Unit	Total Cost	Notes
On Site and Off Site Utilities					
Rebar for overhead electrical lines	\$ 450,000	1	EA	\$ 450,000	Owner estimate - cost/line foot to bury overhead lines (5' ROW) Ditches, conduits, poles, streetlights and pull-boxes
Off Work associated with burial of electrical lines	\$ 25,000	1	EA	\$ 25,000	
Subtotal				\$ 475,000	
Streetscape Amenities - Site					
Benches	\$ 1,472	10	EA	\$ 14,720	Flats - 6' tall benches - 10' x 30' x 10"
Recycle Bins	\$ 145	6	EA	\$ 870	Modification - 6' tall with 24" for center bin
Trash Receptacles	\$ 225	10	EA	\$ 2,250	Bottom 40 Gallon Receptacle in bronze
Water Drinking Fountains	\$ 2,400	5	EA	\$ 12,000	MOF Model 2025SM Drinking Fountains
Streetlights	\$ 5,700	15	EA	\$ 85,500	
Dog Bag Dispensers	\$ 84	6	EA	\$ 504	Dogpat Junior Dog Dispenser
Landscaping	\$ 1,500	1	EA	\$ 1,500	Install street trees at site
Subtotal				\$ 127,644	
Connection between King St. to Rebar Improvements (A on Map)					
Street Improvements	\$ 12	7,200	SF	\$ 86,400	Cost to rebuild the road (100' ft)
Sidewalk and Pavers	\$ 12	1,500	SF	\$ 18,000	Decorative pavers required per "Commercial Character Street" specifications
Street Striping	\$ 4	435	LF	\$ 1,740	
Parking Space Striping	\$ 100	7	EA	\$ 700	7 Parking Spaces
Street Trees	\$ 1,200	16	EA	\$ 19,200	
ROW Landscaping	\$ 50,000	1	EA	\$ 50,000	Includes irrigation, shrubs and flowers, and planters
Subtotal				\$ 177,340	
King St. ROW Improvements (B on Map)					
Street Improvements	\$ 12	7,275	SF	\$ 87,300	Cost to rebuild the road (122' ft)
Sidewalk and Pavers	\$ 12	1,500	SF	\$ 18,000	Decorative pavers required per "Commercial Character Street" specifications
Public Sidewalks	\$ 10	2,576	SF	\$ 25,760	8' wide concrete
Street Striping	\$ 4	435	LF	\$ 1,740	
Parking Space Striping	\$ 100	7	EA	\$ 700	7 Parking Spaces
Street Trees	\$ 1,200	16	EA	\$ 19,200	
ROW Landscaping	\$ 50,000	1	EA	\$ 50,000	Includes irrigation, shrubs and flowers, and planters
Subtotal				\$ 203,188	
Main St. and Wilson Street Connection (C on Map)					
Public Sidewalks	\$ 10	2,576	SF	\$ 25,760	8' wide concrete
Street Striping	\$ 4	2,400	LF	\$ 9,600	
Parking Space Striping	\$ 100	216	EA	\$ 21,600	216 Spaces
Street Trees	\$ 1,200	14	EA	\$ 16,800	
ROW Landscaping	\$ 100,000	1	EA	\$ 100,000	Includes irrigation, shrubs and flowers, and planters
Sidewalk and Pavers	\$ 12	1,500	SF	\$ 18,000	
New Road Construction	\$ 40	12,627	SF	\$ 505,080	Main St. - Wilson Street connection in the middle of project (122' ft)
Subtotal				\$ 701,840	
Main St. ROW Improvements (D on Map)					
Street Improvements	\$ 12	12,627	SF	\$ 151,524	Cost to rebuild the road (1,056' ft)
Public Sidewalks	\$ 10	3,300	SF	\$ 33,000	8' wide concrete
Street Striping	\$ 4	2,400	LF	\$ 9,600	
Parking Space Striping	\$ 100	84	EA	\$ 8,400	324 Spaces
Street Trees	\$ 1,200	29	EA	\$ 34,800	
ROW Landscaping	\$ 150,000	1	EA	\$ 150,000	Includes irrigation, shrubs and flowers, and planters
Sidewalk and Pavers	\$ 12	3,200	SF	\$ 38,400	
Extension of Main Street	\$ 40	10,000	SF	\$ 400,000	Extension of Main Street to northern portion of development
Subtotal				\$ 814,724	
Screening/Channelization/Drainage Culvert					
Channelization of creek/lot	\$ 20,000	1	EA	\$ 20,000	Open up creek/lot to help water flow to culverts
Culverts in Creek	\$ 100,000	1	EA	\$ 100,000	Reconnect in creek between two sites
Large Screening	\$ 150	1,500	LF	\$ 225,000	Debris screen and provide a better view for residents of "The Depot"
Subtotal				\$ 345,000	
Demolition of Improvements on Site					
Lot 3 through 8 Demolition	\$ 91,330	1	EA	\$ 91,330	Labor and Disposal of land property
Removal of Lot 11	\$ 8,800	1	EA	\$ 8,800	Labor and Disposal of land property
Subtotal				\$ 100,130	
Gathering Area and Enhanced Facade					
Concrete Plaza Installation	\$ 11	1,680	SF	\$ 18,480	Includes decorative pavers and stained concrete
12' Wide Along Main Street	\$ 6	4,000	LF	\$ 24,000	Includes 12' wide, 4' thick wall concrete wall
Guest Seating and Enhancement of Site	\$ 16	2,000	SF	\$ 32,000	
6' Walk Along King St.	\$ 6	2,000	SF	\$ 12,000	Includes 6' wide, 8" thick ram. concrete wall
Subtotal				\$ 86,480	
Subtotal to Improve Site				\$ 3,211,218	
Contingency		10% of Subtotal		\$ 321,122	
Total Cost to Improve Site				\$ 3,532,340	

*The amounts set forth above are estimates of probable costs. Actual costs may vary and may be realized among the indicated ID improvements.

Exhibit B
Conceptual Site Plan of Development



Exhibit C Project Costs and Improvements

The Depot on Main Detailed Cost Estimates - 380 Agreement					
Line Item	Cost/Item	Quantity	Unit	Total Cost	Notes
On-Site and Off-Site Utilities					
Relocate/Bury Overhead Electrical Lines	\$ 450,000	1	EA	\$ 450,000	Oncor estimate - cost/linear foot to bury overhead lines (\$300/LF)
Civil Work associated with Burial of Electrical Lines	\$ 25,000	1	EA	\$ 25,000	Ditches, conduits, pads, street lights and pull boxes
				\$ 475,000	
Streetscape Amenities - Site					
Benches	\$ 2,063	8	EA	\$ 16,500	6' bench in Mineral Bronze
Bicycle Racks	\$ 145	4	EA	\$ 580	Medallion Bike Rack with powder-coated bronze
Trash Receptacles	\$ 725	10	EA	\$ 7,250	Horizon 40-Gallon Receptacle in bronze
Water Drinking Fountains	\$ 3,460	2	EA	\$ 6,920	MDF Model 20085M Drinking Fountain
Street Lights	\$ 6,500	15	EA	\$ 97,500	PD Compliant Street Lights plus light pole bases
Site Electrical Work	\$ 50,000	1	LS	\$ 50,000	Install Site Lighting
Dog Bag Dispensers	\$ 850	2	EA	\$ 1,700	Dognot Junior Bag Dispenser
Installation	\$ 1,500	1	LS	\$ 1,500	Install amenities at the site
				\$ 181,950	
King St. ROW Improvements					
Street Improvements	\$ 11	7,728	SF	\$ 85,008	Cost to rebuild and stripe the road (322 LF)
Sidewalk and Pavers	\$ 10	1,500	SF	\$ 15,000	Decorative pavers required per "Commercial Character Street" specifications
Public Sidewalks	\$ 10	2,576	SF	\$ 25,760	8' wide concrete
Street Trees	\$ 1,000	16	EA	\$ 16,000	
ROW Landscaping	\$ 50,000	1	LS	\$ 50,000	includes irrigation, shrubs and flowers, and planters
				\$ 191,768	
Main St. and Wilson Street Connection					
New Road Construction	\$ 20	12,672	SF	\$ 253,440	Main St. - Wilson Street connection in the middle of property (322 LF)
Sidewalk and Pavers	\$ 10	1,500	SF	\$ 15,000	
Public Sidewalks	\$ 10	2,576	SF	\$ 25,760	8' wide concrete
Street Trees	\$ 1,000	14	EA	\$ 14,000	
ROW Landscaping	\$ 100,000	1	LS	\$ 100,000	includes irrigation, shrubs and flowers, and planters
				\$ 408,200	
Main St. ROW Improvements					
Extension of Main Street	\$ 20	10,250	SF	\$ 205,000	Extension of Main Street to Northern portion of Development (205 LF)
Street Improvements	\$ 11	12,672	SF	\$ 139,392	Cost to rebuild the road and stripe (1,056 LF)
Public Sidewalks	\$ 10	3,200	SF	\$ 32,000	8' wide concrete
Sidewalk and Pavers	\$ 10	3,200	SF	\$ 32,000	
Street Trees	\$ 1,000	25	EA	\$ 25,000	
ROW Landscaping	\$ 150,000	1	LS	\$ 150,000	includes irrigation, shrubs and flowers, and planters
				\$ 583,392	
Drainage Culvert					
Channelization of creek/ditch	\$ 50,000	1	EA	\$ 50,000	Clean up creek/ditch to help water flow to culverts and headwall at railroad
Culverts in Creek	\$ 750,000	1	EA	\$ 750,000	420 feet, 2, 5x10 Box Culverts
				\$ 800,000	
Demolition of Improvements on Site					
Lots 3 through 8 Demolition	\$ 91,330	1	EA	\$ 91,330	Labor and Demolition of said property
Demolition of Lot 11	\$ 8,400	1	EA	\$ 8,400	Labor and Demolition of said property
Demolition of Lot 12	\$ 10,000	1	EA	\$ 10,000	Labor and Demolition of said property
				\$ 109,730	
Gathering Area and Enhanced Façade					
Corner Plaza Hardscape	\$ 16	1,610	SF	\$ 25,760	Includes decorative pavers and stained concrete.
12' Walk Along Main Street	\$ 10	4,000	SF	\$ 40,000	Includes 12' wide, patterned, 4" thick min. concrete walk
Ghost lettering and enhanced façade	\$ 250,000	1	LS	\$ 250,000	
6' Walk Along King St.	\$ 9	2,000	SF	\$ 18,000	Includes 6' wide, 4" thick min. concrete walk
				\$ 333,760	
				Subtotal to Improve Site	\$ 3,083,800
				Contingency	\$ 308,380
				Total Cost to Improve Site	\$ 3,392,180

*The amounts set forth above are estimates of probable costs. Actual costs may vary and may be reallocated among the authorized PID Improvements.

The Depot on Main - Main St Detailed Cost Estimates					
Line Item	Cost/Item	Quantity	Unit	Total Cost	Notes
Main St. Improvements					
Extension of Main Street	\$ 20	10,250	SF	\$ 205,000	Extension of Main Street to Northern portion of Development (205 LF)
Street Improvements	\$ 11	12,672	SF	\$ 139,392	Cost to rebuild the road and stripe (1,056 LF)
				\$ 344,392	
Drainage Culvert					
Channelization of creek/ditch	\$ 50,000	1	EA	\$ 50,000	Clean up creek/ditch to help water flow to culverts and headwall at railroad
Culverts in Creek	\$ 150,000	1	EA	\$ 150,000	2, 5x10 Box Culverts under Main St Ext
				\$ 200,000	
				Subtotal to Improve Site	\$ 544,392
				Contingency	\$ 54,439
				Total Cost to Improve Site	\$ 598,831

*The amounts set forth above are estimates of probable costs. Actual costs may vary and may be reallocated.

Exhibit D
Property



EXHIBIT B

(Replacement Site Plan Exhibit)

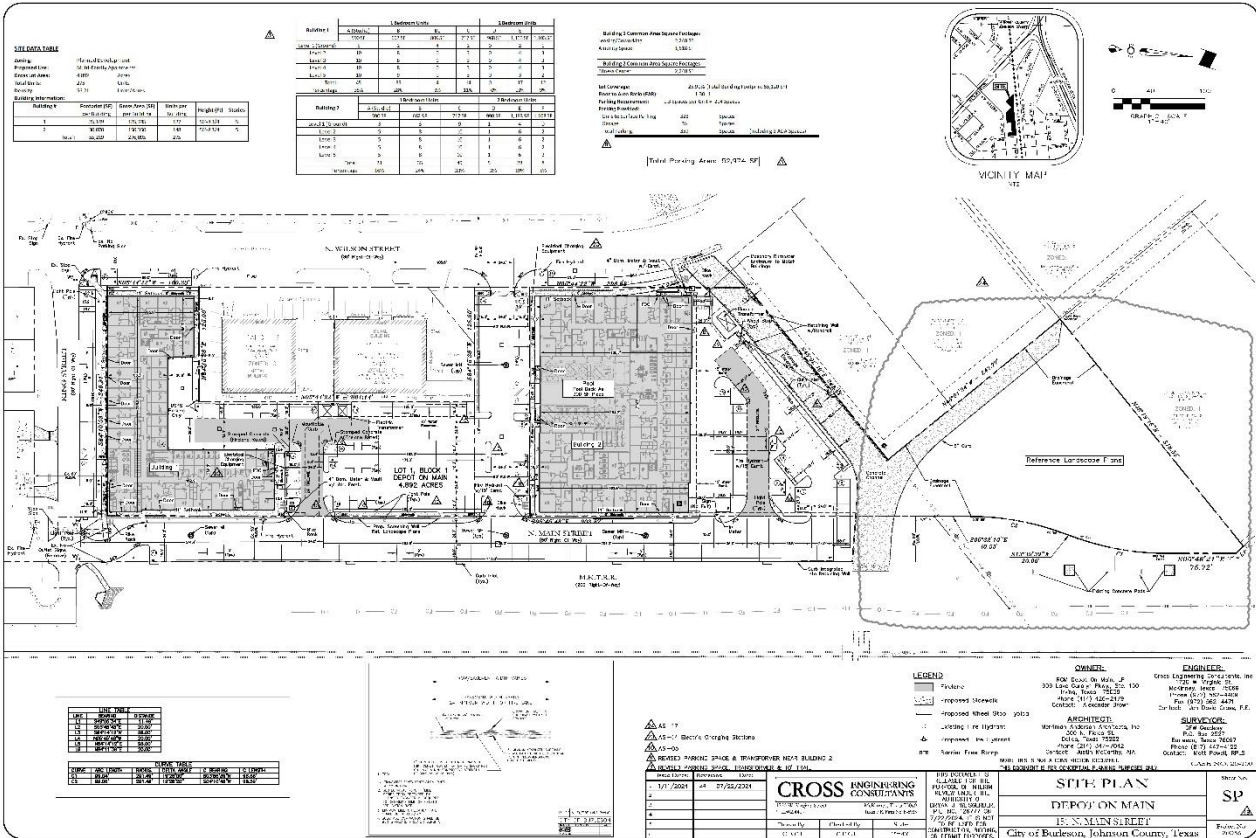


EXHIBIT C**(Replacement Public Improvements Budget Exhibit)**

Depot on Main Public Improvements Costs - 380 Agreement					
Line Item	Cost/Item	Quantity	Unit	Total Cost	Notes
On-Site and Off-Site Utilities					
Electrical (Oncor)	\$ 50,000	1	LS	\$ 50,000	Remove and bury overhead lines, move and add additional pole locations for overhead permanent power, set transformers at new locations
Atmos Gas Line	\$ 8,942	1	LS	\$ 8,942	Dug up line going into site from King Street and capped at removed portion
Site Enablement Work	\$ 92,724	1	LS	\$ 92,724	Establishing utility connections
Water Infrastructure Improvements	\$ 113,599	1	LS	\$ 113,599	Connecting fire hydrant by Bldg 1 to 8" WL in Wilson, adjusting existing valves along King Street to proposed grades
Sewer Infrastructure Improvements	\$ 36,097	1	LS	\$ 36,097	Extend Sanitary Sewer in ROW South of Bldg 2 to Wilson, adding 12" PVC SS under Depot Street
Storm Infrastructure Improvements	\$ 133,668	1	LS	\$ 133,668	Construct 24" Storm Manhole by intersection of Main and King, install curb inlets along Main, install grate inlets along Wilson, install grate inlets along Depot Street
Adjust 3 Existing Sanitary Manholes	\$ 484	3	EA	\$ 1,452	Along Main Street and Depot Street
	Subtotal:			\$ 436,482	
Streetscape Amenities - Site					
Street Lights	\$ 7,615	13	EA	\$ 99,000	Along Main and King Street per PD
Bicycle Racks	\$ 386	24	EA	\$ 9,270	Bike Racks, Surface Mount
Dog Waste Stations	\$ 232	5	EA	\$ 1,160	Includes 400 waste bags and 50 can liners at each station
	Subtotal:			\$ 109,430	
ROW Improvements					
Public Paving & Parking	\$ 3.80	62,564	SF	\$ 237,743	Roads and parking stalls along King, Main, and Depot Street. Parking stalls and entrances along Wilson Street.
Street Trees	\$ 632	70	EA	\$ 44,211	Street Trees along King, Main, Wilson, and Depot Street
Landscaping	\$ 142,460	1	LS	\$ 142,460	Drainage, sod/seedling, irrigation, rootbarrier along ROWs
Pavement Markings	\$ 7,832	1	LS	\$ 7,832	Fire lane and parking stall markings, and wheel stops.
Construction Materials Testing	\$ 20,117	1	LS	\$ 20,117	Concrete compaction testing
Architectural & Engineers	\$ 323,432	1	LS	\$ 323,432	Design fees for civil engineering and architecture including sub-consultants
City Sidewalks	\$ 6	2,194	SF	\$ 13,230	197 feet on Main along Bldg 1, 240 feet on King along Bldg 1, 103 feet on Wilson along Bldg 1, 152 along Main between buildings, and 185 on Main along Bldg 2
				\$ 789,024	
Drainage					
Retaining Wall	\$ 340,147	1	LS	\$ 340,147	410' long channel, 30' wide, 6" concrete curb
Channel Rip-Rap	\$ 1,949	1	LS	\$ 1,949	Into UPRR ROW
Channel Floor	\$ 5	20,607	SF	\$ 100,356	4", 3000 psi
	Subtotal:			\$ 442,452	
Demolition of Improvements on Site					
Lots 4 through 8 Demolition	\$ 138,330	1	EA	\$ 138,330	Demolition of 2 concrete pads and asphalt pavement along Main
Demolition of Lot 10	\$ 18,024	1	EA	\$ 18,024	Demolition of a 1-story brick house, wood frame garage, concrete pad, and concrete drive way
Demolition of Lot 11	\$ 21,457	1	EA	\$ 21,457	Demolition of a metal building, 2 concrete driveways, and asphalt pavement along Main
	Subtotal:			\$ 177,811	
Enhanced Façade	\$ 105,000	1	LS	\$ 105,000	King sized brick, upgraded mortar color and style, upgraded glazing
Ghost Lettering	\$ 12,000	1	LS	\$ 12,000	Burleson Logo Mural
				\$ 117,000	
Total Public Improvement Costs				\$ 2,072,199	

EXHIBIT D

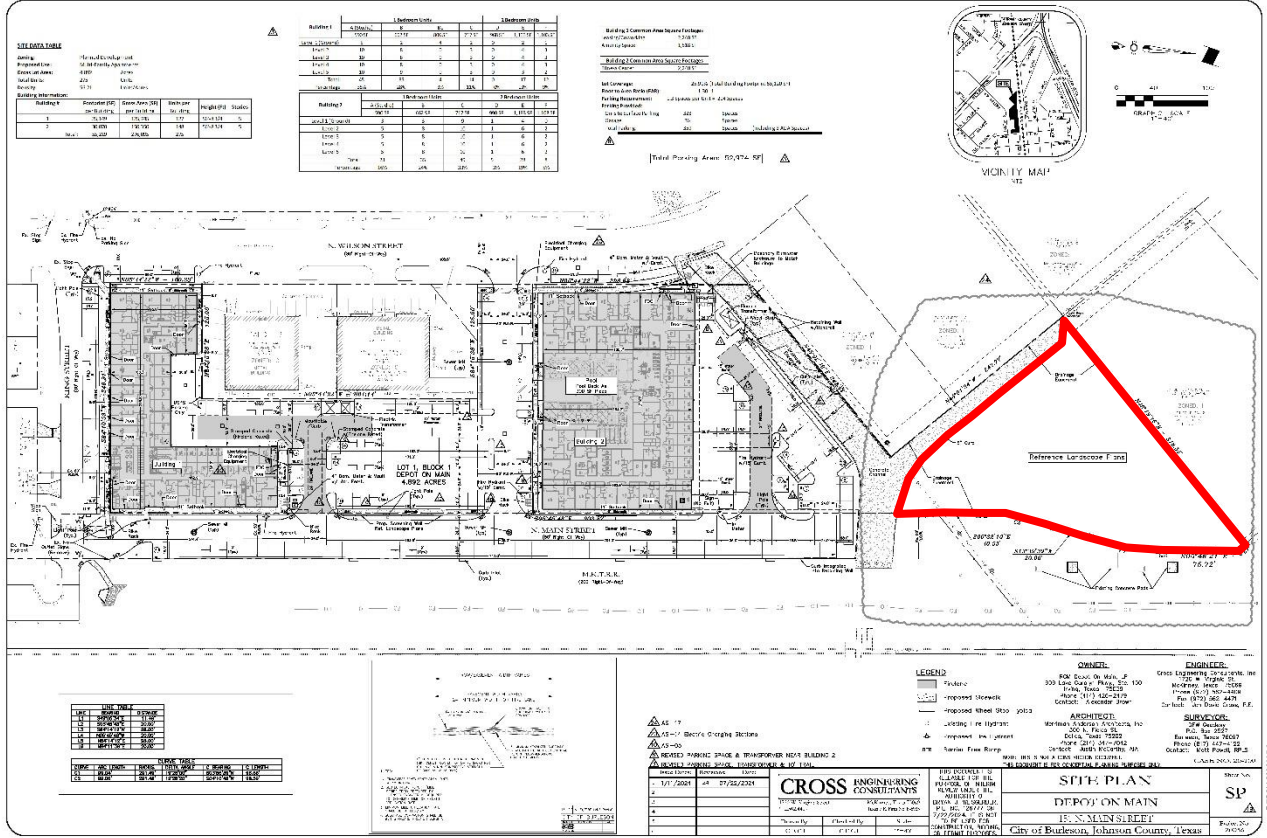


Exhibit D