To the Mayor and Members of the City Council

December 2, 2025

SUBJECT: UPDATE ON TEXAS A&M FORT WORTH CAMPUS PROJECT

The purpose of this report is to update the Mayor and City Council on the progress of the Texas A&M Fort Worth Campus project ("Project"), with a focus on project financing and construction of the Research and Innovation Building (RIB) and public parking infrastructure. The project developer, AFWP LLC, has completed the full design and construction documents, and is in the process of completing all other required pre-construction services, positioning the project for the construction phase.

Prior City Council Actions

At the September 17, 2024 Council meeting, Mayor and City Council approved an ordinance allowing for the transfer of $2,353,725 from the Economic Development Department of the General Fund to the Research and Innovation Local Government Corporation (RILGC), and approved a resolution authorizing the RILGC to issue Contract Revenue Bonds, subject to certain parameters being met, in a principal amount not to exceed $18,000,000 to pay for the full design and pre-construction costs to support development of the RIB.

Research and Innovation Local Government Corporation Actions

On September 24, 2024, the RILGC authorized via Resolution No. FWRILGC-2024-05 the execution of an Interlocal Agreement with the Texas A&M University System (TAMUS) for the design and pre-construction services for the Research and Innovation Building in an amount not to exceed $18,000,000 in debt to be paid by TAMUS, and the RILGC use of funds in the amount of $2,353,725.

On September 24, 2024, the RILGC authorized via Resolution No. FWRILGC-2024-06 the execution of a Design and Preconstruction Services Agreement ("DPCA") with AFWP, LLC ("Developer") in an amount not to exceed $19,700,000 for the design and development of pre-construction documents necessary to advance construction of the Research and Innovation Building.

On September 24, 2024, the RILGC via Resolution FWRILGC-2024-07 authorized the issuance of Series 2024 Contract Revenue Bonds to pay for the design and pre-construction services for the Texas A&M Research and Innovation Building in an amount not to exceed $18,000,000, which included debt issuance and other related expenses.

On September 28, 2024, the RILGC executed an Interlocal Agreement with TAMUS to detail the collaboration between both parties in the development of pre-construction design and cost estimates (collectively, the "Plan") for the RIB. The Plan included 100% architectural design schematic and construction documents, permit approvals, budgeting, construction scheduling and other pre-construction services. In addition to other terms and commitments of the Agreement,

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TAMUS agreed to the payment of all principal and interest and other costs associated with the RILGC issued debt.

On December 17, 2024, the RILGC entered into a Design and Pre-Construction Agreement (DPCA) with AFWP LLC, in the amount not to exceed $19,623,727, to include among other things complete building schematic design, design documents, 100% construction documents, and other services necessary to advance construction of the RIB.

Current Project Status and Next Steps

The original plan for financing and constructing the RIB involved using the RILGC to issue debt and hold ownership interests in the facility through a condominium structure that defined each party's ownership share, with TAMUS covering all debt service obligations under a lease-back agreement with the RILGC. Additionally, Tax Increment Financing (TIF) Districts Nos. 3 and 8 agreed to enter into a Reimbursement Agreement with the RILGC totaling $40 million, plus debt service, interest, and other related issuance costs, to fund the public parking portion of the project.

With recent changes in TAMUS leadership and increase in available Permanent University Fund to support the campus project, TAMUS has decided to finance construction of the RIB and facilitate construction using its standard contractor procurement procedures. As a result, the participation of the RILGC in financing and construction of the RIB is no longer necessary.

TAMUS intends to establish a reimbursement agreement directly with both TIF Districts No. 3 and 8 to cover the principal and financing expenses associated with the public parking component of the project to serve the southeast quadrant of downtown.

In accordance with the DPCA, the Developer and the RILGC will assign and deliver all work products to TAMUS. At that time, TAMUS will retire all remaining RILGC debt related to the DPCA.

On November 13, 2025, the TAMUS Board of Regents (BOR) authorized funds to continue pre-construction services of the RIB and approved the selection of a Construction Manager at Risk (CMAR) to oversee the contractor procurement process and advance the project. It is anticipated that three months will be required to develop and present the final Guaranteed Maximum Price for the project to the BOR at their May 2026 meeting for consideration, with construction activities anticipated to commence shortly thereafter.

If you have any questions or need additional information, please contact Roger Venables, Aviation System Director, at 817-392-5402.

Jesus "Jay" Chapa
City Manager