

Economic Development



Presentation Overview



Presentation Overview

- West Side Development & Craftmasters History
- Craftmasters Presentation
- Development Details
- Feedback & Next Steps



West Side Development History



West Side Development History

Master Plan
Community
Policy approved
July 2020

Chisholm Summit
Development 380
approved June
2021

Trade School was a
Top Priority for City
Council at the
Retreat in 2022
(Adopted by CC 9/6/2022)

Texas Health Letter of
Intent to discuss
potential development
in September 2022 and
expired in March of 2023

EDC Strategic Plan
approved October
2020

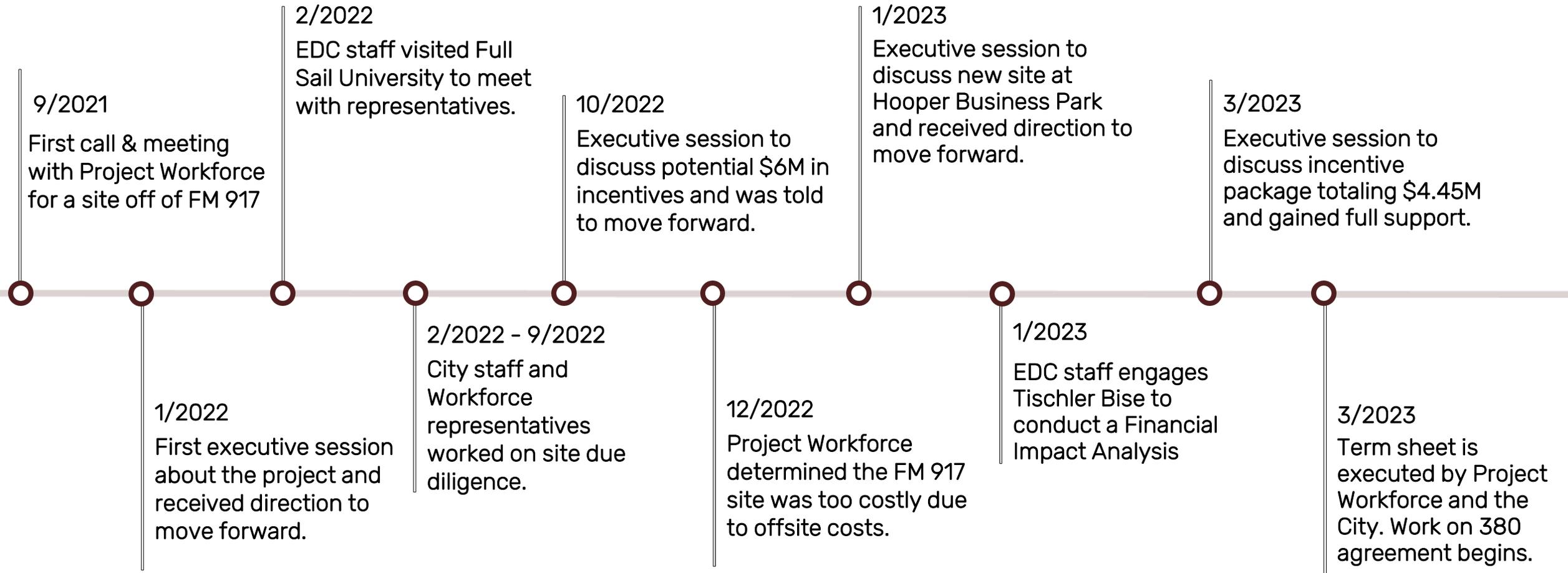
Medical/Professional
Office Park as a goal

EDC purchased 106
acres known as
Hooper Business Park
in June 2021

Design contract for the
Regional Detention
presented to City Council
in October 2022

City Council approved contract to
be designed as a wet pond

Project Workforce History





Craftmasters

Craftmasters is focused on solving the country's desperate need for skilled talent in every area of construction by re-imagining how tomorrow's workforce is educated.



Construction Industry

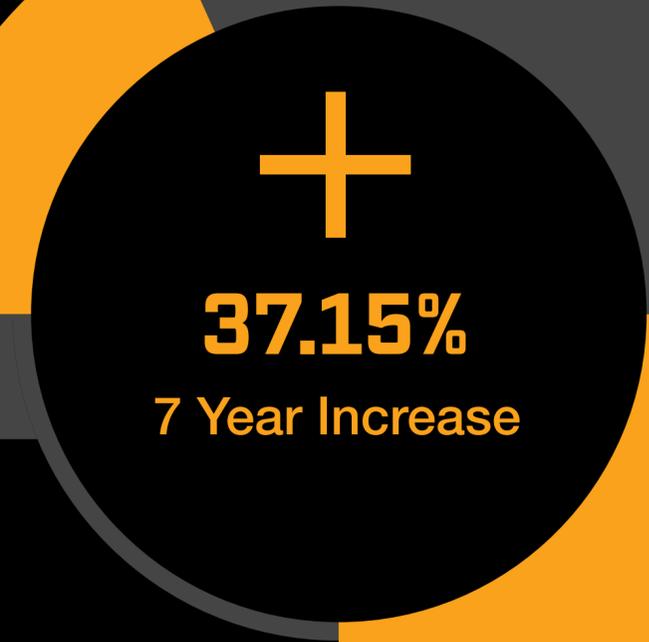
Global Market Size

**\$10.5
Trillion**

2023 ¹

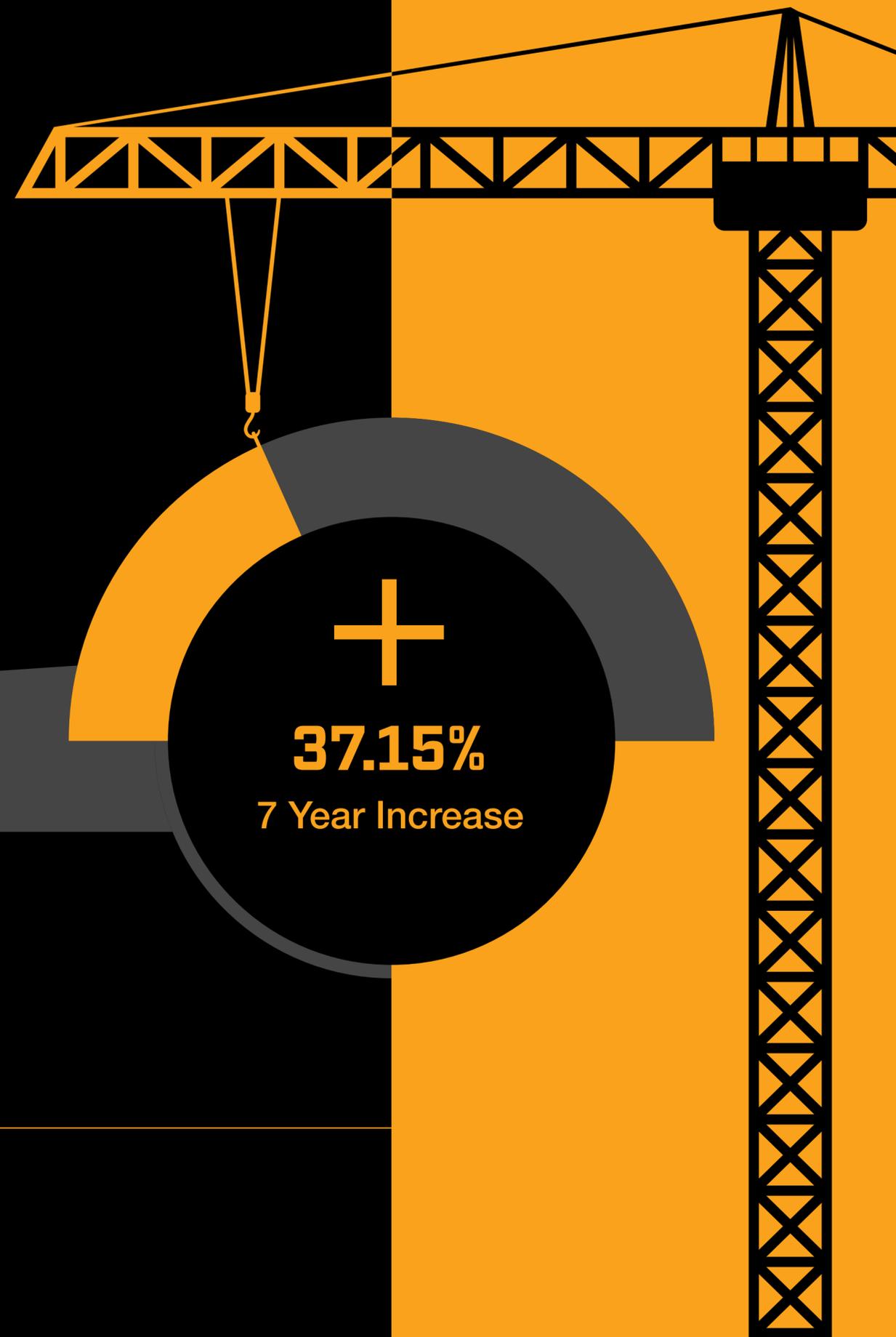
**\$14.4
Trillion**

2030 ²



¹ Research and Markets, Construction Sector 2022 and 2023 Reports.

² Research and Markets, Construction Sector 2023 Reports.



Construction Employment Job Crisis

7.4mm Jobs
U.S. Bureau of Labor Statistics [As of 2021]

Additional Work Needed
3 Million

Additional jobs in skilled trades that need to be filled by 2028.²



Job Openings
+18%

2022 Year-over-Year Increase in Construction Job Openings.³



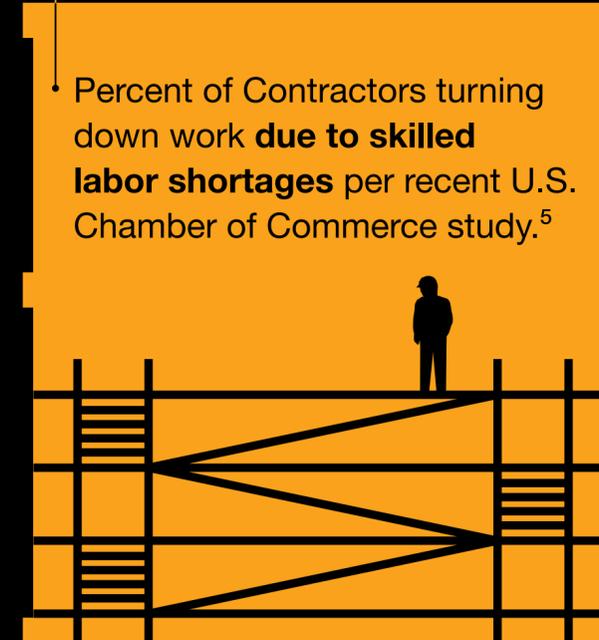
Workers Needed
+546K

Additional construction workers needed **on top of normal pace of hiring** to meet 2023 demand for labor.⁴



Projects Turned Away
45%

Percent of Contractors turning down work **due to skilled labor shortages** per recent U.S. Chamber of Commerce study.⁵



¹ U.S. Bureau of Economic Analysis, as of Q4 2022 | ² Generation T, based on U.S. Bureau of Labor Statistics | ³ As of March 2022, CBRE Labor Market Trends | ⁴ Associated Builders and Contractors Labor Model, Feb, 2023

Update, "Construction Workforce Shortage Tops Half a Million in 2023" | ⁵ US Chamber of Commerce, Q4 2021 Commercial Construction Index Report

ANSWERING THE CALL

What if the founder of Full Sail University applied his 40 years of ground-breaking education experience to this major education need of our day?





Full Sail University

was founded in 1979 by Jon Phelps, who pioneered a style of education that has consistently challenged the status quo. Early on it was considered rebellious and alternative.



FULL SAIL
UNIVERSITY®



Today over **86,000** graduates have left their indelible mark as industry leaders shaping pop culture for the world in entertainment, media, arts, and technology.



22,000+ Current Students from all 50 states and 67 countries.



210 Acre campus with **110+** Studios and Labs.



Alumni credited on Oscar, Emmy, and Grammy winning projects.

FULL SAIL GRADUATES'

INDUSTRY CREDITS

- 59** Grads credited at the most recent GRAMMY® Awards
- 80+** Grads credited at the most recent Academy Awards
- 125+** Grads credited at the most recent Golden Globe® Awards
- 273** Grads credited at the most recent Primetime Emmy Awards
- 250+** Grads credited at the most recent Annual Game Awards

OVER 40 YEARS

A legacy of creating innovative education experiences
that spans over **four decades.**

A NEW OPPORTUNITY



Now the founder of Full Sail is turning his attention to solving the country's desperate need for skilled talent, with a passion to rewrite the perception of what it means to be a craftsperson as a respected career.



Campus Render



Craftmasters

WE'RE DIFFERENT

Craftmasters has an innovative approach to education. Every part of your program is designed differently - your campus, your projects and your schedule. *This is no ordinary school.*



Timeless Skills +

The Latest Technology

Our approach to education combines tried and true techniques with the latest technology and innovation. We know the value in deep knowledge of your craft and the importance of leading edge industry innovation.



REAL-WORLD

Projects



**Hands-On
Education**

**Project-Based
Work in Professional
Environments**





Our

Programs

**WORLD-CLASS
SKILLS TRAINING
THAT WORKS FOR
YOU, SO YOU CAN
GET TO WORK.**

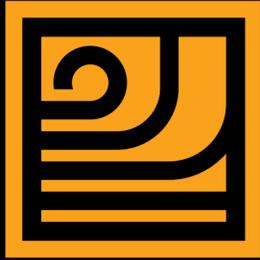
- Programs Start Every Month
- Morning or Afternoon Classes
- Most Programs Can Be Completed in 1 Year

Certificate Programs



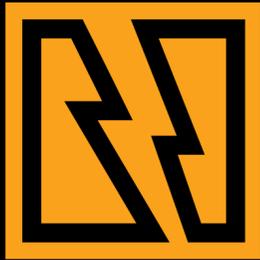
Wood

General Carpentry, Finish Carpentry,
Cabinet Making



Air

HVAC Installation, HVAC Repair



Power

Electrical, Solar



Stone

Block Masonry, Brick Masonry,
Concrete



Water

Plumbing, Irrigation



Earth

Heavy Equipment Operation,
Landscaping, Agriculture



Metal

Welding, Fabrication



Logic

Project Mgmt., Building Construction-
Tech., Emerging Construction Tech.



1 CAMPUS

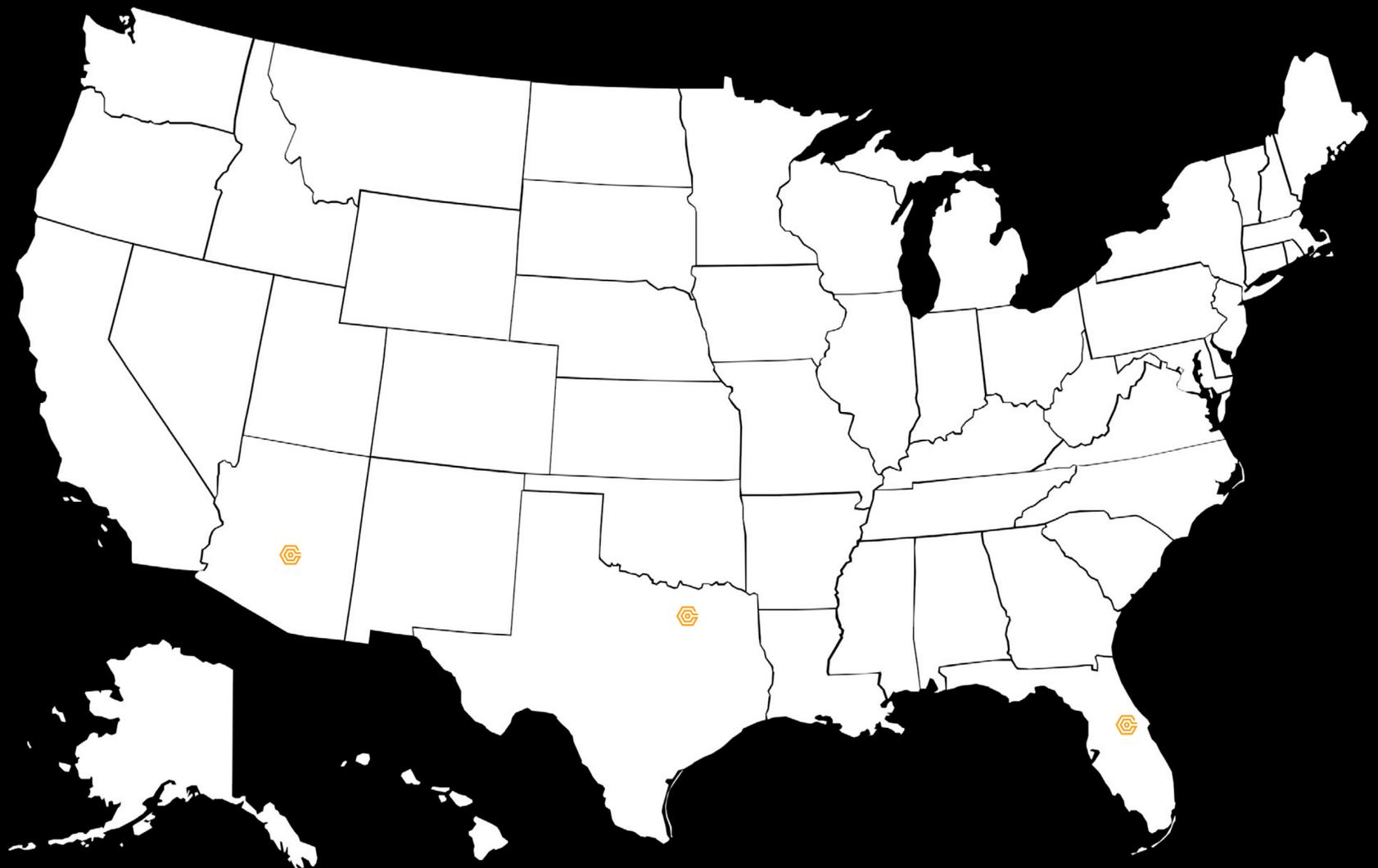
5,000 Graduates Per Year



CITY FINALISTS

For **Flagship Campus & Corporate Headquarters**

-  Orlando, FL
-  Burleson, TX
-  Phoenix, AZ

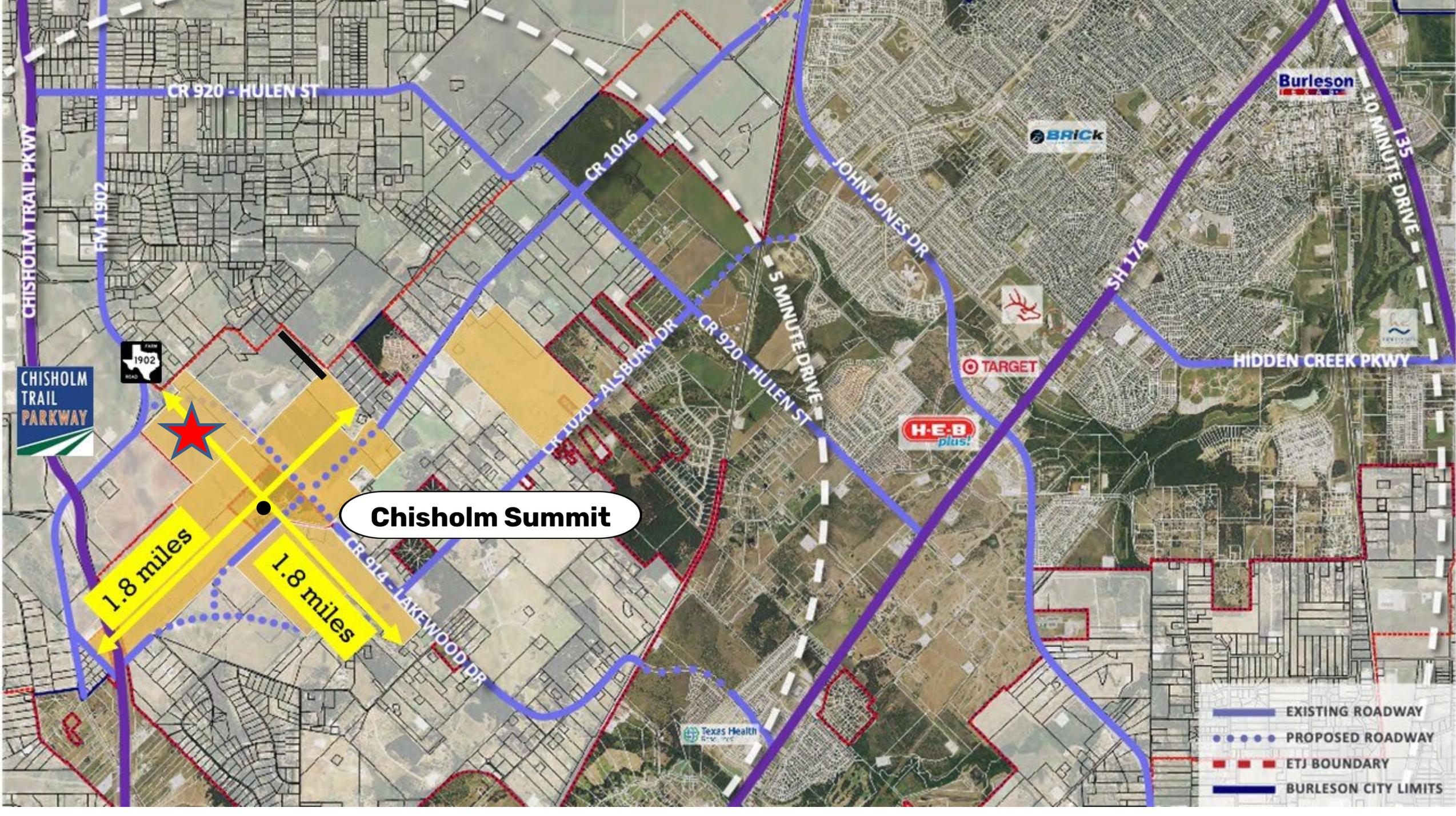




Craftmasters

Development Details





Chisholm Summit

1.8 miles

1.8 miles

- EXISTING ROADWAY
- PROPOSED ROADWAY
- ETJ BOUNDARY
- BURLESON CITY LIMITS

Development Proposal from Craftmasters

- Craftmasters to purchase 62 acres in 2 phases located in the Hooper Business Park for the campus headquarters, headquarters expansion, coffee shop and student experience center.
- Craftmasters is proposing a corporate campus of construction trade skills with an enrollment of a minimum of 5000 students by 2031, phased in six equal portions over a six-year period beginning 2026. Capital investment would be \$90 million by the 2026 tax year.
- Corporate headquarter expansion of a minimum of 400 new employees with an average wage of \$57,000 by 2031 phased in over a six year period beginning in 2026. The headquarters would add an additional \$25 million in capital investment by the 2029 tax year.
- Design and construct a residential community of at least 100 single-family units on a property in the vicinity as a part of the trade school training program. Capital investment would be \$35 million by the 2033 tax year, phased in six equal portions over a six-year period beginning 2028.



Craftmasters

- **Capital investment at full buildout is \$150 Million**

Craftmasters FTE & Enrollment Build Up



Craftmasters



<i>Milestone</i>			<i>*School Opens</i>				<i>*Projected Headquarters Expansion</i>
Year			2026	2027	2028	2029	2030
Enrollment			1,000	2,500	3,500	4,500	5,500
Employees			150	250	300	350	400
Average Salary	\$57,069						

- Campus is the largest phase in size and capital investment
- Average annual salary in Burleson - \$54,000

Craftmasters Incentive Outline

Craftmasters Obligations Obligations prior to Construction

August 31, 2023

Real estate contract executed on the Phase One property which is a 54-acre property in the amount of \$2,500,000 and on the Phase Two Property which is an 8 acre tract in the amount of \$360,000.

December 31, 2023

Prospect to complete a pre-development meeting with the city.

December 1, 2023

Prospect to submit an application for platting and zoning approval.

March 31, 2024

Prospect to submit building plans of at least 190,000 square feet development for the Campus and Craftmasters Headquarters

May 31, 2024

Purchase the Phase One 54-acre parcel. Down payment of \$125,000

EDC to pay for additional cost to design, construct or realign the water and sewer infrastructure for their usage up to \$445,000.

Regional detention pond to be constructed offsite for Hooper Business Park up to \$6,500,000.

Within 30 days of the building permit issuance the EDC to provide a cash grant of \$500,000

4A Obligations

Craftmasters Incentive Outline

Craftmasters Obligations Obligations during Construction

June 30, 2024

Commence construction of the Campus and Craftmasters Headquarters

September 30, 2026

Complete the construction of the Campus and Craftmasters Headquarters

September 30, 2026

Make a minimum capital investment of \$90,000,000.

Once the developer has submitted plans for the full development and has expended more than \$1,000,000 in development fees the EDC to provide a cash grant of \$500,000 within 30 days

Total Approx. Fees - \$2.5M

**Upon verifying Campus and Craftmasters Headquarters construction expenditures in an amount exceeding \$4,000,000 the EDC will provide a cash grant of \$2,500,000 within 30 days.

**Once the \$2,500,000 incentive has been paid to Craftmasters it would trigger a 90 day period for Craftmasters to pay the balance of the land purchase of \$2,375,000

**4A
Obligations**

Craftmasters Incentive Outline

4A Obligations after Opening

Upon 20 qualified jobs being employed by the Craftmasters Headquarters on the Phase One property for one consecutive year after the opening date the EDC shall provide a cash grant of \$50,000 within 30 days

Upon 200 FTE's being employed by the school and/or Craftmasters Headquarters on the Phase One property for one consecutive year after the opening date the EDC shall provide a cash grant of \$100,000 within 30 days

Upon 1,000 being enrolled in the school on the Phase One property after the opening date the EDC shall provide a cash grant of \$100,000 within 30 days

Upon 100 FTE's being employed by the school and/or Craftmasters Headquarters on the Phase One property for one consecutive year after the opening date the EDC shall provide a cash grant of \$100,000 within 30 days

Upon 380 FTE's being employed by the school and/or Craftmasters Headquarters on the Phase One property for one consecutive year after the opening date the EDC shall provide a cash grant of \$50,000 within 30 days

Upon 5,000 being enrolled in the school on the Phase One property after the opening date the EDC shall provide a cash grant of \$100,000 within 30 days

Verification of 1 year of Employment onsite prior to incentive payment

Craftmasters Incentive Outline

Phase Two Property Obligations

February 28, 2028

Complete a pre-development meeting.

April 30, 2028

Complete a zoning application for the Phase two property.

May 31, 2028

Complete a platting application for the Phase two property.

July 31, 2028

Submit the building plans for the Headquarters Expansion.

August 31, 2028

Close and purchase the Phase Two property.

September 30, 2028

Commence construction of the Headquarters Expansion.

December 31, 2029

Complete construction of the Headquarters Expansion with a minimum of a \$25,000,000 capital investment

4A Obligations

Upon receiving the Certificate of Occupancy and the capital investment meeting or exceeding \$25,000,000 the EDC shall make a payment of \$100,000



Craftmasters

Agreement Key Terms



- Once the verification of the \$4M in construction expenditures is complete and the EDC has issued the \$2.5M incentive that would trigger the 90 days on the balloon payment of \$2.375M on the land purchase.
- Within the Real Estate Contract for Phase One and Phase Two includes a right to repurchase the land if Craftmasters does not commence construction as detailed in the Agreement.
- The deed does include a restriction that the land will not be used for a non-profit school at anytime, unless federal administration outlaws for profit universities.
 - In that instance, Craftmasters would agree to an annual payment in lieu of ad valorem taxes
- Development standards for the Campus Headquarters and Headquarters Expansion are included in the Concept Plan
- Zoning on the property would be in place prior to the property purchase as they will be applying for zoning prior to the end of the year. The EDC would be a co-applicant on the zoning.



Hooper Business Park

Financial Impact of Craftmasters Development

- Craftmasters adds an additional \$114 million in taxable value (excluding future residential development)
- Adds an additional \$335,000 annually to General Fund
- Adds an additional \$6.6 million in direct benefit in 20 years
- After all costs and incentives between Craftmasters and Chisholm Summit the City benefit over 20 years is \$72 million dollars
- This Financial Impact Analysis does not include any indirect economic impact that either development will produce.





Craftmasters

Project Workforce	2023 Year 1	2024 Year 2	2025 Year 3	2026 Year 4	2027 Year 5	2028 Year 6	2029 Year 7	2030 Year 8	2031 Year 9	2032 Year 10	2042 Year 20
CAPEX	\$ -	\$ -	\$ 90,000,000.00	\$ 92,700,000.00	\$ 95,481,000.00	\$ 98,345,430.00	\$ 126,295,792.90	\$ 130,084,666.69	\$ 133,987,206.69	\$ 138,006,822.89	\$ 185,469,629.74
Campus, Coffee Shop & Forge			\$ 90,000,000.00								
Corporate HQ							\$ 25,000,000.00				
Residential											
Appraised Value (70% of CAPEX)	\$ -	\$ -	\$ 63,000,000.00	\$ 64,890,000.00	\$ 66,836,700.00	\$ 68,841,801.00	\$ 88,407,055.03	\$ 91,059,266.68	\$ 93,791,044.68	\$ 96,604,776.02	\$ 129,828,740.82
Revenue											
Sewer Bill			\$ 30,000.00	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00
Land Sale		\$ 2,500,000.00				\$ 360,000.00					
Franchise Fees											
Development Fees		\$ 2,423,722.50				\$ 236,199.00					
Sales Tax Cumulative			\$ 20,000.00	\$ 20,600.00	\$ 21,218.00	\$ 21,854.54	\$ 22,510.18	\$ 23,185.48	\$ 23,881.05	\$ 24,597.48	\$ 33,056.95
Property Tax	\$ -	\$ -	\$ 439,500.00	\$ 456,785.00	\$ 469,438.55	\$ 482,471.71	\$ 609,645.86	\$ 626,885.23	\$ 644,641.79	\$ 662,931.04	\$ 878,886.82
Expenses											
Performance Payments			\$ (3,500,000.00)	\$ (100,000.00)	\$ (200,000.00)	\$ (100,000.00)	\$ (200,000.00)				
Utility											
Water Line		\$ (250,000.00)									
Sewer Line		\$ (195,000.00)									
Annual	\$ -	\$ 4,478,722.50	\$ (3,010,500.00)	\$ 412,385.00	\$ 325,656.55	\$ 1,035,525.25	\$ 467,156.03	\$ 685,070.71	\$ 703,522.84	\$ 722,528.52	\$ 946,943.77
Cumulative		\$ 4,478,722.50	\$ 1,468,222.50	\$ 1,880,607.50	\$ 2,206,264.05	\$ 3,241,789.30	\$ 3,708,945.33	\$ 4,394,016.05	\$ 5,097,538.88	\$ 5,820,067.40	\$ 14,224,990.87

Total Incentives

\$4,545,000

Total Development Cost

\$5,449,922

Return on Investment

10 Year Return –128%

20 Year Return – 313%

Total Return

10 Year Return – \$5,820,067

20 Year Return – \$14,224,991

Feedback & Next Steps



Next Steps

- Move forward with a 380 Performance Agreement with the terms and conceptual renderings for design standards presented on the June 19, 2023 to the 4A Board and City Council.
- Pre-Development meeting to occur by the end of 2023.
- Development Services is working with the Craftmasters team on a Planned Development zoning that will come forward for City Council approval in 2024.
- Site plan and plat to be submitted in May for approval in 1st quarter of 2024
- Civil and Building plans to be submitted 1st quarter of 2024.
- Construction to begin in the 2nd quarter of 2024.
- Construction to be complete by the end of 2025.



Craftmasters

