



# RICHMOND

DEVELOPMENT CORPORATION OF RICHMOND

December 2019

## Annual Report

DEVELOPMENT CORPORATION OF  
RICHMOND



Cameron Goodman  
402 Morton Street  
Richmond, TX 77469

---

(832) 535-4983  
cgoodman@richmondtx.gov  
www.richmondcodev.com

---

# Letter from the Executive Director

Greetings friends, colleagues, and community partners,

2019 has been a year full of progress for Richmond. The successful passage of Richmond's hotel and convention center legislation is the culmination of more than a year of effort by the DCR and City of Richmond. The legislation provides a powerful new tool that will help to attract quality development and new jobs to our community.

Richmond is a community full of both growth and historic charm. The Development Corporation of Richmond (DCR) is diligently working to attract businesses and investment that will help to diversify the already vibrant mixture of existing businesses.

2019 is proving to be a year of growth and opportunity for our community. I invite you to be a part of the exciting progress that is occurring here in Richmond.



# Board of Directors

**Evalyn W. Moore**

President

**Robert Haas**

Director

**Joe Bonham**

Vice-President

**William Morefield III**

Director

**Carl Drozd**

Director

**Nancie Rain**

Director

**Verge Greenwood**

Director

# 2019 Accomplishments

## Accomplishments

- House Bill 4347
- Hotel & Convention Center Feasibility Study
- Bridge Lighting Design Project
- Property Acquisition
- Movies on Morton
- Wayside Horns
- Marketing Strategy Update



# House Bill 4347

The successful passage of House Bill 4347 is a significant achievement for the Development Corporation of Richmond and the City of Richmond. The legislation is the result of a yearlong effort to bring a powerful economic development tool to our community.

House Bill 4347 provides the opportunity for the City of Richmond to develop a large mixed-use development anchored by a high quality hotel and convention center project. The legislation allows for a 10 year rebate of state sales taxes, hotel taxes, and mixed-beverage taxes generated within a 1,000 foot radius of the convention center.

The rebates provided by this legislation are a powerful economic development tool that utilizes an outside source of funding. The rebates will help to facilitate the construction of a hotel and convention center as well as providing funding for key infrastructure projects such as drainage improvements, detention ponds, and roadways.

**Example of HB 4347 State Rebates**

<b>HB 4347 Taxes Rebated</b>	<b>State Tax Rate</b>	<b>Rebate Per \$10 Million in Sales (Per Category – Single Year)</b>
Sales Tax	6.25%	\$625,000
Hotel Tax	6%	\$600,000
Mixed Beverage Tax	8%	\$825,000

# House Bill 4347

## Timeline of Legislative Process

DCR and City Staff began internal planning discussions related to seeking hotel and convention center related legislation in early 2018.

Representative Phil Stephenson and his staff were the first to partner with our community on this effort that ultimately saw support from all six of Fort Bend County’s legislative delegation to Austin. During the legislative session this effort also benefitted from efforts made by elected officials and local stakeholders making calls and writing letters in support of our legislation to key legislators in Austin.

**Key Steps in House of Representatives**

	<b>Date</b>
Bill Filed	3/8/2019
Referred to Ways & Means Committee	3/25/2019
Considered in Public Hearing	4/10/2019
Bill Reported Favorably by Ways & Means	4/25/2019
Bill Placed on Calendar for Vote	5/3/2019
Amendments Added	5/6/2019
Passed in House of Representatives	5/7/2019
House Concurred with Senate Amendments	5/23/2019
Signed in the House	5/24/2019

**Key Steps in Senate**

	<b>Date</b>
Referred to Finance Committee	5/10/2019
Co-Sponsor Authorized	5/15/2019
Considered in Public Hearing	5/17/2019
Reported Favorably by Finance Committee	5/19/2019
Additional Co-Sponsors Authorized	5/20/2019
Amendments Added	5/21/2019
Passed in Senate	5/23/2019
Signed in the Senate	5/25/2019
Sent to Governor	5/26/2019

# House Bill 4347

## **Economic Benefits Created by HB 4347**

The major impact of HB 4347 for Richmond is that it will help to facilitate the development of a high quality mixed-use development that would be anchored by a hotel and convention center project. The legislation provides state rebates of sales taxes, hotel taxes, and mixed-beverage taxes for ancillary uses within a 1,000 foot radius of a convention center project. These ancillary uses are primarily defined as restaurants and retail establishments.

This legislation incentivizes high density mixed-use development by limiting the state rebates to within a 1,000 foot radius of the hotel and convention center. A developer would see higher returns by maximizing the number of restaurants and retail establishments on the first floor of a development and could place non-ancillary uses on top of these structures. This mixed-use development would result in higher levels of property tax values per acre for the City of Richmond and other local taxing entities.

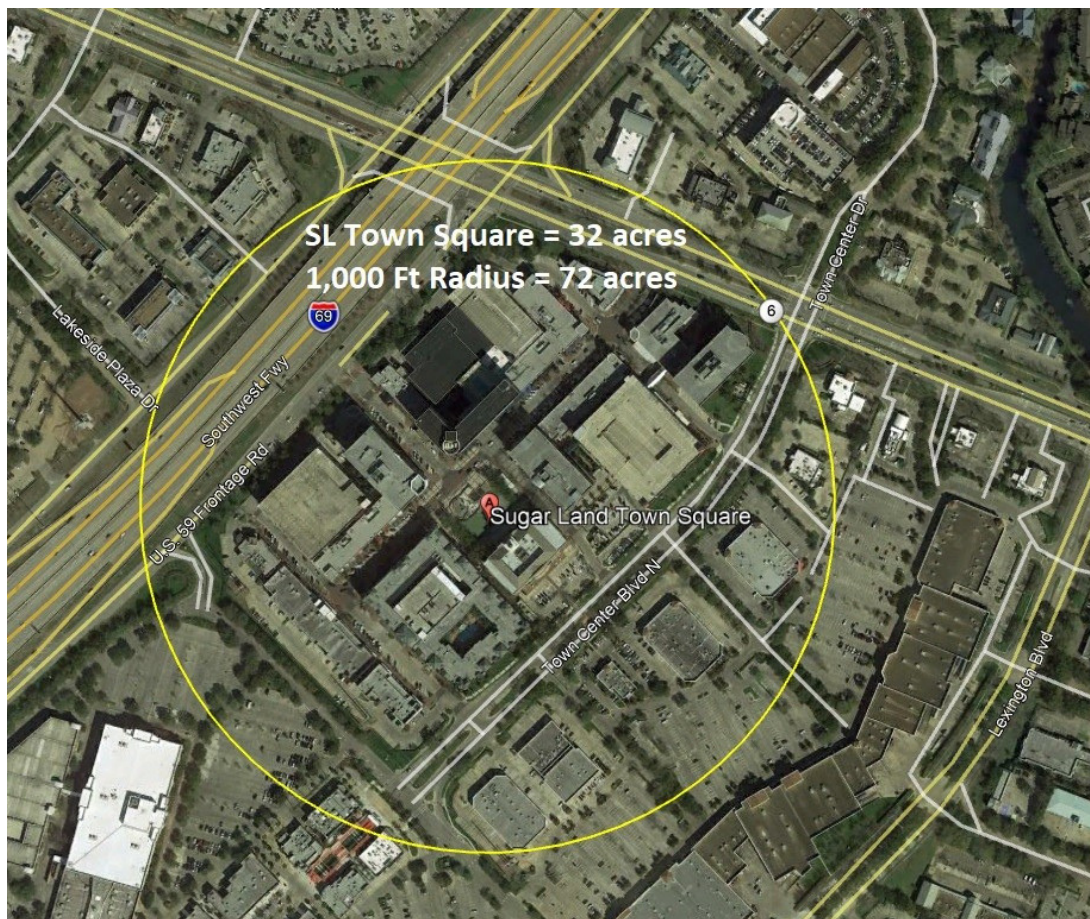
The City of Richmond will also benefit from the creation of new permanent jobs as well as temporary construction jobs associated with this project. While it is difficult to provide an accurate estimate of jobs created until a developer and site plan have been finalized, it is reasonable to anticipate that double digit percentage increase in the number of full-time jobs located within city limits. The development could also be expected to lead to a double digit increase in taxable property for the City of Richmond.



# House Bill 4347

## 1,000 Foot Radius

The 1,000 foot radius translates to approximately 72 acres of space. To help visualize this area, the image below shows the 32 acre Sugar Land Town Square with a 1,000 foot radius overlaid on the image.





# Hotel & Convention Center Feasibility Study

The Development Corporation of Richmond and City of Richmond have been engaged in conversations with multiple developers interested in constructing a hotel and convention center project in Richmond.

Richmond's strategic location along U.S. 59 with close proximity to the Grand Parkway and the recent passage of H.B. 4347 in both houses have made Richmond a desirable location for this type of development. The DCR and City of Richmond agreed that it would be prudent to conduct a hotel and convention center feasibility study.

The primary purpose of the feasibility study was to determine whether or not the construction of a hotel and convention center project would be economically feasible. The study also shed light on the type of amenities, number of rooms, and size of convention center space that would be suitable for our community. The study examined the following factors:

1. Area, Demographic, and Neighborhood Analysis
2. Review of Potential Sites
3. Proposed Development Recommendation and Costs
4. Market Analysis
5. Proposed Development Occupancy and Average Daily Rate (ADR)
6. Financial Analysis
7. Feasibility Analysis
8. Comparison of Value Created to Project Costs

# Hotel & Convention Center Feasibility Study

The hotel and convention center feasibility study was completed in April 2019. The study found that a large scale hotel and convention center would be feasible in Richmond and provided information that can be shared with a future developer regarding the types of amenities that would help to improve competitiveness in the Houston market. This study provides evidence from an independent third party that a hotel and convention center project in Richmond would be economically feasible. Additionally, this evidence can be used as marketing material to help attract high quality developers to Richmond.

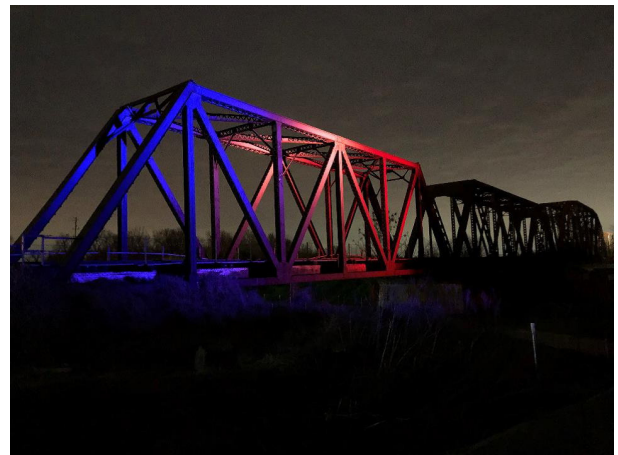


# Bridge Lighting Project

The Union Pacific Railroad Bridge is an iconic structure closely associated with the City of Richmond. The DCR partnered with the Houston-based lighting architecture firm Gandy Squared Design to help turn the iconic structure and into an amenity for the historic downtown area.

The idea to light the historic railroad bridge is tied to the economic development practice of placemaking. Placemaking is a strategy that uses a community's public amenities to positively impact economic development. The approach focuses on building upon unique features of a community and utilizing them to attract new investment and strengthen existing businesses. The historic railroad bridge is a unique asset that spans across another unique asset, the Brazos River. This project provides an opportunity to utilize both of these unique assets to Richmond's advantage and helps to distinguish Richmond from surrounding communities.

Gandy Squared Designs has provided cost estimates for the project and is ready to begin implementation. The project is estimated to cost \$45,000 for the ability to utilize multiple colors and a one color scheme option is available at \$35,000. DCR staff plan to recommend planning for these expenses in the FY 2020 Development Corporation of Richmond Budget.



# Property Acquisition

The Development Corporation of Richmond completed its first acquisition of property in FY 2019. The strategic purchase of property in the downtown area was made to achieve two primary goals. The DCR was able to purchase the property for the county appraisal district (CAD) value. The CAD value is often lower than what the property would be sold if it were being actively marketed.

The property that was purchased was needed to provide adequate parking for a future business that will locate in the former fire station property on 2nd street. The issue of providing sufficient parking in close proximity had come up in previous discussions. The acquisition provides .29 acres of land directly adjacent to the .97 acre former fire station property.

A secondary benefit of acquiring the property is that it provides an ideal location for housing the equipment needed for the proposed bridge lighting project of the historic Union Pacific Railroad Bridge. The equipment related to the bridge lighting project has a life expectancy of 25 – 30 years and the ownership of this property will ensure that it can be housed in place for the duration of that timeframe.

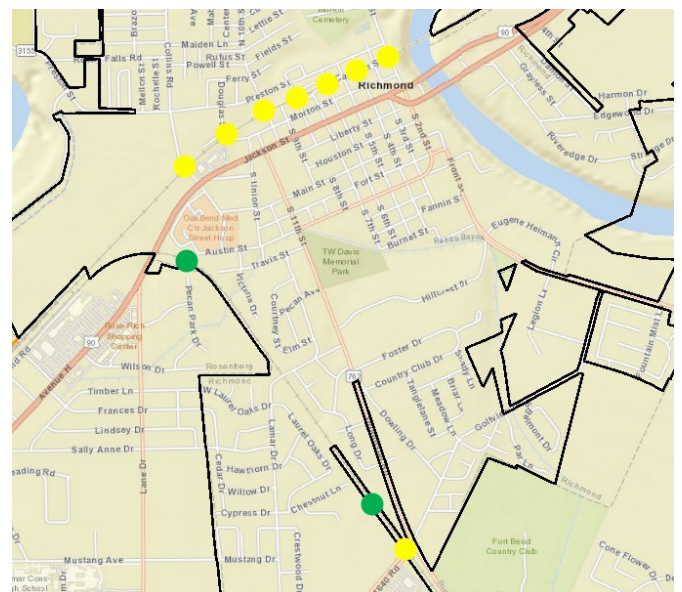




# Wayside Horns & Quiet Zones Project

The City of Richmond submitted plans to TXDOT and Union Pacific related to the design of Wayside Horns improvements in January 2019. The Development Corporation of Richmond is serving as the funding entity for this project and has already expended \$222,780 of an estimated \$1.1 million project. The City of Richmond is waiting for permits from TXDOT to bid Quiet Zone median construction projects as well as comments from Union Pacific on the design of the plan.

DCR staff will continue to coordinate with the City of Richmond and its Public Works Department to facilitate this important project. The project includes installing gates, medians, curbs, lights, signals, road markings, and other upgrades. These improvements will be made at ten separate locations. This important quality of life improvement project will help to open the downtown area to increased development opportunities by reducing a major cause of noise pollution in the area.





# Marketing Richmond

The Development Corporation of Richmond has been active in marketing Richmond as an ideal location to live, play, and do business. The year has included several successful marketing efforts including high profile stories in the Houston Chronicle and Bisnow as well as the continuation of digital targeted marketing strategies.

The DCR was successful in receiving a grant from the International Economic Development Council in April 2019. The grant provided Richmond with access to an experienced economic development professional to provide assistance with developing a strategic marketing plan. Jane Jenkins, the President of the Downtown Oklahoma City Partnership was paired with the DCR and has worked with staff to begin developing this plan. The plan will take a strategic look at what goals and strategies are a best fit for the DCR, define what marketing tools best fit the DCR's needs, and develop goals.

Several successful marketing initiatives were undertaken in the beginning months of 2019. The Development Corporation of Richmond partnered with the Houston Chronicle on a marketing campaign that discussed the findings of the Target Industry Study. In late December, Richmond was also highlighted by Bisnow, a commercial real estate news outlet, for its Opportunity Zone areas.

# Marketing Richmond

Several new marketing materials have been developed for the DCR. An economic development map has been created which displays all vacant commercially zoned properties in Richmond's city limits as well as available properties in the ETJ area. A downtown brochure was created in April to be used for tourism marketing and several other marketing pieces are in development.

The DCR has continued to utilize digital targeted marketing to reach decision makers in Richmond's five targeted industries. In 2019, the DCR updated the targeted marketing campaign to target wealthy suburban communities within a 30 minute drive time to promote Richmond as a tourism location. These campaigns have led to increases in visitation to the DCR website which serves as a primary marketing tool for the organization.



Sponsored By :

[About sponsored stories](#)

## Richmond, TX Targeted for Growth

By StoryStudio on February 7, 2019 4:26 PM



**R**ichmond, TX is a small Texas city poised for Texas-sized growth, as the historic seat of Fort Bend County, one of the fastest growing counties in the United States.

Richmond has been quietly preparing to become a powerhouse in the greater Houston metropolitan area. The City is eyeing both residential and commercial growth, as Fort Bend County's population swells by a projected 2.1 million people over the next 30 years.

Previously known as a quaint train town along the bucolic Brazos River, Richmond's prime location is just 30 miles southwest of downtown Houston between I-69 and the Grand Parkway, talented available workforce, and competitive business environment have helped to attract high quality commercial and residential development and opportunity to the area.



# Short Term Challenges

Richmond has numerous advantages. It's strategic location and status of as the seat of Fort Bend County, strong relationship with local foundations, and previous planning steps taken by the City of Richmond and Development Corporation of Richmond have set Richmond on the path to success. Despite these numerous advantages, several short-term challenges exist.

A lack of existing vacant buildings suitable for commercial use is a short-term challenge towards recruiting new business to Richmond. This shortage is in part due to Richmond's success of utilizing available commercial space, but steps will need to be taken to make space for the types of business that Richmond wishes to attract. An important first step towards addressing this challenge was achieved with the completion of the Target Industry Study in July 2018. The Target Industry Study defined 5 targeted industries that are most likely to locate and succeed in Richmond. An important next step will be to attract developers of office space to create or redevelop properties for use by businesses within the targeted industries.

Increasing awareness of Richmond in the greater Houston area is another important short-term challenge that must be addressed. The recently completed Wayfinding Signs project and recent renaming of Williams Way Boulevard to Richmond Parkway are both important accomplishments in branding and increasing awareness of Richmond's assets.

# Long-Term Challenges

Strong leadership and planning over the past years have placed Richmond in a position to succeed long-term. Despite this upward trajectory, some challenges will have to be addressed. These challenges include annexing property suitable for commercial development, increasing transportation options and connections, and rehabilitating existing community assets.

The City of Richmond's strategic plan calls for using annexation as a strategic tool to expand Richmond's population and tax base. The DCR fully supports this strategy as the main tool to expand Richmond's city limits and increase available stock of property available for commercial development.

The advent and implementation of new technology, such as ride sharing services, has changed the face of transportation in the 21st century. In the short-term, the DCR will strive to make existing public transportation options more accessible to residents of Richmond. In the long-term, the DCR will explore all options to help connect residents to educational and employment opportunities. Possible solutions may include creating partnerships with ride-sharing applications, creating bike-sharing opportunities, and creating new transportation related infrastructure where needed.

Richmond's unique historic charm must not be lost in the coming wave of development and growth. A key strategy to retaining Richmond's culture and charm is the rehabilitation and preservation of existing assets. The DCR will work with property owners of existing buildings to facilitate the

# Long-Term Challenges

preservation and improvement of commercial properties and community assets. Steps towards this goal have already been undertaken. The Property Assessed Clean Energy (PACE) program is a unique tool that enables commercial property owners to finance energy and water improvements on existing buildings. These improvements are particularly important for historic buildings where new energy and water efficient equipment can result in large cost savings that pay off the cost of the original improvements. The DCR is currently working to promote this program in Richmond and has hosted community events to educate property owners on this tool.

Other strategies to preserve Richmond's historic properties and assets include the creation of Downtown Improvement Grant program, which provides matching funds for improving commercial buildings in Richmond's historic downtown, and the successful inclusion of Richmond in the newly created Opportunity Zone program which will bring new investment into Richmond to preserve existing businesses and historical assets.





# FY 2019 DCR Expenditures

## DCR Financials

Revenues	FY 2017-2018 Actual	FY 2018 - 2019**
Sales Tax	\$1,518,168	\$974,950
Interest	\$3,142	\$6,458
Intergovernmental	\$72,473	\$0
Other	\$6,000	\$6,000
<b>Total</b>	<b>\$1,599,783</b>	<b>\$987,408</b>

Expenditures	FY 2017 - 2018 Actual	FY 2018-2019
Operating*	\$293,527	\$220,098
Bond Redemption	\$252,788	\$125,181
City Reimbursement	\$526,128	\$311,989
Historic District	\$35,883	\$41,958
Gateway/Wayfinding	\$19,138	\$21,138
Public Transit	\$75,000	\$75,000
Wayside Horns	\$122,780	\$0
TSTC Commitment	\$100,000	\$100,000
Wessendorff Park	\$177,450	\$37,328
<b>Total</b>	<b>\$1,602,694</b>	<b>\$932,692</b>

\*Operations includes travel and training, office supplies, postage, periodicals and memberships, contracted services, advertising, and miscellaneous.

\*\*FY 2018-2019 Based on data available as of May 31st, 2019 and does not include the full fiscal year.