

City of Jersey Village
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Mayor's Monthly Newsletter

Written by Mayor Justin Ray

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Mayors Newsletter Special Edition

Investing In Our Future

Hello Neighbors, Residents and Friends,

This month, The Jersey Village City Council convened a Special Session and approved the purchase of 23 acres on Jones Road for \$5.2 million. This special edition of the Mayor's Newsletter is to discuss what went into this important decision and discuss the bright economic future for our City. It's important to start the discussion with a little perspective and history. The City of Jersey Village is 92% built out. We're are inundated with car lots, warehouses and industrial complexes that while valuable commercial neighbors, leave our community lacking the type of retail, entertainment, and restaurant options other communities – both new and old have. For many years Jones Road dead ended at Highway 290. When Jones Road was extended to FM 529, it opened up some of the last remaining undeveloped land in Jersey Village to development. At the same time, the high speed rail began gathering steam with the ultimate pathway running along Highway 290 and in the vicinity of Jersey Village property on Jones Road. Communities that have a rail stop see increases in property value, retail services and sales tax. To be a high speed rail stop is beneficial to the community and surrounding neighborhoods.

The JV City Government at the time realized that if the Jones Road corridor was not zoned to encourage mixed use development that would support a rail stop, the property would almost assuredly become more car lots, warehouse and industrial locations. The City government instituted the Form Based Codes to direct development of the area into a mixed use/high-density development to serve the Jersey Village community and as a potential rail stop. These codes dictated the allowable types of establishments and their appearance. This was to comport with the long standing needs and wishes of the community. This area became known as Jersey Crossing. As a member of the Planning and Zoning Committee when these codes were being discussed I asked if this type of development is sustainable if the rail failed to materialize. The consultants confirmed it was indeed sustainable.

Since the inception of the codes, the Jones Road commercial property owners have brought forth several development plans that were in no way close to the vision, needs and wants of our community. I sat down with the property owners on several occasions to seek a path to develop this properties. It became obvious to me that

the owners were speculative flippers looking to quickly turn those properties by the easiest possible means – car lots, warehouses and industrial. I was firm and adamant to these owners that our community deserves better than a car storage lot or another warehouse.

At an impasse, the two largest property owners retained the same legal counsel to file suit against the city claiming that our zoning ordinance were a governmental taking – in essence our form based codes reduced their property values to zero. The City rightfully contended that our justified and legal zoning ordinances did not constitute a governmental taking and we set out to vigorously defend the suit. As in many cases, negotiated settlement agreements are preferred to protracted and costly litigation. For one of the plaintiffs, Councilman's Holden, Mitcham, City Manager Bleess, and I and our attorneys conducted an all day mediation with the property owner. The mediation produced a settlement agreement to resolve the lawsuit. The City agreed to a 6 month option to purchase the 23 acre property for \$5.2 million with the ability to purchase another 6 month option. If during the option periods the City or an assigned party did not execute the option by buying the property, the City agreed to abandon the form based codes and begin the rezoning process to allow for the property owners desired uses – car lots, warehouse and industrial.

The purpose of this agreement was to buy the City time. At last year's budget retreat, I explained to staff and Council that for too long we have waited on Jones Road property owners to promote Jersey Village. The same property owners that don't share our same goals and vision for the community. Now was the time for the city government of Jersey Village and its elected representatives to step up and market our city and the Jersey Crossing to developers. City Council and Staff agreed with this fresh directive and began laying down plans to incentivize development in the Jersey Crossing. Steps included developing a Tax Increment Reinvestment Zone (TIRZ) to direct increased property revenue in the Jersey Crossing to fund infrastructure improvements. There was also an understanding the city would entice developers with sales tax rebates and other economic incentives at our disposal.

The City Manager and I engaged in actively contacting developers and providing marketing materials for our community. Over the last year, we had numerous meetings and conversations with developers to discuss our "City Center" vision for the Jersey Crossing on Jones Road. The feedback was positive and confirmed our area needs and can support the type of mixed use development envisioned in the Jersey Crossing. No developer said it was unreasonable, ill-suited or unsustainable.

Over the last several months, negotiations with developers began to gather momentum. Developers with means and expertise confirmed their desire to move forward with the shared mixed use vision for the Jersey Crossing. As a result of these exciting developments, the City entered into a similar settlement agreement and option with the second property owner. This was to ensure the City had control of the property to transfer to the developer. The option on the first settlement agreement is due to lapse on August 21st. The City requested an additional option period in order to maintain control of the two properties throughout the development period. The property owner refused to grant another option period leaving the city to either purchase the property or lose it to rezoning and forever abandon our community's vision in the Jersey Crossing.

A decision to not purchase the property and simply restart the litigation would have been disastrous. The City would have violated the terms of the negotiated settlement agreement and re-entered into costly litigation. The City's ability to control this valuable piece of property would likely have been lost forever and the momentum with interested developers would have been eradicated. The City would have weakened credibility in this restarted lawsuit with diminished prospects of a future settlement.

I believe the City of Jersey Village did the right thing by the community and taxpayers by investing in this property and preserving the future. I would not have advocated purchasing this property if there was no real developer in the picture with the means and a confirmed desire to build in the Jersey Crossing. Only because there is real momentum did I advocate this course. The property purchase price of \$5.2 million is under the appraised value the city received from independent appraisals, which can be found on our city webpage. The City conducted its due diligence and would not be overpaying for this property. I see the City simply holding and preserving this property temporarily in order to transfer over to the interested developer parties in the near future. However, if for any reason development were to fall through, the city will not be in a compromised position. Our City revenues are strong and fund balances are healthy. This is a valuable asset that could be rezoned and sold if development falls through and no other developers are interested.

City Council chose to discuss and vote to execute the property purchase agreement during a special session on August 6th. Had we waited until the regular City Council meeting on August 20th, we would be cutting it too close to the option period end date of August 21st. This would have caused significant problems if any last minute details had to be worked out. This special session was posted in accordance with notification laws and myself and Council members received questions and correspondence from citizens as a result. There has been a lot of sensitive negotiations that have transpired over the last year – both economic and legal. Much of which was so sensitive that it took place legally behind closed doors. But I can tell you with complete confidence that your City officials have been working diligently, honestly, ethically and in the best interest of our community, neighbors and friends.

During my first campaign for City Council in 2012, I touted the themes of public safety, economic development and taking advantage of our upward trajectory. I knocked on hundreds of doors and visited with many neighbors and residents. The message of economic development resonated with every person I spoke with. We have an amazing jewel in the heart of one of the fastest growing areas of the country. As Mayor, I pledge to continue leading our community towards an undeniably brighter future and pursue the economic improvements our community desires and deserves. I look forward to sharing the exciting news as we work towards building and developing our own "City Center" in the Jersey Crossing.

All the Best,
Justin Ray

Mayor, Jersey Village, Texas