

Item H-1

Consider a resolution approving a Chapter 380 Economic Development Program Agreement, pursuant to Chapter 380 of the Texas Local Government Code, and pursuant to the city's economic development policy, with Pickleball Kingdom - Keller, who has contracted to acquire and construct a 44,000 square foot sports facility at 957 Keller Parkway on 4.02 acres legally described as Lots 3R-1R3 and 3R-1R4 of the Bluebonnet Trails Addition; and authorizing the City Manager to execute said documents on behalf of the City of Keller, Texas.

Pickleball Kingdom



957 Keller Pkwy.

44,000 sf private recreational building for pickleball

Excellence • Integrity • Service • Creativity • Communication

Site



Keller
Town Hall

Pickleball Kingdom

- Membership-based indoor recreational pickleball facility
- 17 professional pickleball courts
- Locker rooms
- Event space
- Mezzanine lounge
- Pro shop



View from Pate Orr Rd., looking east

Pickleball Kingdom



View from the Rear of the building, facing north

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ECONOMIC INCENTIVE REQUEST SUMMARY

Year/Phase	Building Permit Fee** - 100%	Keller Impact Fees*** - 100%	Total Request
Construction Phase	\$ 20,208.75	\$ 167,428.50	\$ 187,637.25
Year 1	\$ -	\$ -	\$ -
Year 2	\$ -	\$ -	\$ -
Year 3	\$ -	\$ -	\$ -
Year 4	\$ -	\$ -	\$ -
Year 5	\$ -	\$ -	\$ -
Year 6	\$ -	\$ -	\$ -
Year 7	\$ -	\$ -	\$ -
Year 8	\$ -	\$ -	\$ -
Year 9	\$ -	\$ -	\$ -
Year 10	\$ -	\$ -	\$ -
Total	\$ 20,208.75	\$ 167,428.50	\$ 187,637.25

**based on a 44,000 sf building with a construction value of \$5,000,000

***based on 2021 Impact Fee Schedule

Revenues Generated

Incentive Request	Ad Valorem Tax*	Business Personal Property Tax**	City Sales Tax***	Building Permits & Impact Fees****	Gross Annual Benefit	Base Revenue	Incentive	Total Net Benefit	ROI
Construction Phase	\$ 1,797.23	\$ -	\$ -	\$ 103,923.00	\$ 105,720.23	\$ 1,797.23	\$ 187,637.25	\$ -	-100%
Year 1	\$ 13,802.77	\$ 312.00	\$ 8,000.00	\$ -	\$ 22,114.77	\$ 1,842.16		\$ 20,272.61	-89%
Year 2	\$ 14,147.84	\$ 319.80	\$ 8,000.00	\$ -	\$ 22,467.64	\$ 1,888.21		\$ 20,579.43	-78%
Year 3	\$ 14,501.54	\$ 327.80	\$ 8,000.00	\$ -	\$ 22,829.33	\$ 1,935.42		\$ 20,893.91	-67%
Year 4	\$ 14,864.07	\$ 335.99	\$ 8,000.00	\$ -	\$ 23,200.06	\$ 1,983.80		\$ 21,216.26	-56%
Year 5	\$ 15,235.68	\$ 344.39	\$ 8,000.00	\$ -	\$ 23,580.07	\$ 2,033.40		\$ 21,546.67	-44%
Year 6	\$ 15,616.57	\$ 353.00	\$ 8,000.00	\$ -	\$ 23,969.57	\$ 2,084.23		\$ 21,885.33	-33%
Year 7	\$ 16,006.98	\$ 361.82	\$ 8,000.00	\$ -	\$ 24,368.81	\$ 2,136.34		\$ 22,232.47	-21%
Year 8	\$ 16,407.16	\$ 370.87	\$ 8,000.00	\$ -	\$ 24,778.03	\$ 2,189.75		\$ 22,588.28	-9%
Year 9	\$ 16,817.34	\$ 380.14	\$ 8,000.00	\$ -	\$ 25,197.48	\$ 2,244.49		\$ 22,952.98	3%
Year 10	\$ 17,237.77	\$ 389.65	\$ 8,000.00	\$ -	\$ 25,627.41	\$ 2,300.61		\$ 23,326.81	16%
Total	\$ 156,434.94	\$ 3,495.46	\$ 80,000.00		\$ 343,853.40	\$ 22,435.65	\$ 187,637.25	\$ 217,494.74	

*based on projected property value of \$5,000,000 with annual inflation of 2.5%
 **based on business personal property value of \$100,000 with annual inflation of 2.5%
 ***based on annual taxable sales of \$400,000
 ****based on a 44,000 sf building with a construction value of \$5,000,000 & the 2021 Impact Fee Schedule

ECONOMIC INCENTIVE RECOMMENDATION

Year/Phase	Building Permit Fee**-100%	Keller Impact Fees*** - 50%	Total
Construction Phase	\$ 20,208.75	\$ 83,714.25	\$ 103,923.00
Year 1	\$ -	\$ -	\$ -
Year 2	\$ -	\$ -	\$ -
Year 3	\$ -	\$ -	\$ -
Year 4	\$ -	\$ -	\$ -
Year 5	\$ -	\$ -	\$ -
Year 6	\$ -	\$ -	\$ -
Year 7	\$ -	\$ -	\$ -
Year 8	\$ -	\$ -	\$ -
Year 9	\$ -	\$ -	\$ -
Year 10	\$ -	\$ -	\$ -
Total	\$ 20,208.75	\$ 83,714.25	\$ 103,923.00

**based on a 40,000 sf building with a construction value of \$5,000,000

***based on 2021 Impact Fee Schedule

Revenues Generated

Incentive Request	Ad Valorem Tax*	Business Personal Property Tax**	City Sales Tax***	Building Permits & Impact Fees****	Gross Annual Benefit	Base Revenue	Incentive	Total Net Benefit	ROI
Construction Phase	\$ 1,797.23	\$ -	\$ -	\$ 103,923.00	\$ 105,720.23	\$ 1,797.23	\$ 103,923.00	\$ -	-100%
Year 1	\$ 13,802.77	\$ 312.00	\$ 8,000.00	\$ -	\$ 22,114.77	\$ 1,842.16	\$ -	\$ 20,272.61	-80%
Year 2	\$ 14,147.84	\$ 319.80	\$ 8,000.00	\$ -	\$ 22,467.64	\$ 1,888.21	\$ -	\$ 20,579.43	-61%
Year 3	\$ 14,501.54	\$ 327.80	\$ 8,000.00	\$ -	\$ 22,829.33	\$ 1,935.42	\$ -	\$ 20,893.91	-41%
Year 4	\$ 14,864.07	\$ 335.99	\$ 8,000.00	\$ -	\$ 23,200.06	\$ 1,983.80	\$ -	\$ 21,216.26	-20%
Year 5	\$ 15,235.68	\$ 344.39	\$ 8,000.00	\$ -	\$ 23,580.07	\$ 2,033.40	\$ -	\$ 21,546.67	1%
Year 6	\$ 15,616.57	\$ 353.00	\$ 8,000.00	\$ -	\$ 23,969.57	\$ 2,084.23	\$ -	\$ 21,885.33	22%
Year 7	\$ 16,006.98	\$ 361.82	\$ 8,000.00	\$ -	\$ 24,368.81	\$ 2,136.34	\$ -	\$ 22,232.47	43%
Year 8	\$ 16,407.16	\$ 370.87	\$ 8,000.00	\$ -	\$ 24,778.03	\$ 2,189.75	\$ -	\$ 22,588.28	65%
Year 9	\$ 16,817.34	\$ 380.14	\$ 8,000.00	\$ -	\$ 25,197.48	\$ 2,244.49	\$ -	\$ 22,952.98	87%
Year 10	\$ 17,237.77	\$ 389.65	\$ 8,000.00	\$ -	\$ 25,627.41	\$ 2,300.61	\$ -	\$ 23,326.81	109%
Total	\$ 156,434.94	\$ 3,495.46	\$ 80,000.00		\$ 343,853.40	\$ 22,435.65	\$ 103,923.00	\$ 217,494.74	

*based on projected property value of \$5,000,000 with annual inflation of 2.5%
 **based on business personal property value of \$100,000 with annual inflation of 2.5%
 ***based on annual taxable sales of \$400,000
 ****based on a 44,000 sf building with a construction value of \$5,000,000 & the 2021 Impact Fee Schedule

Incentive Policy Compliance

- ✓ Meets Incentive Policy Goals (Section 1)
- ✓ Meets General Eligibility (Section 3)
- ✗ Meets High Priority Geographic Areas (Section 4.1.1)
 - TIRZ #2
- ✓ Meets High Priority Businesses (Section 4.2.1)
 - High quality full-service restaurants
 - *Experiential retail that is family-friendly and will attract visitors to Keller to enjoy a unique experience*
 - Small employers with high-paying jobs that match or resident's demographics
 - *Businesses that have a limited impact on the natural environment*
 - High sales tax generators
- ✓ Meets Minimum Performance Requirements (Section 6)
 - Minimum New Taxable Sales for Retail (\$250,000)
 - Minimum New Construction Cost for Development (\$500,000)

Summary

- Total incentive request is \$187,638.
- Staff recommends an approval of \$103,923 to achieve 100% ROI in Year 5.
- All incentives are performance-based and only revenue actually generated by the business would be used to fulfill the incentive agreement.



**Questions?
Mary Culver
817-743-4009**

