



## **Benbrook Economic Development Corporation Strategic Plan (March 2019)**

The Benbrook Economic Development Corporation (BEDC), acting under Local Government Code Chapter 505.157, is comprised of seven board members appointed by City Council, and two full-time support staff. The BEDC is a Chapter 505 'Type B' corporation given authority by the voters to levy a one-half cent sales tax to fund eligible projects that promote and expand business enterprise that increases investment in the community, creates or retains jobs, and enhances quality of life.

### ***MISSION STATEMENT:***

*The Mission of the BEDC, in partnership with the City of Benbrook, is to Build a Better Benbrook by fostering quality business growth and economic vitality, supporting existing businesses, recruiting and encouraging new commercial endeavors, and making strategic and visible investments in projects that support business enterprise and improve quality of life in Benbrook.*

### ***BEDC ROLE:***

The role of the Benbrook Economic Development Corporation is to act as facilitator in support of our mission. The BEDC is vigilant in identifying opportunities to further commercial investment, resolving impediments to development, and in assessing creative strategies to reach our goals. In addition, the BEDC recognizes that commercial activity in a community is often directly tied to the brand of a community; quality of life elements, services and amenities, and a 'sense of place'.

Acting as the economic development arm of the City of Benbrook, the BEDC supports the City's current efforts to update the Comprehensive Plan in FY2019/2020. These updates promise to clearly identify City Council priorities for growth, and act as a guideline for BEDC activities into the future.

The BEDC board believes it is important to share lessons learned from the past, to research and stay informed of advanced industry practices, to craft effective strategies to serve as a template for future activities, to be good stewards of resources, and to act as ambassadors for the Benbrook brand in top regional markets.

## **LESSONS LEARNED AND OTHER CONSIDERATIONS**

- **Approach to Commercial Development**

The most effective strategies to prompt good commercial development include proactively seeking opportunities; being flexible and nimble in adjusting strategies as conditions change or new opportunities arise; building professional and trusting relationships in the development community; networking; compiling accurate community-specific data; exercising patience and tenacity (as many projects take substantial time to develop and implement); acting as a resource and/or liaison with city staff; and sharing the 'Benbrook Story' of growth, retail trade area, traffic counts, accessibility and visibility, median family income, low tax rate, recreational amenities, low crime rate, and superb city services in simple, easily-available formats.

- **Incentives**

BEDC has determined that it is important to consider traditional and non-traditional incentives and what other EDC's are doing to incentivize businesses. Because the City of Benbrook currently does not offer tax abatements or rebates as part of an incentive package, the city has authorized waived permitting fees, assistance with infrastructure improvements, assembling properties, assisting with signage, marketing, and/or resolving unique problems with properties on a case-by-case basis.

- **Retail Consultants**

Retail and Marketing consultants who report to specialize in analyzing and marketing a community, recruiting retail, and/or compiling community psychographics are prevalent in the economic development industry. Many retail consultants are producing reports that are not necessarily tailored to the community, and can be very costly. In our experience, retailers and developers have little interest in the results of template-generated community reports. Except in cases where very specialized retail knowledge or expertise is warranted, BEDC will forego retail consultant services.

Given new software and subscription programs, BEDC staff can easily and affordably generate data specific to the requests of developers.

- **Networking/Building Relationships**

BEDC and the City of Benbrook should “own” our community’s message and not rely on others in the field to tell our story, market our brand, or build the relationships required to fully engage in good development.

The BEDC board believes that our participation in the annual International Council of Shopping Centers (ICSC) networking and deal-making conference is vital in maintaining and creating relationships in the development community that pay off in the form of increasing our brand recognition in regional and national markets, sustaining partnerships, and making connections with professionals exploring secondary markets such as Benbrook.

- **Trends in Development**

Developer interest in mixed-use developments, a type of urban development that blends residential, commercial, cultural, institutional, or entertainment uses, where those functions are physically and functionally integrated, and that provide pedestrian connections, is growing. BEDC research indicates that other communities currently incentivize these type developments at 5-15% of anticipated taxable value of the project. BEDC should consider this level of incentive as we explore larger, mixed-use proposals on the few properties that would accommodate them.

For developments such as restaurants and retail, a benchmark analysis of other cities demonstrates a varied mix of incentive types and value; from tax abatements, to deeding land, to infrastructure and site improvements.

For Benbrook, BEDC has determined that a recent substantial incentive (approximately 47% of total finish-out costs) for our first full-service restaurant should pay off as they successfully operate in Benbrook; which helps garner interest from other restaurants. BEDC may incentivize subsequent restaurants; but, depending on the proposed development, likely will not incentivize at that same robust percentage of investment.

- **Quality of Life**

BEDC board believes it is important to consider the community holistically, and to understand the link between a community’s quality-of-life and commercial investment. Many good developers will scout for solid communities that offer a ‘sense of place’, not just sites. A community’s amenities, aesthetics, services, unique features or historical aspects, and/or welcoming public spaces are key to attracting and maintaining visionary development. School systems, workforce, transportation, and housing stock are all part of the story, and are valid considerations of business and industry.

As important to aesthetics and quality of life, BEDC wishes to review aging, vacant, dilapidated properties, or those with special restrictions such as floodplain designation, to facilitate or encourage commercial redevelopment, blight mitigation, or special projects to create unique public spaces, where appropriate. The BEDC board supports City Council's recent approval of an overlay district to improve the aesthetic appeal, and protect our investments in, our major commercial corridors.

As Benbrook City Council considers updates to the City's Comprehensive Plan, BEDC believes there is a continued role for the board to consider and recommend appropriate investments in community appeal and amenities.

- **Community Needs and Desires**

To date, BEDC has focused attention on recruiting specific commercial uses based on our understanding of citizen preferences. Those preferences have been identified in citizen surveys, market and retail leakage analysis, and on anecdotal data generated from conversations with citizens at community meetings, such as Homeowner's Associations, and from social media.

BEDC has discussed specific amenities, goods, or services that appear to be lacking and/or may warrant attention, or that may offer commercial opportunity: grocery stores, senior housing, child daycare facilities, a downtown or town center, event/meeting/conference center space, golf course improvements, park and/or other public space improvements.

In order to focus time, attention, and resources effectively, BEDC hopes to receive clarification and direction on identified community priorities through the Comprehensive Plan update process.

### **BUSINESS RETENTION AND EXPANSION (BRE)**

- **Business Friendly**

A robust BRE program is critical to promoting the Benbrook business family. Equally or as important to recruiting new business is the need to support existing businesses, and to promote local shopping. Owners and managers of existing businesses can be our best ambassadors when prospective retailers visit our city. BEDC welcomes new businesses with site visits and mailed postcards to welcome them to the community. BEDC acts as an information clearinghouse to our business community by providing information related to community demographics, available properties, development plans, utilities, etc.

- **Benbrook Business EXPO**

The BEDC supports area businesses by hosting, along with the Benbrook Area Chamber of Commerce (BACC), the annual Benbrook Business Expo. Local businesses are invited to showcase their goods/services, and the public is invited to learn more about our business community.

- **Storefront Improvement Program Grant**

BEDC offers a Storefront Improvement Grant to assist businesses with exterior improvements to their buildings. The grant offers a dollar-for-dollar match, up to \$20,000 for eligible improvements to building facades.

- **Free Advertising**

As part of the BRE program, BEDC offers business-specific free advertising in area publications.

- **Hometown Pride Recognition**

BEDC recognizes businesses and organizations that have operated in Benbrook for 20+ years. This recognition may include an event taking place at the business, a speech by the Mayor, a plaque presented to business owners, and promotion of that business.

## **FINANCIAL MANAGEMENT**

In 1997, Benbrook voters approved a half-cent sales tax for economic development. As allowed by law, the BEDC utilizes those resources as the BEDC board finds necessary for expanding business enterprise in a landlocked community.

The BEDC relies primarily on a one-half cent per dollar sales tax on taxable sales within Benbrook. Sales taxes can be highly variable based on economic activity, but the one-half cent sales tax generated approximately \$1.2 million in 2018. In addition to sales and use tax, BEDC revenue includes interest earned on investments, oil and gas royalties, and sign rental at the Industrial Park. Currently, total monthly revenue averages approximately \$125,000.

The BEDC Board had anticipated lowered sales tax revenue as a result of the TxDOT Benbrook Boulevard/U.S. 377 expansion project. The project began in September 2014. A two-year analysis for calendar years 2014 and 2015 showed a net decrease in sales tax revenue of \$42,327.19, or 3.6 percent, in 2015 as compared to 2014.

For 2017/2018, with the highway expansion substantially complete, annual revenue appears to be trending upward. For calendar year 2018, total EDC half-cent sales tax revenue was \$1,267,023.81; \$112,049, or a 9.7% increase from calendar year 2017. For 2019, January comparisons to 2018 indicate an increase of nearly 15%.

- **Investments**

The BEDC currently maintains a checking account and a Certificate of Deposit (CD) at Pinnacle Bank Benbrook. BEDC believes it is important to select and maintain business partnerships with local merchants, when possible. The current interest rate on checking is .2% and on CD is 2.25%. Pinnacle Bank offers flexibility for the BEDC to move money to and from accounts as needed, without penalty. This flexibility helps BEDC earn interest in investment vehicles, while affording the ability to have access to funds and take advantage of incentive opportunities as they arise.

- **Financial Targets**

BEDC has determined that it wishes to maintain approximately \$1,000,000 in reserves to be prepared to respond to unanticipated economic development opportunities that may arise in the budget year.

The BEDC has determined that remaining assets are to be used for acquiring, improving, marketing, and/or preparing certain properties for development, administration, ongoing projects/programs, and/or targeted incentives that maximize economic development in Benbrook.

## **PROJECTS AND PROGRAMS**

- **Project Philosophy**

The BEDC understands that our role in a free market economy is to work within that system to facilitate desired development, as permitted by Local Government Code 505. Businesses are free to move, rebuild, leave or expand in a community as they see fit, and as allowed by local ordinance. BEDC does not dictate who may come or who should go.

BEDC simply invests resources to create conditions for commercial development that BEDC believes meets a community need or desire, and that spur further economic investment in the community.

Unlike the mindset of most corporations, economic development corporations do not undertake activities to make a financial profit.

Economic Development Corporations invest in activities that are intended to position a community for desirable growth. BEDC may purchase a property with the goal of improving the property to make it developable; usually with the knowledge that the improvements have proven to be cost-prohibitive to developers in the free market arena.

Performing the needed work, marketing the property to desirable developers, and selling it with an agreement of the final development are ways that BEDC can incentivize and encourage desired growth. By doing this, BEDC makes investments that spur the market and improve our overall economy. Economic Development Corporations can, and should, make strategic and sound investments in the financial health of a community.

### **PROJECT AND PROGRAM STATUS**

The previously adopted strategic plan (June 20, 2016) outlined the following projects. Please note current status in parenthesis.

- Assist existing businesses along Benbrook Boulevard/U.S. 377 with utility relocation as needed, as part of the TxDOT expansion project; **(Complete)**
- Assist existing businesses by providing a Storefront Improvement Program Grant to help fund storefront façade improvements; **(Ongoing)**
- Prepare EDC-owned 12.5-acres in NW Winscott Addition for development; specifically partnering with Benbrook Water Authority to provide sewer service; **(Ongoing)**
- Review and analyze select properties to consider purchasing to expedite development; **(Ongoing)**
- Assist in the recruitment of a full-service restaurant with alcohol sales at 8501 Benbrook Boulevard/ and identify other potential sites and opportunities; **(8501 Complete; other sites Ongoing)**

- Utilize the MTN Retail Advisors Supermarket analysis to approach grocers, establish relationships with decision-makers, and create interest in Benbrook as a grocery store site; **(Ongoing)**
- Refine and execute a refreshed Business Retention Program (BRE); **(Complete and Ongoing)**
- Recognize longstanding businesses in Benbrook through the “Hometown Pride” program; **(Ongoing)**

### **THE FUTURE OF BENBROOK**

BEDC is committed to continuing the programs outlined above, and will place emphasis on the following:

- Continued preparation of NW Winscott Addition, to include participation in potential new signalization/Vista Way extension, and partnership to develop EDC’s 12-acres.
- Continued partnership with business owners to consider new development to include public spaces.
- Partnership with Benbrook Plaza owners to assist in funding improvements and recruiting desirable tenants.
- Complete purchase of property on Westpark Corner to assemble with other EDC-owned tracts, and partner to develop restaurant or other desirable uses on the site.
- Implement strategies to address community priorities, as identified in the updated Comprehensive Plan, and as directed by City Council.
- Where possible, develop and nurture relationships with owners of large, significant commercial lands (i.e. Cassco, Smith family) to benefit future development or redevelopment of properties to help achieve the long-term goals of the City of Benbrook.