

City of Fort Worth Innovation Districts Policy

Effective March 21, 2023

1. GENERAL PROVISIONS.

1.1. **Purpose.** Recognizing their contribution to economic development and the important role played by innovation, research, and associated entrepreneurial activity through increased economic productivity, new product development and commercialization, and the emergence of new market opportunities, the City of Fort Worth (the “City”) wishes to provide targeted and lasting support for innovation within the community. Therefore, the intent of this Policy is to provide direction to City Staff and interested parties regarding the development, establishment, and use of “**Innovation Districts**” within the City of Fort Worth.

1.2. **Statutory Authority.** Municipalities are granted broad authority to support local economic development via tax abatements, 380 agreements, and other mechanisms and to exercise any power necessary and convenient to the furtherance of the same.

2. GENERAL DESCRIPTION.

2.1. **Innovation Districts.** “**Innovation Districts**” are specific geographic areas where leading-edge anchor institutions and companies cluster and connect with start-ups, business incubators, accelerators, and producers of marketable intellectual property. Generally, Innovation Districts tend to focus on a specific industry or set of interrelated industries or functions. Innovation Districts, initially or over time, tend also to feature a physically compact, interconnected, transit-accessible, and technically-wired environment and offer mixed-use housing, office, and retail (“**Innovation District Building Patterns**”) so as to create a built environment that encourages personal interaction, tight business relationships, and intellectual cross-pollination. Innovation Districts should have clear and specific boundaries that define them (the “**District Boundaries**”). Recognizing that districts evolve over time it may occasionally be necessary to adjust District Boundaries. Nevertheless, District Boundaries should encircle key anchors, institutions, companies, and other assets that characterize the Innovation District as distinct from its surroundings. The geographic scale of the Innovation District should reflect the scale of operations typified by the industry that it is meant to support. In certain instances, particularly those in which it may be necessary to establish District Boundaries that extend large distances, it may be beneficial to establish subdistricts or zones. Fort Worth Innovation Districts must be fully located within the municipal boundaries of the City of Fort Worth (the “**City Limits**”) or its extra-territorial jurisdiction (“**ETJ**”).

2.2. **Nodes of Innovation.** In many cases, a key anchor institution or facility that is significant to the growth, development, promotion, or activity of an Innovation District is not sufficiently close to the location of the Innovation District to justify its incorporation into the District Boundaries. However, it may nevertheless be to the benefit of the Innovation District to recognize its relationship to these locations and the current or potential role they may have in support of goals for the Innovation District. In such instances, these individual locations will be established as “**Nodes of Innovation**” with respect and in relation to a specific Innovation District.

It is similarly recognized that some Nodes of Innovation impact multiple industries, contribute basic research, or provide other institutional support that is directly linked to a wide variety of innovative activities and may therefore be established in relation to more than one Innovation District or individually. Fort Worth Nodes of Innovation should generally consist of one anchor institution and any property in its immediate vicinity which might be developed or used in a manner that would directly contribute to the goals of the associated Innovation District(s). Fort Worth Nodes of Innovation must be fully located within the City Limits or the ETJ and should be designated in direct relation to one or more specified Innovation Districts.

2.3. Public, Private, and Institutional Roles in Support of Innovation Districts.

The strength, impact, and long-term development of Innovation Districts are determined in large part by the strength of support and direct participation by public, private, and institutional entities working individually and in partnership to advance the district.

a. **Public.** The public sector plays a critical role in the development of an Innovation District that reach beyond the district's mere establishment as a formally recognized geographic area. In particular, well-functioning and competitive Innovation Districts rely on public support through the installation of basic infrastructure (streets, utilities, sidewalks, transportation systems, etc.), advanced infrastructure (communications systems, advanced zoning codes, Smart City / Smart Building technology integration, wet labs, supportive legal codes, etc.), efficient development services, and, in certain cases, direct support for facilities and incentives for innovation and commercial activity. Finally, the public sector can play a valuable role in Innovation District programming in partnership with the private sector and institutional partners.

b. **Private.** Competitive and dynamic Innovation Districts require sustained investment and participation by the private sector. This includes capital investment in new facilities or equipment and the location or expansion of business operations (especially those involving significant research and development or technology commercialization). It also includes financial support from the private sector (targeted lending programs, angel investment, venture capital, etc.), talent recruitment and training, promotional support for the district, and interorganizational collaboration. Additionally, the private sector plays an essential role in Innovation District programming, through participation in and support of various professional networks, seminars, speaking series, and other programs that promote the exchange of industry best practices, develop skills among industry professionals, and strengthen local, national, and international relationships within the industry.

c. **Institutional.** Institutional support for Innovation Districts can take many forms. In some cases, it can involve the presence of a major institutional anchor, such as a university or a research hospital. In other instances, it could also involve participation and support by a charitable foundation, civic group, or industry association. Less easily seen but equally powerful are the informal systems, networks, norms, and cultures that arise in a particular district, industry cluster, or community. All of these combine to support the long-term growth, development, and competitiveness of an Innovation District.

3. DISTRICT ESTABLISHMENT

3.1. **Basic Requirements.** Innovation Districts may be established either by application or by City Staff recommendation. All proposed Innovation Districts and Nodes of Innovation must be fully located within City Limits or the ETJ. In all instances, final authority to authorize or recognize establishment of an Innovation District in the City of Fort Worth rests with the City Council. Establishment of an Innovation District will be by City Council resolution. Any Nodes of Innovation proposed to be established in association with an Innovation District will be indicated as such in the establishing resolution of the Innovation District if proposed at the time of district establishment or by separate resolution if proposed thereafter. Any Node of Innovation proposed for individual designation must demonstrate a clear relationship to and an ability to support innovation and development across multiple Innovation Districts.

3.2. **Innovation District Requirements.** Each application or City Staff recommendation for the establishment of a new Innovation district must demonstrate:

- a. Sufficient existing industry assets, anchor institutions, research centers, and infrastructure that are capable of supporting the long-term growth and development of the proposed Innovation District;
- b. Significant employment in research, innovation, and technology-related occupations;
- c. Substantial employment in a “**Target Sector**” (as defined in the City of Fort Worth Economic Development Program Policy), industry subsegment, or collection of enabling functions that support innovation across multiple Target Industries, such as research, information technology, new materials, robotics, etc. (“**Innovation Platform**”);
- d. Significant presence of or reasonable capacity to attract and support growth-oriented start-up firms in a Target Sector, industry subsegment, or Innovation Platform;
- e. Capacity to attract new investment, businesses, business activity, research and development, and innovative activity;
- f. Existing development patterns that are or could be supportive of a walkable, mixed-use environment, either throughout the district or in key subdistrict locations;
- g. Existing or potential locations that may serve to support and promote social interactions between workers and collaboration in concentrated “hot spots.”
- h. Programming support by the private sector or by one or more professional associations for the promotion and development of industry best practices and linkages as through the establishment, use, or development of seminars, professional networks, and associations.
- i. The establishment of an Innovation District will accelerate the clustering of innovative commercial activities, serve to attract industry talent to the area, and will promote the development of the associated industry in Fort Worth; and
- j. The Innovation District, once established, will capture a significant concentration of the associated industry’s presence in Fort Worth.

Failure to meet individual requirements listed above may not be grounds for denial. However, the applicant or City Staff must demonstrate sufficiency across these criteria to justify establishment of an Innovation District before the City Council may authorize its establishment.

3.3. **Nodes of Innovation Requirements.** Each application or City Staff recommendation for the approval of a new Node of Innovation to be designated individually or in association with an established Innovation District must demonstrate:

- a. The presence of a highly significant anchor institution, research center, or major industry participant;
- b. Significant employment in research, innovation, and technology-related occupations;
- c. Substantial employment in the Target Sector, industry subsegment, or Innovation Platform that is the focus of the associated Innovation District(s);
- d. Patent filings in the past five-year period that are in the top twenty percent of the City of Fort Worth when measured on a per acre basis;
- e. Capability of advancing the growth and development of the associated Innovation District(s);
- f. Capacity to support strong linkages or consortia with the associated Innovation District;
- g. Physical capacity onsite or on adjacent properties for new development or tenants that may contribute to competitiveness of the Innovation District(s); and
- h. Administrative commitment by the primary firm or anchor institution within the proposed Node of Innovation to participate in the governance and promotion of the associated Innovation District(s).

Failure to meet individual requirements listed above may not be grounds for denial. However, the applicant or City Staff must demonstrate sufficiency across these criteria to justify designation of a Node of Innovation before the City Council may authorize its designation.

3.4. **Administration and Funding.** All Innovation Districts will be administered by the City of Fort Worth Economic Development Department except as may be permitted through City Council-authorized agreement with an outside party for district administration or governance. No City fund will be established for any Innovation District. Any funding or financial support necessary to the support or administration of an Innovation District will be incorporated into the departmental budget of the Economic Development Department or the Economic Development Initiatives Fund as presented in the City of Fort Worth Adopted Budget.

3.5. **Eligibility for Incentives.** Projects that are located in an established Innovation District or Node of Innovation pursuant to this Policy may be eligible for incentives as indicated in the Economic Development Program Policy. In all other instances, the presence of an established Innovation District or Node of Innovation or its proximity to a proposed project will be among the factors considered when evaluating a project for incentives.

3.6. **Other City Support.** Upon the establishment of an Innovation District, the City will through its direct administration and, indirectly, through partnerships with the private sector, other public organizations, foundations, and non-profit organizations, seek to support the long-term success of the Innovation District through its various policy decisions and investments in supporting infrastructure. Moreover, the City will seek to collaborate with Innovation District

partners on the installation of advanced infrastructure, such as Smart City or Smart Building technologies, on the adoption of development review practices that consider the unique needs or features of the industry, and on the promotion of the Innovation District.

3.7. **Diversity, Equity, and Inclusion.** Established best practices demonstrate the value of diversity, equity, and inclusion (“**DE&I**”) to the long-term success and impact of Innovation Districts. Innovation Districts thrive on the exchange of diverse ideas, perspectives, relationships, and backgrounds. As such, Fort Worth Innovation Districts and district partners should strongly encourage and incorporate practices that promote DE&I among individual firms, professional networks, associations, and institutions and should consider and incorporate DE&I when building and executing long-term visions, goals, and strategies for the district.

4. **INNOVATION DISTRICT TERM**

4.1. **Indefinite Term.** The term of an Innovation District and any associated Nodes of Innovation shall begin as of the date on which the establishing resolution is adopted by City Council and will continue thereafter in perpetuity until any subsequent action by the City Council to terminate and dissolve the district.

4.2. **Periodic Review.** At the end of a five-year period following establishment of any Innovation District and upon the end of each subsequent five-year period, City Staff will review and evaluate the Innovation District to:

- a. Evaluate whether the continued existence of the Innovation District is warranted and of continued benefit to the economic development efforts of the City.
- b. Consider the boundaries of the Innovation District to determine if any adjustments are warranted, such as a boundary expansion or reduction.
- c. Make recommendation to City Council, if necessary, as to i) any proposed change to the boundaries of the Innovation District, ii) any addition or removal of an existing or proposed Node of Innovation, or iii) any proposal for termination of the Innovation District.

4.3. **Termination.** Termination of the term of an Innovation District will be recognized by resolution of the City Council and will be effective immediately or on a date otherwise specified in the terminating resolution.

5. **INNOVATION DISTRICT APPLICATION PROCESS**

The City of Fort Worth Economic Development Department will receive and evaluate all Innovation District and Nodes of Innovation requests and applications. All information must be provided in both paper and electronic form. The City will not be obligated in any respect to the establishment of an Innovation District upon the receipt of an application and such establishment may be refused for any purpose arising out of the evaluation process and criteria set forth within this Policy. In the event that the proposed Innovation District originates from the recommendation of City Staff, the City of Fort Worth Economic Development Department will be responsible for

the evaluation and processing of the proposed Innovation District establishment and will be exempt from all other requirements presented in this Section of the Policy.

Depending on the exact nature and complexity of the proposed Innovation District, the estimated timeframe to complete the process for designation is at least three (3) months. Applications will be accepted and reviewed throughout the year.

All applications for creation of a proposed Innovation District and applicable fee(s) should be delivered to:

City of Fort Worth
Economic Development Department
1150 South Freeway
Fort Worth, Texas 76104
817-871-6021
FWBAC@fortworthtexas.gov

5.1. **Application Form**. Applicants desiring to designate an Innovation District a Node of Innovation must fully complete an “Application for Designation of an Innovation District,” provide all information as outlined below in one original paper copy and one complete electronic copy and submit the applicable application fee.

Before reviewing an application for the creation of an Innovation District, the City will require that the applicants provide the following as part of their application:

- a. A summary that includes a general description of the proposed Innovation District or Node of Innovation, including proposed boundaries, an overview of key contributing assets, anchor institutions, or existing centers for innovation. This summary should not be more than one page in length;
- b. An overview of any proposed projects for the Innovation District as well as a description of any requested support from the City;
- c. A description of any proposed financial or operational participation by any non-City partners;
- d. A description and a map of the real property proposed for Innovation District or Node of Innovation designation; and
- e. Letters of support from businesses, property owners, non-profit organizations, or anchor institutions that are located in the proposed Innovation District or Node of Innovation.

5.2. **Pre-Application Review Process**. An Applicant may request a meeting with appropriate City Staff prior to submitting an application in order to address Innovation District requirements and processes. Applicant must bring a draft of the completed application and supporting documentation to the meeting. The meeting can be scheduled through the Economic Development Department.

5.3. **Application Fee.** A non-refundable application fee of \$2,500 must accompany all applications for the establishment of an Innovation District. The application fee should be in the form of a check or a money order and made payable to “The City of Fort Worth”. The application fee is to support administrative costs of initial review for completeness, internal processes, and presentations.

5.4. **Preliminary Review.** City Staff will conduct a preliminary review of the application within ten (10) working days to ensure compliance with these guidelines. If City Staff determines that an application does not meet the criteria hereunder, the applicant will be so notified, the application fee will not be refunded, and no further action on the application will occur. The applicant will have fourteen (14) working days to supply any information that is lacking without having to resubmit a new application.

5.5. **Application Review.** If City Staff determines that an application meets these Guidelines, a full strategic, policy, and programmatic review of the proposed project will occur. This review may be conducted by City Staff, an outside agency, or consultant and may result in a City Staff recommendation that Innovation District designation is not appropriate. City Staff may, as part of its recommendation to City Council, amend the boundaries proposed for the Innovation District or Node of Innovation prior to its establishment.

5.6. **Public Information Act.** Upon submission of an application, all project information provided to or developed by the City may become “public information,” and therefore may be subject to release under provisions of the Texas Public Information Act.