

# Mayor and Council Communication

**DATE:** 06/27/23

**M&C FILE NUMBER:** M&C 23-0600

**LOG NAME:** 17EVANS\_AND\_ROSEDALE\_AGREEMENTS\_AMEND\_1

## **SUBJECT**

(CD 8) Authorize Amendments to Economic Development Program Agreement and Contract of Sale and Purchase with Hoque Global, LLC or Affiliates to Extend the Deadline to Complete the Phase I Property Purchase for the Evans and Rosedale Redevelopment and Affordable Housing Project

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## **RECOMMENDATION:**

It is recommended that the City Council authorize amendments to the Economic Development Program Agreement and the Contract of Sale and Purchase with Hoque Global, LLC or affiliate to extend the deadline to complete the Phase I property purchase until September 1, 2023 for the Evans and Rosedale Redevelopment and Affordable Housing Project.

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## **DISCUSSION:**

### **Purpose:**

The purpose of this Mayor and Council Communication (M&C) is to amend the Economic Development Program Agreement (EDPA) (City Secretary Contract No. 57404) and the Phase I Contract of Sale and Purchase (City Secretary Contract No. 57402) to extend the deadline for the sale of the Phase I properties to Hoque Global, LLC or affiliate (Hoque) until September 1, 2023 for the Evans and Rosedale Redevelopment and Affordable Housing Project (Project).

Hoque requested this extension in order to secure the construction financing necessary to begin the Project. Construction remains on schedule to commence by October 13, 2023, eighteen months after the execution of the EDPA.

### **Project Background:**

Hoque intends to develop certain properties owned by the City of Fort Worth, Fort Worth Housing Finance Corporation (FWHFC), and Fort Worth Local Development Corporation (FWLDC) located in the Evans & Rosedale Urban Village as a mixed-use urban development. The development will include commercial, retail, and residential units, as well as a parking structure and enhancements to public spaces, in return for the economic development, TIF, and land incentives.

### **M&C & Agreement History:**

On October 19, 2021, the City Council approved M&C 21-0810, which allocated up to \$4,245,533.42 from the American Rescue Plan Act (ARPA) for the Project to pay fair market value to the Fort Worth Local Development Corporation, the Fort Worth Housing Finance Corporation, and the City of Fort Worth for the 36 properties on which the Project will occur. The City would acquire 35 properties from the FWHFC and FWLDC to then sell these and the City's one parcel to Hoque for a nominal monetary consideration of \$1.00 per parcel with deeds of trust to ensure that the property is used for the development and continued availability of affordable housing for at least fifteen years.

On February 22, 2022, a minor technical amendment was made to M&C 21-0810 to clarify that the agreements could be with Hoque or its affiliates. (M&C 22-0112).

On April 12, 2022, an amendment was made to M&C 21-0810 and M&C 21-0812 (M&C 22-0267) to:

1. Split the closing of Phase I and Phase II properties into two phases, extend the deadline to complete the Phase I property purchase until December 14, 2022, with the option of two, 90-day extensions if Hoque demonstrates a good faith effort, as determined by City of Fort Worth staff, to begin the project and gives a community update at or before each extension, and extend the deadline to complete the Phase II property purchase until December 31, 2023; and
2. Extend the deadline for the Hoque's acquisition of 912 Missouri Avenue from a private owner and closing on 722 E. Rosedale until December 14, 2022, with the option of two, 90-day extensions if the developer demonstrates a good faith effort, as determined by City of Fort Worth staff, to begin the project and gives a community update at or before each extension.

Hoque will pursue amendments to other contracts associated with the Project—including with the Tax Increment Reinvestment Zone and Fort Worth Local Development Corporation—to allow for the extension.

### **Action Outcomes:**

With the approval of this M&C, the EDPA and the Phase I Contract of Sale and Purchase will be amended. With execution of these documents, Hoque will begin all necessary steps to move forward to financial closing for the construction of the first phase of the Project.

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**FISCAL INFORMATION / CERTIFICATION:**

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

**Submitted for City Manager's Office by:** William Johnson 5806

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