

**To the Mayor and Members of the City Council****September 10, 2024**

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

The purpose of this report is to provide an update to Mayor and City Council on the development activities associated with the Texas A&M Fort Worth Campus project ("Project"), specifically, as they relate to the Research and Innovation Building (RIB) and associated parking infrastructure. The Texas A&M University System, Research and Innovation Local Government Corporation and Developer (AFWP, LLC) have performed the initial design concept work for the RIB and are now ready to move forward the next phase of the Project - building design and pre-construction services.

At the September 17, 2024 Council meeting, Mayor and City Council will be asked to consider action to approve 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 approve a resolution authorizing the RILGC to issue debt, subject to certain parameters being met, in a principal amount not to exceed \$18M to pay for the full design and pre-construction costs to support development of the RIB.

Subsequently, at the September 24, 2024 Research and Innovation Local Government Corporation meeting, the RILGC board will take actions to approve a bond resolution authorizing the issuance of bonds, subject to the parameters set forth by Mayor and Council, and award the winning bid to a prospective purchaser. The Bonds are being offered to commercial banks as a private placement through a competitive bidding process. Bond closing is expected to occur on Wednesday, October 23, 2024.

**Prior City Council Actions:**

On December 13, 2022, M&C 22-1076, authorized the execution of an Interlocal Agreement with Tarrant County and Services Agreement with Fort Worth Now (now known as Fort Worth Tarrant County Innovation Partnership) relative to services to be provided that support future growth and success of the Texas A&M University System Research and Innovation Hub; and allocate funds in the amount of \$2,000,000 from ARPA funds to pay for services provided under the Services Agreement.

The City's contribution of \$2,000,000 to help fund the Services Agreement came from already set aside \$5,000,000 in ARPA funding dedicated to the Texas A&M University System Research and Innovation Hub, which includes the Law and Education Building, RIB, and other planned buildings and infrastructure within the Texas A&M Fort Worth Campus. To date, \$2,646,725.00 of the \$5,000,000 set aside for the Project have been expended or allocated leaving an uncommitted balance of \$2,353,725.

On January 10, 2023, M&C 23-0013, authorized the execution of an Interlocal Agreement ("Agreement") with the Texas A&M University System ("TAMUS") for the purpose of documenting the general agreement regarding the development of the proposed Texas A&M Fort Worth

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Campus and associated non-academic uses that will include construction of three buildings on for blocks owned by TAMUS.

Under the terms of the Agreement, a City formed Local Government Corporation (LGC) will provide a financing vehicle for space to be occupied by A&M within the RIB, and other amenities. Financing for the design and construction of the academic space would be realized through lease-backed revenue debt issued by the LGC. TAMUS's lease payments would be in an amount necessary to cover all debt service and other pre-approved, reasonable and typical expenses associated with the development of the Project to be occupied and controlled by TAMUS.

On January 10, 2023, City Council adopted Resolution No. 5679-01-2023 authorizing the formation of a Research and Innovation Local Government Corporation to help develop, finance and construct the Texas A&M Fort Worth Campus project.

### **Prior Research and Innovation Local Government Corporation Actions**

On September 26, 2023, the Research and Innovation Local Government Corporation (RILGC) approved Resolution No. FWRILGC-2023-02, authorizing execution of an Interlocal Agreement (ILA) with TAMUS to detail the collaboration between both parties in the development of a concept plan for the Research and Innovation Building which included TAMUS transferring to the RILGC \$1,000,000 to pay for the concept plan. At the same meeting, the RILGC approved Resolution No. FWRILGC-2023-03 authorizing entering into a Pre-development Agreement (PDA) with Aggieldand Fort Worth Partners, LLC, now known as AFWP, LLC ("Developer") in an amount not to exceed \$1,000,000 to prepare a detailed initial design concept plan, budget, and guide construction and design based on the results of program of requirements validation, geotechnical and site assessment studies.

Since approval of the funding and awarding of the contract for the design concept plan, the RILGC has approved two amendments to the ILA (Resolution No. FWRILGC-2024-01 and FWRILGC-2024-03) increasing the budget for the concept plan to \$1,900,000. Additionally, the RILGC approved corresponding amendments to the PDA (Resolution Nos. FWRILGC-2024-02 and FWRILGC-2024-04) to add certain work to the scope and increase the total compensation to \$1,900,000.

### **Current Project Status and Next Steps**

The Developer is working with TAMUS to program the Research and Innovation Building (RIB). The Texas A&M Engineering Experiment Station (TEES), Texas Department of Emergency Management (TDEM), Texas A&M Transportation Institute (TTI), AgriLife, Health Science Center, School of Law, and College of Engineering are just a few of the State agencies and A&M schools vying for space in the new building.

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In August of this year the Texas A&M University System Board of Regents approved moving forward with an Interlocal Agreement (Agreement) with the RILGC 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 will include 100% architectural design schematic and construction documents, permit approvals, budgeting, construction scheduling and other pre-construction services. The general terms and commitments of the Agreement are as follows:

- RILGC will enter into a Design and Pre-construction Agreement with the AFWP LLC ("Developer") for development of the Plan having an estimated cost of approximately \$19.7M;
- RILGC will issue approximately \$18M in debt (the "Plan Debt") to procure the Plan for the RIB and cover issuance and other related costs; and
- RILGC will contribute \$2,353,725 of previously set aside funds to pay for a portion of the Plan;
- TAMUS will pay any and all costs associated with the Plan, including, but not limited to, all principal and interest and other costs associated with the Plan Debt; and
- TAMUS will grant the RILGC and the Developer access to their properties in order to develop the Plan;

It is anticipated to take approximately 12 months to complete the Plan once debt is issued and the Developer receives a notice to proceed. During the Plan development period, the RILGC, Developer and TAMUS will develop the necessary documents to facilitate the financing, construction, operation, and leasing of the RIB and associated parking facilities.

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

**David Cooke**  
**City Manager**