

Birch Racquet & Lawn Club

Taylor Dent Tennis Academy

Economic Incentives Request

Executive Session

July 18, 2017

Keller Economic Development Mission Statement

To improve the quality of life for residents and the business community of Keller through the recruitment and retention of targeted businesses that will increase property value and sales tax within the city.

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Taylor Dent

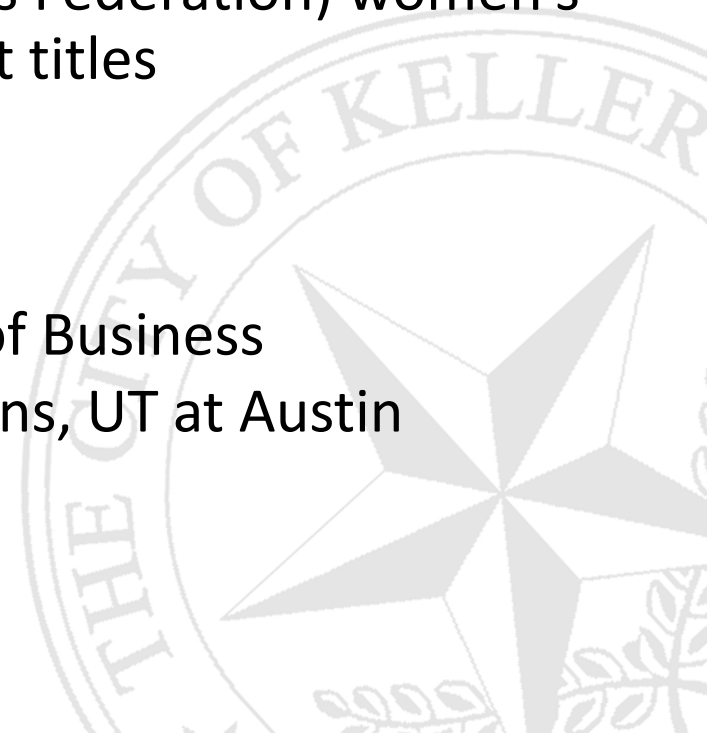
- Ranked #21 tennis player, worldwide
- US Olympian-2004 games
- Commentator for the U.S. Open for three years

Jennifer (Hopkins) Dent

- WTA (Women's Tennis Association) tour player
- Won six ITF (International Tennis Federation) women's circuit titles

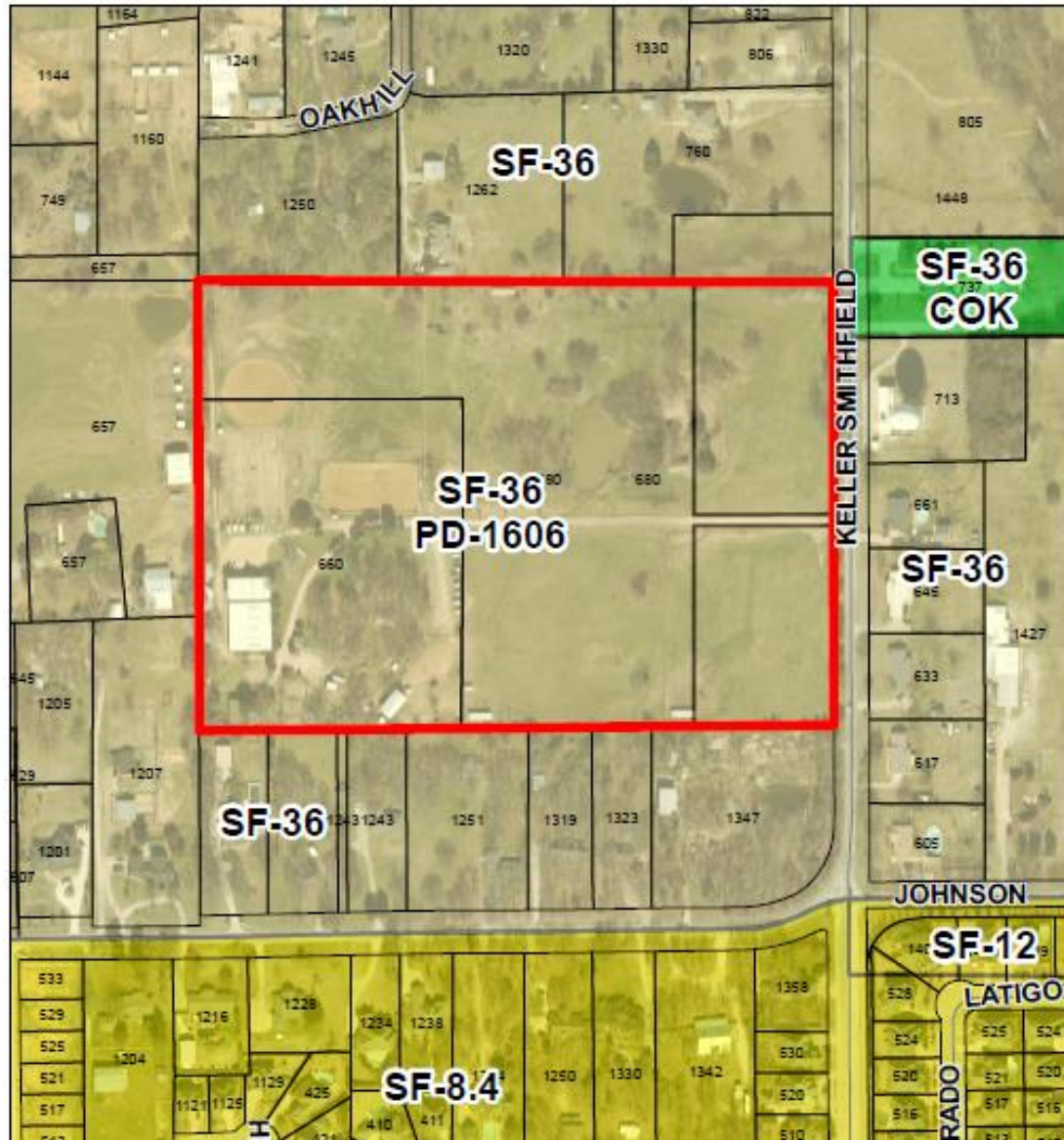
Josh Korinek, MBA

- Master's in Management, Cox School of Business
- Bachelor's in Corporate Communications, UT at Austin
- Associate with Fidelity Investments



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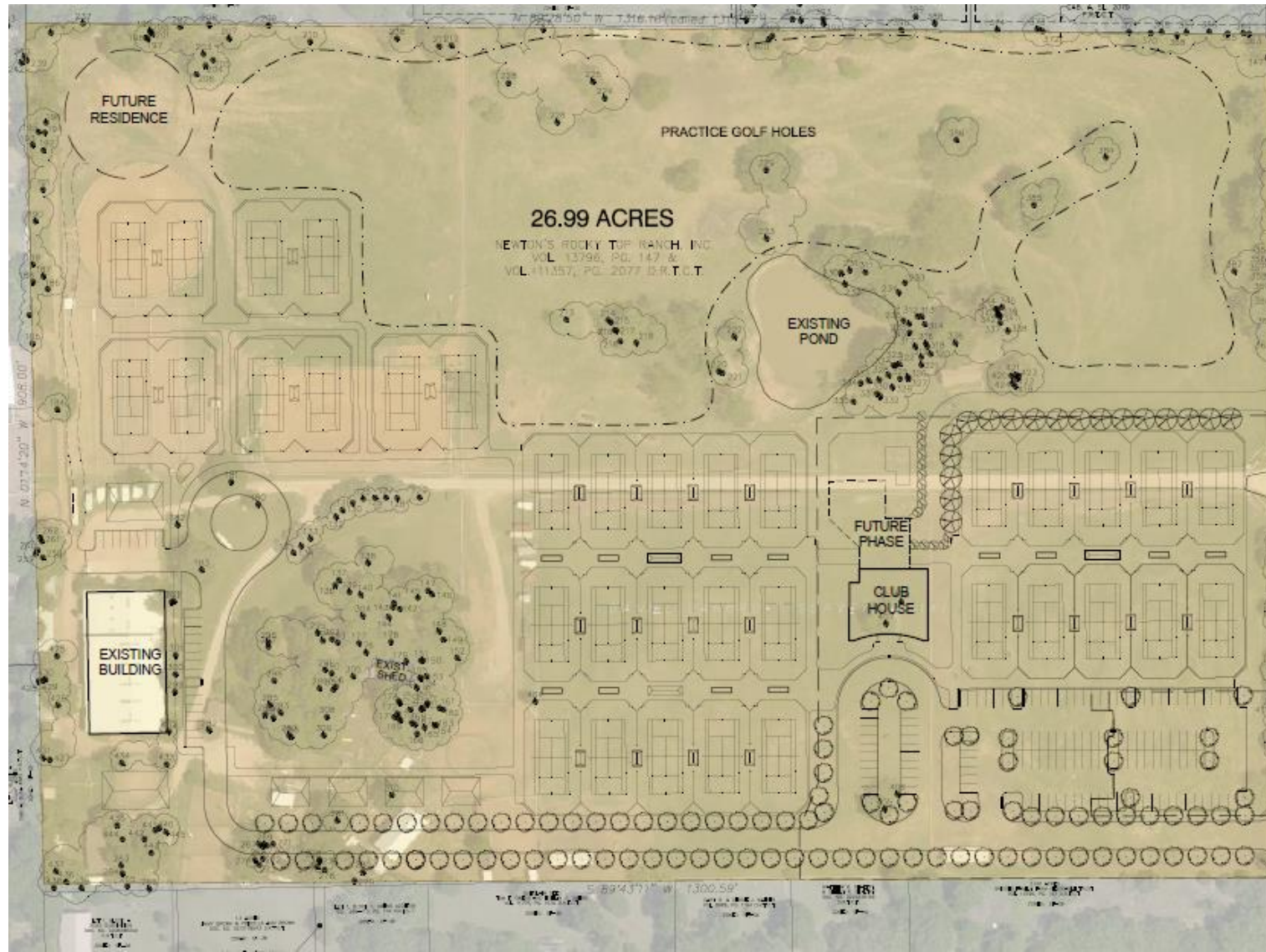


- Currently the Rocky Top Ranch – current owner also investor in proposal – plans to remain on site and in business until Phase III develops
- Rezoned to a Planned Development to allow a tennis country club
- PD amended in response to public concerns over indoor tennis court bubbles
- ED Incentive Application received July 10, 2017

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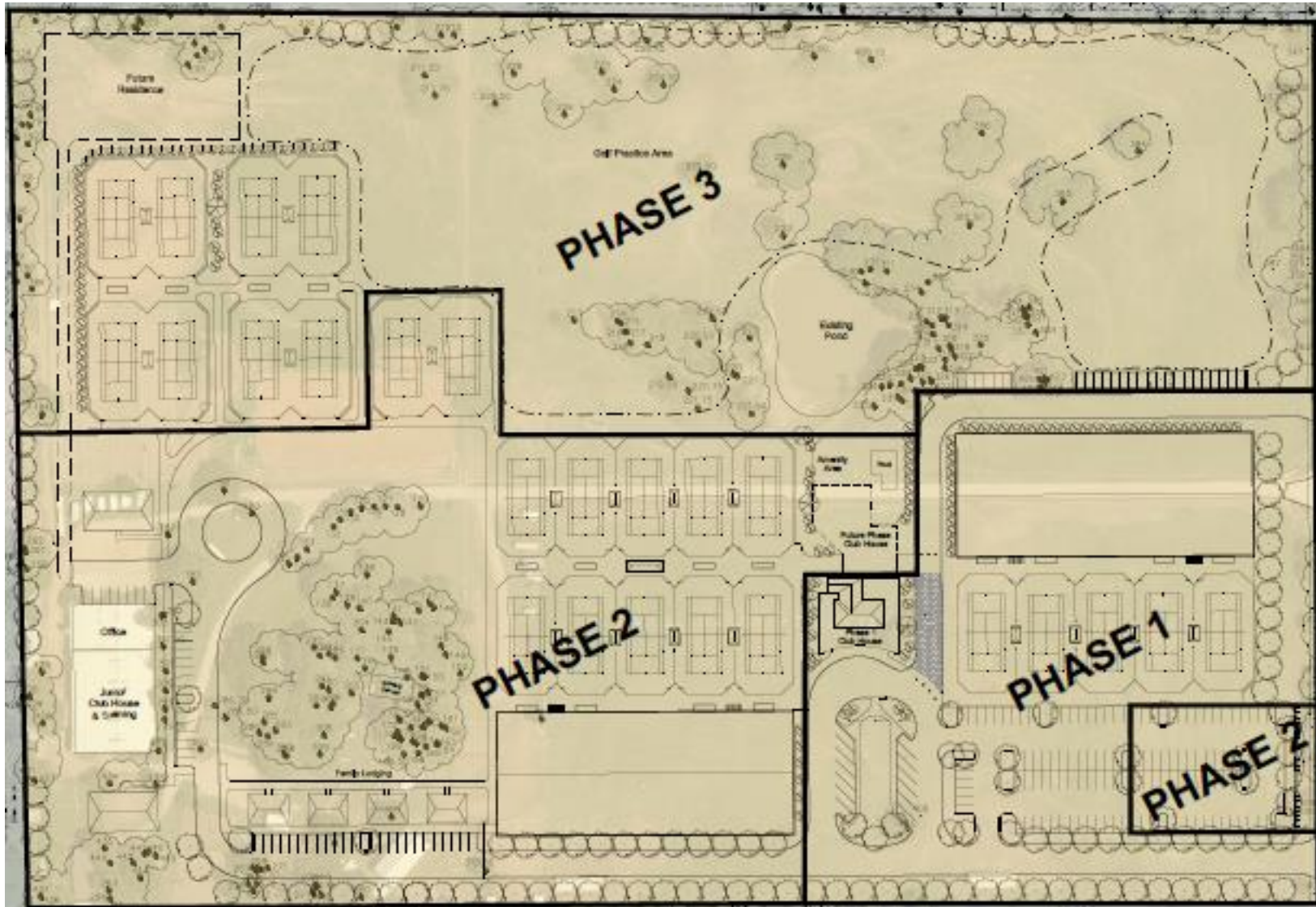
Taylor Dent Tennis Academy

Original
Concept



Taylor Dent Tennis Academy


Current Concept



Birch Racquet & Lawn Club

Taylor Dent Tennis Academy

Economic Incentive Summary

MINIMUM CAPITAL INVESTMENT	PROPERTY TAX GRANT (REBATE) DURATION	GRANT (REBATE)	INFRASTRUCTURE IMPROVEMENTS	AMOUNT OF CREDITED FEES*
<ul style="list-style-type: none"> Annual sales over \$4 million - up to 100% rebate for a maximum of three years Participation in the cost of public infrastructure considered case by case Grant or rebate all or a portion of related fees, including but not limited to building and development fees, connection fees and impact fees 	1 ST year	100% ~\$16,749	Sewer NTE \$153,000 Drainage NTE \$121,000	100%*
	2 nd year	90% ~\$15,375		-
	3 rd year	80% ~\$13,940		-
	4 th year	0		-
	5 th year	0		-
TOTAL	\$380,964	 ~\$46,064	NTE \$274,000	NTE \$60,900*

*EXCLUDES FESS/PAYMENTS TO THIRD-PARTY CONSULTANTS OR PASS THRU FEES; NTE \$60,900

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Impact DataSource – Jerry Walker, Economist and Principal

Third party consultant recommended by other Economic Development Directors

- 23-year-old Austin-based economic consulting, research and analysis firm;
- Analysis experience includes numerous projects in Texas and 39 other states;
- Also developed economic impact analysis computer programs for several clients, including New Mexico Economic Development Department.

This analysis was conducted using data, rates and information supplied by the applicant and the City of Keller. Certain estimates and assumptions were made based on best professional practices and multipliers derived from the Bureau of Economic Analysis (Department of Commerce). Using this data, the economic impact from the facility and the costs and benefits for the City of Keller, Tarrant County taxing entities, and Keller ISD were calculated for a 10-year period.

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Factors Considered

Direct Sales Tax	Real Estate Property Tax	Personal Property Tax	Utilities	Infrastructure	Building Permit Fees
Municipal Service Costs	County Service Costs	School Service Costs	New Workers	New Students	Development Fees
Indirect Sales Tax	New Homes	New Direct Jobs	New Residents	Utility Franchise Fees	Other Taxes and User Fees
Visitors	Direct Salaries	New Indirect Jobs	Indirect Salaries	Hotel Occupancy Tax (HOT)	

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ROI – 3 years*	Benefits	Costs	Net Benefits
City of Keller General Fund	\$484,319	\$380,964	\$103,355
Keller Development Corp.	\$48,289		\$48,289
Crime Control District	\$24,145		\$24,145
Street Maintenance	\$24,145		\$24,145
TOTALS	\$580,898		\$199,934

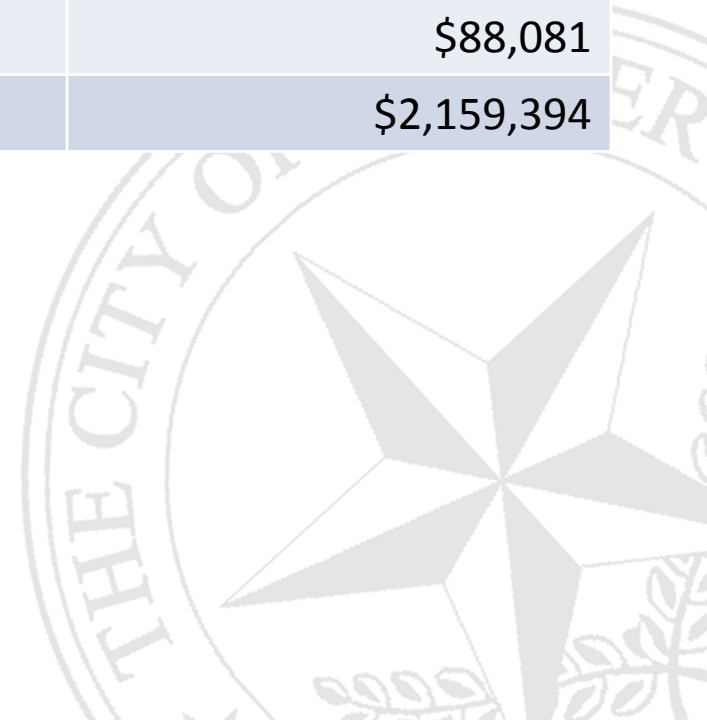
*Initial incentive recouped in 2.1 years (only assumes Phase I of project)



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ROI – 10 Years (based on Phase I only)	Benefits	Costs	Net Benefits
City of Keller General Fund	\$2,220,717	\$413,647	\$1,807,070
Keller Development Corp.	\$176,162		\$176,162
Crime Control District	\$88,081		\$88,081
Street Maintenance	\$88,081		\$88,081
TOTALS	\$2,573,041		\$2,159,394



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Residential †	Cost	Benefit	Net
Current base zoning SF-36 calculated at 27 acres @ 1 home per 36,000 sq ft (less 15%) ‡	(\$311,436)	\$1,890,000	1,578,564
† over 10-year period ‡ based on \$700,000 avg. home value			

Birch Development	Costs	Benefits	Net
Phase I Only	(\$413,647)	\$2,573,041	\$2,159,394

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Other Considerations †	Cost	Benefit	Net
City of Keller will not have to build/maintain tennis courts	\$0 (additional)	\$3,150,000*	\$3,150,000*
Establishes Keller as a destination in the world of tennis, equating to marketing efforts such as ICSC, Retail Coach, Publications, etc.	\$0 (additional)	\$1,000,000	\$1,000,000
Youth programs offered – after school (average of surrounding)	\$0 (additional)	\$450,000	\$450,000
TOTAL	\$0 (additional)	\$4,600,000	\$4,600,000
*Construction only; does not include ongoing maintenance or staffing † over 10-year period			



Questions?

Trina Zais

Director of Economic Development & Public Services

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