



July 14, 2020

Clayton Comstock, AICP  
Director of Planning  
City of North Richland Hills

RE: Berry Creek Village - Alcohol Variance

Dear Mr. Comstock,

As you are aware, Berry Creek Village is a 10.5 acre upscale project situated in a highly desirable key growth corridor fronting the north side of Mid Cities between Hawk Avenue and Precinct Line. It was rezoned from Ag to Commercial (C-1) in late 2018. Convergence Capital's goal when purchasing this property was to attract a variety of Class A professional office, medical, retail and restaurants. Plans include 9 buildings representing approximately 86,000 square feet of office space with 6 buildings and 21,000 square feet of retail/restaurant space.

The property stretches for a 1/3 mile along Mid Cities, which is a 6-lane divided principal arterial with 23,000 vehicles per day. Additionally, Birdville High School is across Mid Cities with their 69-acre campus representing half of a mile on Mid Cities.

We have received decent interest and demand for office uses, while retail and restaurant use have been slow to come around. Per the most recent citizen survey, full-service restaurants are by far the most requested use most of which serve alcohol in some form or another. We are actively pursuing strong restaurant brands to meet this demand that will be featured in our upscale development.

In speaking with city staff, current TABC code prohibits the sale of alcoholic beverages by a dealer whose place of business is within 300 feet of a church, public or private school, or public hospital (TABC Sec 109.33.a.1.). For public schools, the measurement is property line to property line, where in this case Berry Creek is approximately 125 feet from Birdville (the width of Mid Cities). Case in point, the CVS on the corner of Precinct and Mid Cities does not sell beer or wine for off-premise consumption given its proximity to the BISD Fine Arts and Athletic Complex.

TABC does allow a city or county to issue a variance to the same code if it's a unique circumstance. In particular, when the regulation "is not in the best interest of the public, **constitutes waste or inefficient use of land or other resources, creates an undue hardship on an applicant for a license or permit**, does not serve its intended purpose, is not effective or necessary, or for any other reason after consideration of the health, safety, and welfare of the public and the equities of the situation, determines is in the best interest of the community" (TABC Sec 109.33.c.).

**CONVERGENCE CAPITAL, LLC**

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Convergence Capital agrees with the code's purpose and has always had the best interest of the City and its citizens in mind when developing this property. However, we are seeking a minor variance to the code. This said, we are NOT seeking a blanket variance, which would allow beer & wine stores for off-premise consumption, brewpubs which sell only alcohol, or some other business type heavily dependent upon the sale of alcohol.

Convergence Capital believes the Berry Creek project and property is a unique circumstance whereby a minor variance would remove any hardship on the property, specifically for its intended purpose and the efficient diverse use of land. We are requesting on-premise alcohol consumption as a possible variance to the TABC code. The combined elements for Council consideration and supporting rationale are listed below:

1. Limited hours of operation, to close by 10:30 or 11:00 pm weekdays, 12:00 pm weekends. Restaurants vary with hours of operation (i.e. Hooters until 12a weekdays 1am weekends, Chili's until 10p weekdays, 11:30p weekends)
2. Establishments to not exceed 25% of on-premise alcohol sales as a percentage of total sales. Restaurant alcohol percentages vary (i.e. Hooters is 30%, Chilis 21%, Sushi Axiom 15%, Applebees 19%).
3. No beer & wine stores, convenience stores or other establishments that sell for off-premise consumption. (i.e. CVS, Gas Station, Brewpub)
4. Designated area to be greater than 300 'pedestrian' feet from the Birdville campus property line (versus illegal crossing of Mid Cities, which is 125 total feet).

In addition, Berry Creek Village includes the construction of two new eastbound left turn lanes, one at Hawk Avenue, the other 600 feet east at the High School visitor entry. It is our understanding that Bisd Administration has requested a driveway exit onto Mid Cities from their teacher lot. Currently, teacher traffic has to exit onto Hawk northbound in order to access Mid Cities.

The additional eastbound left turn lane (at Berry Creek's expense) makes it feasible, allowing cars from the teacher lot to safely exit onto Mid Cities with a westbound U-turn option relieving pressure on the Hawk and Mid Cities intersection.

We believe that the success of Berry Creek Village depends on attracting quality restaurants and retail to our upscale location. We are looking for innovative restaurants focused on energetic atmosphere, engaging service and top-notch food and coffee. Convergence Capital is committed to maintaining the value of our properties to reach our goals and meet the needs of the city and the community. Therefore, it is critical to the future development of Berry Creek Village that a variance be granted to allow the sale of alcohol with limitations as listed above.

Further, Kratos Strategies was started primarily by Peg Standish (my wife) and I to generate income to provide long-term financial assistance for non-profits involved in children's inner-city poverty and education programs. Some of these non-profits include Christ's Haven for Children, Beautiful Feet Ministries, Catholic Charities "Stay The Course," ScholarShot, Vogel-Alcove, 6 Stones, Childcare Associates, KIPP Public Schools, and others. In the last 2 years, Convergence Capital, LLC was formed as a real estate development company with the same goals focused in the real estate space.

For the last two years we have donated over \$30,000 per year to the HEB Independent School District through their great work in Title 1 elementary schools, Summer Reading, KEYS high school education program, Buinger CTE Academy and other programs. In addition, Peg's company, Compassion for Kids (DBA of Kratos Strategies, LLC), was awarded the HEB Adopt-A-School Program vendor of the year last year.

We plan to use a significant part of the revenue success of the Berry Creek Village development generated over the long term to directly support children's charities including BISD Title 1 schools and appropriate programs in the BISD that support educational success for children at lower socio-economic levels. As good neighbors in North Richland Hills, we will also seek out a permanent donor relationship with CEC Hope in NRH which sounds similar to a program we support in the HEB area called 6 Stones.

We look forward to working with the city and the BISD to build a successful development that benefits the city both through tax revenues, serving the citizenry's needs, and providing funding for children's poverty and education programs.

Thank you for your consideration.

Sincerely,



Mike Standish, CEO

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