

Mayor and Council Communication

DATE: 06/16/20

M&C FILE NUMBER: M&C 20-0420

LOG NAME: 17EDPAPOLICY2019AMEND1

SUBJECT

Adopt Resolution Amending Certain Portions of the Chapter 380 Economic Development Program that Relate to the Eligibility Requirements for Research and Development Projects (ALL COUNCIL DISTRICTS)

RECOMMENDATION:

It is recommended that the City Council adopt the attached Resolution amending the Chapter 380 Economic Development Program.

DISCUSSION:

Chapter 380 of the Texas Local Government Code authorizes the governing body of a municipality to establish and provide for the administration of one or more programs for making loans and grants of public money and providing personnel and services of the municipality to promote state or local economic development and to stimulate business and commercial activity in the municipality (a "Chapter 380 Economic Development Program"). The City of Fort Worth first established a Chapter 380 Economic Development Program on January 30, 2001 pursuant to Resolution No. 2704, which was continued and expanded on January 29, 2019 pursuant to Resolution No. 5039-01-2019.

Among other guidelines and criteria for the City of Fort Worth's Chapter 380 Program as adopted on January 29, 2019 were those concerning the eligibility requirements for research and development projects. When applying the guidelines and criteria to new project opportunities, certain provisions were identified as being inconsistent with the underlying intent of the Program or as otherwise inconsistent with certain other the aims of the City, including but not limited to the implementation of the Economic Development Strategic Plan as adopted On December 12, 2017 (M&C G-19192). As such, a set of proposed revisions necessitating an amendment to the Program are proposed that address the concerns identified and that also correct certain textual inconsistencies or clerical items.

The specific changes to the Economic Development Program Policy relate only to the eligibility requirements for research and development projects and address the following:

- Revise the maximum applicable grant period under the Program to be no more than 15 years, with the required company performance and reporting period remaining at no more than 10 years;
- Amend limitations on the percentage of taxes from the subject property that may be represented by an annual grant so that it may not exceed 75% of annual real property and Business Personal Property taxes received by the City from the subject property of an applicant or an assignee;
- Add certain limitations regarding the zoning of subject property under an assignment (by excluding subject property that is zoned Residential); and
- Make certain clerical revisions for purposes of clarity and consistency

The amended Economic Development Program Policy will be effective upon adoption of the resolution by City Council.

While no current year impact is anticipated from this action, any effect on expenditures and revenues will be budgeted in future fiscal years and will be included in the long term forecast.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that approval of these recommendations will have no material effect on City funds.

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