

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

**MARCH 7, 2018**

The Economic Development Advisory Committee of the City of North Richland Hills, Texas, met on the 7<sup>th</sup> day of March, 2018 at 11:30 a.m. in the City Council Workroom.

Present:	Ms. Rena Arnold	Street Level Investments
	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. Bob Brown	Bates Container
	Mr. Xavier Villarreal	Medical City North Hills
Staff Members:	Mr. Craig Hulse	Economic Development Director
	Mr. Clayton Comstock	Planning Manager
	Ms. Elizabeth Copeland	Economic Development Assistant

**1. CALL TO ORDER**

Mr. Wood called the meeting to order at 11:34 a.m.

**2. APPROVAL OF MINUTES OF THE JULY 13, 2017 ECONOMIC DEVELOPMENT  
ADVISORY COMMITTEE MEETING**

**APPROVED**

A MOTION WAS MADE BY MR. HERTEL, SECONDED BY MR. REDFORD TO  
APPROVE THE MINUTES FROM THE JULY 13, 2017 MEETING.

MOTION TO APPROVE CARRIED 8-0.

**3. DIRECTOR'S REPORT**

**3.A UPDATE ON CITY HONORS AND UPCOMING EVENTS**

NRH was ranked #10 on the list of Top 100 Cities to Start a Business in the U.S. by How to Start an LLC, a non-profit group focused on advancing entrepreneurship. Factors

considered for ranking include cost of living, unemployment, university data, and the Kauffman index, which is a leading indicator of new business creation in the United States.

North Richland Hills continues to be ranked as one of Texas' safest cities according to Safehome.org. Many suburbs in DFW are highly ranked and the City continues to place a high emphasis on public safety.

Each year, NRH<sub>2</sub>O is highly rated by various sources; recently, the waterpark received recognition as one of the 10 Best Waterparks in the nation by Homesnacks, an online family resource.

The American Planning Association named North Richland Hills a 'Great Place,' with an emphasis on HomeTown. NRH was one of only six Texas cities to receive this recognition.

The most recent citizen survey results are in, and findings show similarities to previous years. Top requested business categories among residents include restaurants, movie theaters and retail. While we are making progress in these areas, the focus of citizen comments centered on the condition of roads. Based on this feedback, staff is looking to place a greater emphasis on streets.

NRH Economic Development is in the process of redesigning the department's website to ensure it remains current and keeps up with technological advances.

The TexRail project is coming along; cars were delivered to downtown Grapevine and will begin testing soon with an anticipated opening at the end of 2018.

The Economic Development Advisory Committee will attend a combined meeting with the Strategic Plan Committee on Thursday, June 14, 2018 at 6pm.

### **3.B DEVELOPMENT UPDATE**

Commercial permit numbers and values from 2017 exceeded 2016. While NRH welcomed slightly fewer new businesses in 2017 in comparison to 2016, taxable sales grew by over 2.5%; sales tax is starting to plateau.

Regarding Retail, Dining, Hospitality and Entertainment, NRH saw positive net absorption of existing retail space in 2017, led by HomeZone occupying a 36,000 square foot space and Painted Tree occupying a 35,000 square foot space. Leading into 2018, Mr. Hulse is hoping the City absorption numbers will be flat considering the negative net absorption due to the loss of Total Shooting Sports, 99 Only, and Ross Dress for Less. The City had over 51,000 square feet of new construction, including the addition of LA Fitness and Wag N Wash in the North Tarrant Marketplace.

#### Restaurants/Hospitality/Entertainment Update

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- Babe's is starting to take shape with an expected opening in Q3 2018 and Sweetie Pie's will follow, opening in Q2 2019.
- Alamo Drafthouse Cinema submitted plans for a location on the corner of North Tarrant and Davis.
- Marriott TownPlace Suites remains interested in a new location in Home Town, (further away from the school).

Regarding Office and Industrial, the City has seen a positive net absorption of over 44,000 square feet. NRH has a vacancy rate of 17%, slightly above the regional average, but down from 20% this time last year. The additional square footage from Stericycle (84,000 s.f.), Riverwalk Financial (24,000 s.f.) and Federated Mutual Insurance (11,000 s.f.) has helped with office absorption in the City. The Mid-Cities area as a whole remains challenged by competing with DFW Airport, downtown Fort Worth and Alliance.

The strength and backbone of development is residential. Residential permit numbers are slightly down from 2016; however, taxable value has increased. Construction value has increased and permit value is averaging \$460,000.

Mr. Hulse presented a chart listing new NRH subdivisions, corresponding lot sizes and potential value. The data shows an average lot size of 7,000 s.f. with a potential value of \$410,000+. He made note of the diversity in lot sizes for future single-family subdivisions, pointing out the shrinking lot sizes due to increases in land cost and cost of construction. A trend of townhomes is also entering the NRH market including Iron Horse Commons in the TOD.

Mr. Comstock mentioned a new Interactive Development Activity Map created by the Planning department, located at [www.nrhtx.com/map](http://www.nrhtx.com/map). This tool can be used to obtain detailed information about new development, public hearings and road construction projects, including City Council exhibits and project plans.

## **4. FINDING YOUR WHY**

### **4.A DISCUSS THE NRH ECONOMIC DEVELOPMENT DEPARTMENT'S PURPOSE, GOALS AND OBJECTIVES**

Mr. Hulse spoke about the Simon Sinek 'Why' video discussing the importance of understanding why the Economic Development department exists. When going through the exercise to determine the 'Why' of the department, he determined two distinct audiences: internal and external stakeholders. External stakeholders consist of taxpayers and voters, including NRH Citizens, Existing NRH Businesses, NRH Property Owners as well as those who make or influence decisions including Real Estate Brokers, Desired Businesses/Site Selectors, Developers and Lenders/Investors.

Mr. Hulse detailed a list of Why NRH Economic Development Exists to External Stakeholders including:

**Growing Efficiently.**

We endeavor to grow and broaden the local economy in an effort to keep taxes down and business up.

**Focused on Quality.**

We're a dedicated resource that facilitates development and business expansion in our City.

**Supporting Success.**

We're the official City advocate for North Richland Hills' business, real estate and development communities.

**Experienced Staff.**

We're a full-service department with an experienced staff, equipped with real-time city information, real estate data and market intelligence that we provide at no cost to you.

**Problem Solved.**

We identify creative solutions to connect private sector enterprise with City goals.

Mr. Hulse then asked the committee to discuss. Mr. Wood added that the department is the grease that keeps the wheel going and Mr. Wright agreed. Mr. Wood reminded the group that the department creates awareness to the community. Mr. Redford spoke about the possibility of creating a singular statement to tell a developer why they would want to choose NRH over other surrounding communities. He reminded the group how the Why video talked about "it's the 'how' not 'what' - how is this going to change your life?" The group agreed to develop a singular statement for the department as a part of the next committee meeting.

Ms. Arnold mentioned challenges she faces in cities without a solid economic development department. She believes the committee should identify challenges external stakeholders face in surrounding cities, so the department can communicate how much easier it is to do business in North Richland Hills as opposed to nearby communities.

After discussing External Stakeholders, Mr. Hulse spoke about Internal Stakeholders, consisting of those who shape policy, including City Council, P&Z Commission, EDAC, Strategic Plan Committee, City Manager's Office, County, County College and School District, as well as those who implement policy including the Development Review Committee and City Departments.

Mr. Hulse presented a list of Why NRH Economic Development Exists to Internal Stakeholders including:

**Here for You.** The NRH Economic Development department functions as a dedicated resource that facilitates quality development and business to achieve the best fit for the City's vision and mission.

**Meeting the Challenge.** With over 65 cities in the greater DFW area over 10,000 in population, our full-service department remains competitive to attract business and development to our City.

**Serving Our Community.** NRH Economic Development is here to help diversify and broaden the tax base in order to maintain essential public services and quality of life amenities.

**Uniquely Qualified.** We're the only local government service that drives the tax base for other public entities, such as the school district, the county, the community college and the county hospital.

Mr. Hulse asked the group to discuss the internal list.

## **5. ECONOMIC DEVELOPMENT STRATEGIC PLAN**

### **5.A REVIEW THE CITY OF FORT WORTH ECONOMIC DEVELOPMENT STRATEGIC PLAN**

At the end of last year, the City of Fort Worth spent almost \$400,000 developing their first Economic Development Strategic Plan, a 400+ page document including data, insights and opinion from business, real estate and education sectors. Mr. Hulse presented key takeaways from the document.

Four Goals came out of the research:

- Establish Fort Worth's competitive edge
- Become a hub for creative business
- Ensure community vitality – Fort Worth doesn't prioritize Parks and Trails like NRH
- Develop tools and resources – Currently, Fort Worth has minimal financial incentives available in comparison to other large cities, so they're considering an Economic Development bond.

Current Issues and Challenges

- Lack of STEM occupations
- Lack of high skill level jobs
- Heavy on oil, gas, transportation, warehousing and manufacturing
- Light on corporate and regional offices, IT, professional services

For the purposes of the report, DFW was divided into two sectors, the Fort Worth Metropolitan District and the Dallas Metropolitan District (which includes Denton). These

sectors were compared to other U.S. cities such as Denver, Nashville, etc. Mr. Hulse pointed out employment figures that affect NRH and Tarrant as a whole. The location quotient related to STEM occupations including Computer and Math, Architecture and Engineering, and Science (higher salaries and skill levels), shows Fort Worth to have, on average, a competitively lower number of jobs in those categories. Most cities cited in the report have a strength in one of the three STEM occupations reported (the Dallas District is strong in Computer and Math); however, the Fort Worth District is not strong in any of the areas.

To add further evidence, in comparison to other cities evaluated in the report, Fort Worth has the lowest percentage of high skilled employment and the highest percentage of employment that is considered low skilled. Fort Worth believes this is why their city isn't competing for large corporate headquarters like other local cities have seen.

Resulting from this data, Fort Worth is putting more dollars and resources (tailoring economic incentives) toward businesses that follow the STEM occupation level and the Chamber is looking to double its budget.

## **5.B DISCUSS NRH ECONOMIC DEVELOPMENT STRATEGY #1 – REDEVELOP & RE-USE VACANT & UNDERUTILIZED PROPERTIES**

North Richland Hills last updated the City's Economic Development Plan in 2003. The Plan includes three strategies: Redeveloping and Re-using Vacant and Underutilized Properties, Promoting a Positive Business Climate, and Developing and Promoting an Attractive, Diversified, and Thriving Community. Within each of these strategies, the Strategic Plan identifies actions and goals. Mr. Hulse focused on the first strategy in the plan (Redevelop and Re-use Vacant and Underutilized Properties). Current goals and objectives under this heading include the following:

1. Targeting Reuse of Vacant Retail
2. Redevelop South Grapevine Highway
3. Redeveloping North Hills Mall
4. Evaluating Highest and Best Land Use of Loop 820 Area
5. Redeveloping Existing Neighborhoods

Some of these actions and goals may no longer be relevant today or may need to be re-worded. The Economic Development Advisory Committee will recommend verbiage changes to the actions and goals within the Economic Development Plan when meeting with the Strategic Plan Committee in June. Mr. Hulse presented each goal individually to the group and asked for feedback and edits.

Targeting Reuse of Vacant Retail – Mr. Hulse asked the group to keep in mind a few things when discussing:

- The reuse of vacant space exists and will continue in the future
- Retail demands are changing with ecommerce delivery, big box retailers, etc.

- Retail may be too specific of term
- Is the desire for traditional retailer occupancy or sales tax growth?

After discussing the specific words and connotations, the group agreed that this goal should stay in place, but be re-worded with a more positive spin and a more generic term of 'commercial properties' instead of 'retail.' Mr. Wood took a vote and the committee voted unanimously to change the wording of Goal #1 to ***Revitalize and Reinvest in Existing Commercial Properties.***

Redevelop South Grapevine Highway – Mr. Hulse reminded the group that Grapevine Hwy. has been renamed Boulevard 26 and there is an underperforming TIF district on the west side that was implemented right before the recession. One of two intersections was improved (Glenview and Boulevard 26), but Rufe Snow and Boulevard 26 was not improved. The City has dramatically increased code enforcement in the area. When the committee considers rewording this goal, it is important to ask the question: Is the desire or intent to 'redevelop' or 'revitalize'?

The group discussed some options for wording taking into consideration that all of Boulevard 26 should be included, not just the southern portion. This led to a discussion that other corridors outside of Boulevard 26 exist that need improvement. In addition, the group preferred the word 'reenergize' over 'redevelop.' There was a unanimous consensus to change the wording of Goal #2 to ***Reenergize Mature Transportation Corridors.***

Redeveloping North Hills Mall – Since this goal was developed, there has been a name change from North Hills Mall to City Point. City Hall was moved to the property and 57 acres were rezoned from Commercial to Planned Development. The owner of the land is willing to subdivide, but the City desires a master developer. A developer is in the process of bringing 300 units of upscale multi-family to the ten acres behind St. John the Apostle and the city is moving events and programming to City Point from Home Town.

The committee decided that since the land is now clear, the wording of this goal should change from 'Re-develop' to 'Develop'; this works well with the City Council goal of 'Develop City Point.' Mr. Hulse mentioned the idea of an Urban Village and the group unanimously voted to change Goal #3 to ***Develop City Point into a Vibrant Urban Village.*** The group had a brief conversation about identifying and/or creating a downtown for the City (keeping in mind both City Point and Hometown). Mr. Hulse noted this could be a good topic to talk about during the next committee meeting.

Evaluate the Highest and Best Land Use of Loop 820 Area – Kimley Horn conducted a Loop 820 Corridor Study in advance of the highway-widening project approximately nine years ago, providing recommendations to facilitate commercial. As a result, you can see enhanced landscaping in the redevelopment of Ron Huggins' dealership, Taco Cabana, Chipotle, Automation, etc. Now that the North Tarrant Express project is complete, there is still plenty of development opportunity including the former City Hall for sale and four acres of land east of Sweetie Pie's. While the highway project created improvements, it also

caused restricted access to many properties, creating under-performing commercial in certain areas with sub-optimal access and visibility.

Mr. Comstock added that in 2012, NRH passed the Freeway Corridor Overlay District Ordinance. Through this ordinance, the City implemented new land use classifications for the corridor. The committee discussed keeping Loop 820 as one of the goals, but rewording to focus on implementation rather than evaluation. Mr. Hulse will be sending out a copy of the Freeway Corridor Overlay Plan for the committee to review after the meeting. Further discussion was postponed until the next meeting to vote on changing Goal #4 to ***Implement Freeway Corridor Overlay Plan.***

Redeveloping Existing Neighborhoods – The City has a successful matching grant program in place inside Loop 820 to encourage residential renovation and flipping. North Richland Hills is 90% built out, but has quite a bit of underutilized residential property (small dwellings on large pieces of land). The possibility exists to combine larger lots into subdivisions. The current residential trend is moving toward smaller lots. Mr. Hulse asked the committee to discuss this goal, keeping in mind the options of renovation and resale in addition to demolishing, combining and densifying.

The group discussed and agreed that the current wording of this goal is still relevant with the word “re-develop” being broad enough to cover all of the abovementioned possibilities. The committee voted unanimously to keep Goal #5 the same – ***Redevelop Existing Neighborhoods***. A conversation followed about the school district’s role in helping improve neighborhoods; Mr. Hulse made a note to discuss an integration with the school system during the next meeting when discussing Strategy #3. He also pointed out that the Overarching Strategy #1 wording of ‘Redevelop & Re-use Vacant & Underutilized Property’ may need to change. Possible verbiage from the committee includes ‘Community Development Initiative’ and ‘Re-invest’. Mr. Hulse plans to have staff review the wording and make recommendations for discussion at the next meeting when finalizing Strategy #1.

## **6. COMPREHENSIVE PLAN UPDATE**

Mr. Comstock gave a short preview of the June 14, 6pm Strategic Plan Committee meeting. The meeting will be a refresher to the Economic Development Advisory Committee showing how the Economic Development Plan ties into the bigger picture which will include Land Use Policies, Transportation Policies, Redevelopment and Revitalization, Parks and Recreation, Urban Design and Beautification of the City. After June, one or two more Strategic Plan Committee meetings will take place and then staff will take the summer to write the individual planning documents. The goal is to have an open house in October for public review of the Strategic Plan with adoption expected on October 22.

## **7. DISCUSS FUTURE MEETING SCHEDULE**

Mr. Hulse will send out an email with date suggestions for the next meeting. The group agreed that Wednesdays during lunch work well.

## **8. ADJOURNMENT**

Mr. Wood adjourned the meeting at 1:05 p.m.

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Mark Wood, Chairman

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Craig Hulse, Secretary