

**MINUTES OF THE ECONOMIC DEVELOPMENT ADVISORY COMMITTEE  
OF THE CITY OF NORTH RICHLAND HILLS, TEXAS  
HELD IN THE COUNCIL WORKROOM, 4301 CITY POINT DRIVE**

**MAY 25, 2017**

The Economic Development Advisory Committee of the City of North Richland Hills, Texas, met on the 25<sup>th</sup> day of May, 2017 at 11:30 a.m. in the City Council Workroom.

Present:	Ms. Rena Arnold	Street Level Investments
	Mr. Bill Brandenburg	Total Shooting Sports
	Mr. Bob Brown	Bates Container
	Mr. Lee Hertel	Bank of the West
	Mr. Ron Huggins	Huggins Honda
	Mr. Jay Redford	Jones Lang LaSalle Advisory Services
	Ms. Janice Townsend	Roots Coffeehouse
	Mr. Mark Wood	Howe/Wood & Company
	Mr. Michael Wright	MJW Architects
Absent:	Mr. Xavier Villarreal	Medical City North Hills
Staff Members:	Mr. Mark Hindman	City Manager
	Mr. Craig Hulse	Economic Development Director
	Mr. Clayton Comstock	Planning Manager
	Ms. Jennifer Stephens	Economic Development Specialist
	Ms. Elizabeth Copeland	Economic Development Assistant

**1. CALL TO ORDER**

Mr. Wood called the meeting to order at 11:40 a.m.

**2. INTRODUCTIONS**

Committee members briefly introduced themselves.

**3. APPROVAL OF MINUTES OF THE JULY 31, 2014**

**APPROVED**

A MOTION WAS MADE BY MR. WOOD, SECONDED BY MR. BROWN TO APPROVE THE MINUTES FROM THE JULY 31, 2014 MEETING.

MOTION TO APPROVE CARRIED 9-0.

**4. DISCUSS RULES OF PROCEDURE**



Mr. Hulse described the Rules of Procedure and asked the group to review the document prior to the next meeting where there will be an agenda item to consider adoption of the Rules and Procedures.

## **5. APPOINT CHAIRPERSON AND VICE CHAIRPERSON**

A MOTION WAS MADE BY MR. WRIGHT, SECONDED BY MR. BROWN TO NOMINATE MR. WOOD FOR CHAIRMAN.

MOTION TO APPROVE MR. BROWN AS CHAIRMAN CARRIED 9-0. MR. WOOD ACCEPTED THE NOMINATION

A MOTION WAS MADE BY MR. WOOD, SECONDED BY MR. REDFORD TO NOMINATE MR. BROWN FOR VICE CHAIRMAN.

MOTION TO APPROVE MR. BROWN AS VICE CHAIRMAN CARRIED 9-0. MR. BROWN ACCEPTED THE NOMINATION

## **6. DIRECTOR'S REPORT**

### **6.A CITY SNAPSHOT, POSITION WITHIN THE REGION**

The regional position of NRH is politically stable, progressive thinking, centrally located and minutes from everything. The City has highly rated public and private schools, a low crime rate, diverse housing options, and superior parks, trails and recreation amenities. Thanks to these positive attributes, North Richland Hills continues to grow, but because the City is 85% built out, we have adopted higher than typical development standards and are more selective with land use. The City also has an inordinate share of functionally obsolete real estate as well as an aging population and housing.

To fully understand NRH, it's best to break the City into two zip codes – 76182 (north of Mid-Cities) and 76180 (south of Mid-Cities). While the population is fairly even between the zip codes, demographics vary greatly. The pace of growth is higher in 76182 (7% in 76182 and 4% in 76180). While it looks like NRH is slightly behind the County growth rate of 7%, the Alliance area skews the County number because of its high rate of growth (20%). In regards to education, one quarter of the population in Tarrant County is degreed. In 76182, a higher percentage of the population has degrees at 35%, while the 76180 population is a little under the County average at 23%. As far as age breakdown is concerned, the Mid-Cities area has a smaller share of the population under the age of 18 (common across the board except for Alliance). In addition to having a low younger population, NRH also has an above average Over 65 population. Looking at the diversity index, (the higher the index, the more diverse the area), NRH has a lower level of diversity when compared to the County. Overall, NRH is about 20 points lower than the County's diversity index.

As far as income is concerned, NRH is higher than the County average, with 76182 being significantly higher than average, while 76180 is slightly lower than average. This is also



the case for home value and median square foot list price. The City is seeing this rise with an inordinate increase in existing home values including 76180 which is seeing a resurgence in home values. The 76182 zip code has newer homes with the average year built in 1990 versus the older 76180 home average year built in 1976. There's a similar breakdown between zip codes in regards to single family and owner occupied units with 76182 having a high percentage of single family, owner occupied units, while 76180 is lower than the County average in both areas.

From a retail perspective, the same zip code dichotomy exists. Almost 6 million square feet of retail space exists in NRH with the majority in 76180. This is changing with the North Tarrant development. From a density perspective, when you isolate Tarrant County, the density per square mile is well above average in 76180. When you isolate the two zip codes, the density of 76182 is a little closer to the county average. Looking at vacancy rate, we have a higher average than the County, but there has been marked improvement over the last few years when we used to be sitting at 15% vacancy. Office square footage is a much lower number with the majority of office space being located in 76180 which has a higher than average density per square mile. This is converse to 76182 which not only has a very low amount of office space, but an extremely low density level. Similarly, the office vacancy rate is well above the county level at 29% in comparison to a 13% County average. There seems to be a lot of space available in Northeast Tarrant County as many offices are moving either toward the Alliance area, Fort Worth or near the airport. From a City standpoint, one strategic recommendation may be to increase the amount of office space available.

Business-wise, the majority of businesses are located in the 76180 zip code (170 businesses per square mile in 76180 in comparison to 77 per square mile in 76182). The City's population is made up of roughly 70,000 people; however, during the day, the population decreases by about 15,000 as people go to work. In NRH, our ratio of daytime to total population is below county levels, specifically in 76182 where we go below the 1:1 ratio. This is a key opportunity for the northern part of the City.

In sum, the same city, with the same processes, procedures, goals and objectives, have two very distinct zip codes.

## **6.B DEVELOPMENT TRENDS**

North Richland Hills is in the midst of a development boom. On record, 2016 was the most active year for the City and is rivaled only by 2006. NRH is on par to come close to 2016 levels again in 2017. In 2016, the total value in permits nearly hit \$2 million.

Northeast Loop 820 Flyover - The Northeast Loop 820 Flyover is making a comeback with the addition of Total Shooting Sports late last year and the new Painted Tree Vintage Market. We're also seeing momentum along Bedford Euless Rd. as well as the former Richland Center undergoing a renovation for a company called Stericycle which will employ over 500 people.



Rufe Snow and 820 – Babe's will be opening in April/May next year with Sweetie Pie's following in late 2018.

North Tarrant Parkway – North Tarrant is on autopilot with the Kroger Marketplace area continuing to add businesses including LA Fitness and Dunkin Donuts. There's also activity on the Davis side with another grocery entrant called LIDL and the City is hoping to attract an entertainment user for that side of town.

Single Family Residential – North Richland Hills is primarily a bedroom community with lots of single family residential. The city had over 230 single family starts last year with the average price over \$400,000.

TexRail – Mr. Hulse spoke briefly about how Grapevine has been good at using their location to create opportunities based on their "City's destiny." He quoted Councilman Tom Lombard saying there are various opinions on TexRail, but it is our destiny and it's up to the City to make it a positive addition to the community. TexRail is holding to their deadline of December 2018 for the rail project to be open for business. There will be two stations at 150 acres each zoned for higher density uses (Smithfield and Iron Horse). North Richland Hills is excited about it as are many developers and we expect this to increase the economic base of the City.

Mr. Hulse then opened it up for questions. Mr. Wood mentioned that this was a great update and he is looking forward to seeing things come to fruition. Ms. Arnold asked about the lack of office space in 76182, wondering if that relates to the high number of people who leave 76182 for work. Mr. Hulse said that is the case, but we do see some garden offices locating on Mid-Cities which is probably the type of commercial real estate that would fit best in 76182. Combined with advances in technology where more people are able to work from home, we need to figure out how to keep those people in the zip code. Mr. Hulse mentioned that we still have quite a bit of commercial zoning off Davis, Precinct and Rufe Snow that may make sense for garden office type developments. This is something Mr. Hulse would like to challenge the Committee with in future meetings.

## **7. ECONOMIC DEVELOPMENT STRATEGIC PLAN**

### **7.A REVIEW THE CURRENT PLAN**

The opportunity exists to not only review the Economic Development Strategic Plan, but also take part in the City's overall Strategic Plan. The City's current strategy was adopted in 2003 and needs to be reviewed because a lot of things have changed. Current strategy is as follows:

- Strategy 1 – Redevelop & Re-Use Vacant & Underutilized Properties (This is valid and continues today)
  - Target Reuse of Vacant Commercial Space
  - Redevelop North Hills Mall
  - Implement Loop 820 Corridor Plan
- Strategy 2 – Promote a Positive Business Climate (Constantly working at this)



- Retain Existing Businesses
- Support a Regional Approach to Business Recruitment (may or may not be appropriate anymore)
- Strategy 3 – Developing & Promoting an Attractive, Diverse & Thriving Community
  - Adopt Quality Development and Land Use Standards
  - Promote Home Town
  - Implement Commuter Rail Service
  - Promote Tourist and Entertainment Venues

This isn't a complicated strategy, but within this strategy there are things we will need to Reaffirm, Update and Redo and it will be up to this group over the course of future meetings to review, modify, adopt and recommend a new strategy for 2017.

## **7.B DISCUSS THE PLAN AS IT RELATES TO THE COMPREHENSIVE LAND USE PLAN UPDATE**

Why do we need to update the plan? Since 2003, the City's population has grown 25%, Loop 820 has been widened, Home Town is in motion, TEX Rail is a reality and we have two TOD districts that are a new look and feel for the City. There are also technology advancements which translate to less need for brick and mortar, as well as enhanced data and analytics for making business, real estate and financial decisions. The City has an aging population which means longer life expectancies and boomers entering retirement so we need to figure out how to adjust to this. There is an increase in demand for redevelopment, renovation and re-use of existing real estate which is more of a challenge than an open pasture. Finally, there's tremendous growth in north Fort Worth. People are having a hard time affording a home in NRH, so they are choosing to locate in north Fort Worth.

### Q&A

Mr. Brandenburg inquired about the North Hills Mall redevelopment since that will impact ideas for the 76180 zip code. Mr. Hulse responded that we now have a marketing message with the addition of the new City Hall on the property which will serve as a catalyst. Although storage, multifamily, etc. would be an easy out, the City has a vision and is holding to higher standards. That vision includes a mix of office, retail, residential and possibly senior living. Mr. Wood continued the conversation mentioning the challenges we have selling the City Point property, and Mr. Brandenburg asked if we're holding out for destination type businesses (restaurants, hotels, etc.). Mr. Hulse said that a broker is finally handling the property and the owners are open to subdividing, which makes things a little easier. As far as the vision is concerned, it boils down to quality and we need businesses that are sustainable and high quality. Ms. Arnold asked if the City owns the City Hall property or if it is a ground lease. Mr. Hulse responded that it is owned by the City.

Mr. Wright asked how much of Home Town is built out. Mr. Comstock responded that there are 60 acres left for development including the area along Mid-Cities Blvd.

Mr. Hindman spoke to the question about the City Point development and mentioned that it would be beneficial to get insight from the EDAC on what would make the City Point site



attractive to the community. Not to just fill the dirt and create tax revenue, but to be a positive aspect to the community.

Mr. Brown mentioned that we need to be mindful of the surrounding community (aging population) when thinking about what types of businesses to attract.

Mr. Hertel asked why we aren't looking for a Southlake Town Square like Mr. Hulse mentioned previously. Mr. Hulse discussed how the marketplace wouldn't support a similar development based on the current demographics of the area, possibly a town square, but not the same business mix. Mr. Brandenburg agreed about the demographic issue and believes that destination type businesses would be ideal for the City Point location. Mr. Hulse followed up his comment by saying that Mr. Brandenburg's comment could very well form into a recommendation from the Committee when it comes to developing the Strategic Plan. Mr. Comstock reminded the group that while the tenant mix of a Southlake Town Square type development wouldn't happen, the look and feel could still work. Mr. Wood mentioned that regionally, it would make sense to be a destination because of the accessibility and visibility of the location. Mr. Hindman told the group that we have an existing master plan that we should share with the group. Ms. Arnold talked about how we need to apply a four corners approach to the redevelopment strategy and Mr. Wood reminded us that Southlake Town Square had a clean slate, while we have existing developments that will need renovation. Mr. Huggins mentioned that the highway corridor isn't too long and the City Point development will anchor the surrounding areas.

Mr. Comstock addressed the Hometown Area again to say that between the current residential projects, there are a little over 900 residential units that are either in progress or about to start. Mr. Wood asked how that will impact the school system and Mr. Comstock replied that the Birdville ISD was involved in the Hometown Master Plan and has included the anticipated growth in their plans, so they are aware and ready to implement now that the plans are coming to fruition.

## **8. COMPREHENSIVE LAND USE PLAN UPDATE**

The City's Comprehensive Land Use Plan hasn't been updated since 2007, so the City is planning to update the Comprehensive Plan. It is being called a Strategic Plan this year since this is an extension of the Council's Goals and Objectives. A Strategic Plan is a reflection of community values, aspirations, and a shared vision and serves as the foundation for policies, strategies and actions moving forward. The Strategic Plan is used to guide the decision making process and to provide predictability so business owners and developers can know what future plans may be for nearby properties. It also illustrates the future through plans, maps, illustrations and pictures.

The Strategic Plan serves as a guide for decision-makers when it comes to zoning changes and site plans. It directs the City in the manner and style in which development occurs, ensures environmental features are protected, addresses location and design of infrastructure, funding priorities and economic development and redevelopment incentives.

## **8.A UPDATE ON THE STRATEGIC PLAN COMMITTEE**



Once the plan is completed the contents of the Strategic Plan include the following:

- Background/Introduction
- Vision, Goals & Objectives (EDAC Strategic Plan Link)
- Land Use
- Revitalization/Redevelopment (Strong focus in this area)
- Transportation (A lot has changed)
- Economic Development (EDAC Strategic Plan)
- Parks & Recreation (Already done)
- Urban Design
- Implementation (Detailed Strategy 5, 10, 15 years out)

#### General Project Timeline

Jan-Mar 2017 – Joint Work Session, Appoint SPC, Transportation RFQ

Apr-Jun 2017 – SPC Foundation Meetings, Outreach Meetings

July-Sep 2017 – VGO Meetings, Transportation Plan Recommendations, Land Use Plan Recommendations

Oct-Mar 2018 – Target Area Plans, Outreach Meetings, Public Hearings & Final Approval

Regarding the Outreach and Input Meetings, the Planning department is hosting invitation-only targeted meetings with focus groups and existing organizations including HOA Boards, Developers/Real Estate Professionals, Businesses, Citizen Civic Academy "Reunion," Youth Advisory Committee and School District Administrations and Boards. This is where EDAC comes into play, to discuss the Committee's relationship with North Richland Hills and some direction moving forward.

Mr. Wood (who also serves on the Strategic Planning Committee) mentioned how beneficial the process has been so far and encouraged the EDAC to go out and take a tour of the City, driving the perimeter and all points in between. Mr. Wood then turned the meeting over to Mr. Hulse.

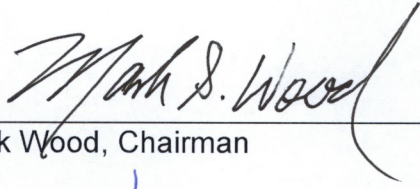
#### **9. DISCUSS FUTURE MEETING SCHEDULE**

The objective is to meet as a committee four times per year and on an as needed basis in between. Mr. Hulse asked the group if there is a preferable day of the week or time that works best. Everyone agreed that Thursdays at lunchtime seem to be a good meeting time. The group decided that the next meeting date should be Thursday, July 13<sup>th</sup> at which point we would formally adopt the Rules of Procedure.

#### **10. ADJOURNMENT**

Mr. Wood adjourned the meeting at 12:58 p.m.





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Mark Wood, Chairman



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Craig Hulse, Secretary