

**To the Mayor and Members of the City Council****December 2, 2025**

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**SUBJECT: AMENDMENT OF THE ECONOMIC DEVELOPMENT PROGRAM
(CHAPTER 380) POLICY AND TAX ABATEMENT POLICY**

The City of Fort Worth's most recent Economic Development Program Policy for Grants and Loans Authorized by Chapter 380, Texas Local Government Code (380 Policy) and General Tax Abatement Policy (TA Policy) were adopted on April 22, 2025 (Resolution No. 6086-04-2025) and May 13, 2025 (Resolution No. 6100-05-2025), respectively, and subsequently amended on August 5, 2025 (Resolution No. 6126-08-2025). The TA Policy and the 380 Policy include targeted project eligibility criteria and requirements that promote the goals and objectives of the Fort Worth Economic Development Strategic Plan (Plan) as accepted by City Council on December 12, 2017 (M&C G-19192) and subsequently updated and accepted on February 22, 2022 (M&C 22-0113).

Occasionally, changes in economic conditions and market trends require amendments to these policies to ensure the availability of tools capable of providing continued support to the execution of the Plan. Therefore, staff recommends incorporating various changes and updates to the TA Policy and the 380 Policy to: 1) provide eligibility criteria for Boutique Hotels, as defined in the 380 Policy; 2) amend affordable housing requirements to provide sustained funding to the Fort Worth Housing Finance Corporation; and 3) delegate authority to the City Manager to amend certain agreement provisions. The amendments are further explained below.

Support for Boutique Hotels

Section 4.2 of the current 380 Policy provides incentive eligibility requirements for qualifying full-service hotels. Certain properties, due to site constraints, opportunities for the adaptive reuse of existing historical or non-hotel buildings, or for certain reasons relating to market positioning, may present an opportunity for the development of a new boutique hotel that does not meet the minimum eligibility requirements for full-service hotels under the 380 Policy as currently drafted. Therefore, staff is recommending Council amend the 380 Policy to allow for the consideration of a waiver of some or all of the minimum hotel features otherwise required, provided that the project: 1) is located within a Fort Worth Target Area; 2) offers full-service onsite dining or demonstrates a partnership or service agreement with a nearby full-service restaurant offering guests in-hotel dining; and 3) features a design that promotes walkable urbanism and that highlights, complements, or amplifies the unique setting and culture of the immediate surroundings.

It is not the intent for the proposed policy change to deliver incentives to limited-service hotels. Rather, descriptions and other policy guidance specific to boutique hotels are provided for within the 380 Policy. Under this proposed 380 Policy amendment, eligible projects could be considered for support through grants that are based on a combination of new incremental City hotel occupancy taxes, property taxes, or sales taxes that will be negotiated on a per-project basis and with consideration to the impact of the proposed project, net fiscal impact to the City, and the role of an applicable project financing zone that might constrain the availability or use of certain public funds.

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**SUBJECT: AMENDMENT OF THE ECONOMIC DEVELOPMENT PROGRAM
(CHAPTER 380) POLICY AND TAX ABATEMENT POLICY****Support and Requirements for Affordable Housing**

The promotion of housing affordability and the delivery of new inventory in key segments of the market remain strategic goals of the City and its economic development activities. To that end, the existing TA Policy and 380 Policy rely on similar approaches to the support of affordable housing as had been typical of the City's negotiated economic development agreements for many years. In general, the policies require that projects involving rental residential units set aside a minimum percentage of those units at rental rates that correspond to Area Median Income (AMI) levels established by the U.S. Department of Housing and Urban Development (HUD). Ordinarily, those agreements (and the policies) required a minimum 10% of units to be rented at 80% of AMI and an additional 10% of units at 60% of AMI.

In the past, this approach was effective in delivering new affordable units to Fort Worth because the value of the resulting incentive was larger than the combined value of lost revenue to the developer (compared to market rents) and the financial gap to be filled by those incentives (necessary to allow the project to move forward).

More recently, the economics of such projects have changed considerably. Market rent levels and the cost of construction have risen sharply while, in many cases, outpacing the value of new City property taxes from a new development. As a result, it has been increasingly difficult to structure effective incentive agreements that both help a project to proceed while also securing commitments to set aside a portion of the development for affordable units. In other words, the value forfeited by the developer negates the value of City incentives. The rigidity of existing policy requirements has added to that difficulty.

In response, staff is recommending a two-fold approach. First, it is recommended that the TA Policy and the 380 Policy remove existing requirements for the direct provision of affordable housing units as part of a project. Eliminating these requirements under the policies does not preclude staff from negotiating similar commitments for a specific project or agreement on a case-by-case basis.

Second, staff is recommending that the 380 Policy and TA Policy be amended to provide for a new mechanism by which affordable housing support can be funded. As proposed, projects that contain residential units will earn annual grants or receive annual abatements (depending on the form of the agreement) for the term of the agreement that equals five percent (5%) of the incremental City taxes on Real and Business Personal Property associated with the Project. Rather than being paid to the developer, these grants or abatements would be paid to the Fort Worth Housing Finance Corporation (FWHFC) for the purpose of promoting the development or provision of affordable housing in Fort Worth (striving for such housing to be delivered in close proximity to the project). In this manner, the value delivered by new economic development projects will be used to support investment in affordable housing throughout the City.



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**SUBJECT: AMENDMENT OF THE ECONOMIC DEVELOPMENT PROGRAM
(CHAPTER 380) POLICY AND TAX ABATEMENT POLICY**

Delegated Authority for Certain Amendments

Except as otherwise reserved to the City Council in an agreement or the M&C authorizing an agreement, staff recommends that the TA Policy and the 380 Policy be amended to delegate to the City Manager the authority to amend an agreement for any of the following purposes and subject to the following limitations without further action by the City Council:

- Extension of any deadline for a period of up to one year;
- Amendment of a minimum Investment commitment; provided that the difference does not exceed ten percent (10%) from that which was authorized by the City Council and specified in an Economic Development Program Agreement (EDPA) or Tax Abatement Agreement;
- Amendment of a minimum employment commitment; provided that the difference does not exceed ten percent (10%) from that which was authorized by the City Council and specified in the EDPA or Tax Abatement Agreement; or
- Amendment of a minimum average annual salary commitment; provided that the difference does not exceed ten percent (10%) from that which was authorized by the City Council and specified in the EDPA or Tax Abatement Agreement.

The City Manager will report timely to the City Council whenever this authority is exercised.

Additional revisions to address certain formatting changes and for the alignment of shared definitions have also been incorporated into the 380 Policy and TA Policy as recommended for adoption.

In order to adopt these recommended changes to the 380 Policy and TA Policy, two M&Cs will be placed on the December 9, 2025 agenda for City Council approval. Copies of the draft policies with the proposed changes incorporated are attached for further review.

For further questions, please contact Jessica Rogers, Director of the Economic Development Department, by e-mail to jessica.rogers@fortworthtexas.gov.

Jesus "Jay" Chapa
City Manager

Attachment

City of Fort Worth
Economic Development Program Policy
for Grants and Loans Authorized by Chapter 380,
Texas Local Government Code

Effective ~~September~~ December 19, 2025

1. GENERAL PROVISIONS.

1.1. Purpose

Chapter 380 of the Texas Local Government Code authorizes the City Council to establish and provide for the administration of one or more programs, including programs for the making of loans and grants of public money and providing personnel and services of the City, to promote economic development. This Policy is intended to establish a program and set forth guidelines and criteria for persons or entities interested in receiving economic development program grants or loans (collectively, “**380 Incentive**”) and other support from the City pursuant to Chapter 380 of the Texas Local Government Code (“**Economic Development Program**”).

1.2. General Eligibility Criteria

The terms and conditions of any 380 Incentive will be set forth in an Economic Development Program Agreement (an “**EDPA**”). Although the City will consider all applications for 380 Incentives that meet the eligibility requirements set forth in this Policy, it is especially interested in supporting projects that are expected to produce a meaningful impact on the City and its economy and that result in one or more of the following:

- Growth of business activity, employment, or investment in one of the City’s identified Target Industries;
- Creation of high-wage jobs;
- Significant Investment;
- Growth of business activity, employment, or Investment in the Central Business District;
- Revitalization with likelihood of ancillary development in a key employment node or specifically designated area of the City;
- Retention or expansion of an existing major employer; or
- Anchoring of a business expansion project with potential to generate additional supply chain activity.

1.3. Target Sectors

While the City is open to discussion on potential incentive opportunities for a variety of industries, the City is particularly interested in developing certain target sectors (each defined herein as a “**Target Sector**”). These Target Sectors have been specifically identified by the City for their strategic value in helping to strengthen, diversify, and advance the City’s economy:

- **Mobility** – Automotive & Transportation Manufacturing, Vehicle Technologies, Micromobility, Vertical Takeoff and Landing (VTOL) and Electric Flight, Transportation Services, Logistics Technologies and Management
- **Aerospace & Defense** – Aerospace Manufacturing and Design, Federal Government, Information Technology and Analytical Instruments
- **Energy** – Alternative Energy Generation, Alternative Energy Equipment, Energy Storage and Distribution, Oil and Gas Management, Oil & Gas Technology, Smart Building Systems
- **Culture** – Hospitality and Tourism, Performing Arts, Film, Local Hospitality and Independent Venues
- **Anchors & Innovators** – Corporate Headquarters, Engineering, Financial Services, Professional Services, Colleges and Universities, Research Organizations, Biopharmaceutical Products and Medical Technologies, Hospitals, Computer and Information Services

2. **DEFINITIONS:** See Exhibit “A”

3. **PROGRAM FOCUS I: STRATEGIC INDUSTRIES.**

A core responsibility of the City under its Economic Development Program and through related economic development activities, focuses on identifying, evaluating, and providing targeted support to opportunities in key industries that play a highly strategic role in Fort Worth’s regional economy now and in the future. These strategic industries strengthen the economic and industrial base of the community and allow for Fort Worth to ensure that it is well positioned for long-term economic competitiveness. The following programs are administered by the City’s Economic Development Department (“**Department**”) as part of this Economic Development Program to deliver targeted support to desired projects. This support is delivered to increase the attractiveness of Fort Worth as a destination for desired investment and industry growth or to offset certain competitive disadvantages that might otherwise prevent, stall, or curtail growth in the targeted industry.

3.1. **ELIGIBILITY REQUIREMENTS FOR TARGET SECTOR PROJECTS.**

To be considered for a 380 Incentive, a Target Sector project must commit to a minimum investment of at least \$25 million and the creation of new full-time jobs that meet a minimum annual average wage of at least \$60,000 (with the understanding that the City may require higher commitments as determined on a project-by-project basis in full view and consideration of the specific project deliverables, anticipated impact, and market environment). . The amount of a 380 Incentive will be based on a percentage of annual tax revenues that the City receives in a particular year, including ad valorem taxes on real property, ad valorem taxes on Business Personal Property, local sales taxes directly attributable to the project, or some combination thereof. The percentage of ad valorem taxes will be based on the maintenance & operations (M&O) tax rate of the City. The table below establishes the maximum percentage of annual tax

revenues on which 380 Incentives to Target Sector projects will be based, in correlation with minimum Investment and employment levels:

Requirements for Target Sector Industries					
Maximum Term	Jobs Required	\$70 M + Investment	\$55 M - \$70 M Investment	\$40 M - \$54 M Investment	\$25 M - \$39 M Investment
3 - 5 years	50 – 100	40 % Incentive	40 % Incentive	40 % Incentive	40 % Incentive
6 – 7 years	100 – 250	50 % Incentive	50 % Incentive	50 % Incentive	N/A
8 – 9 years	250 - 400	60% Incentive	60% Incentive	N/A	N/A
10 years	400 +	70% Incentive	N/A	N/A	N/A

Any Target Sector Industry Project with Capital Investment over \$100 million and the creation of over 500 jobs exceeding the minimum annual average wage of at least \$60,000 (with the understanding that the City may require higher commitments as determined on a project-by-project basis in full view and consideration of the specific project deliverables, anticipated impact, and market environment) will be eligible for an 80% 380 Incentive for a period of up to 15 years.

All Target Sector Industry Projects will be subject to a requirement to demonstrate hiring practices that prioritize recruitment and employment of Fort Worth Residents and must demonstrate a “Good Faith Effort” to have at least thirty percent (30%) of employees associated with the project as Fort Worth Residents.

3.2. ELIGIBILITY CRITERIA FOR GENERAL PROJECTS.

Unless a project meets one of the other minimum eligibility criteria set forth in this Policy, in order to be considered for a 380 Incentive, an applicant must commit to a minimum Investment of at least \$25 million and creation of new full-time jobs that meet a minimum annual average wage of at least \$60,000 (with the understanding that the City may require higher commitments as determined on a project-by-project basis in full view and consideration of the specific project deliverables, anticipated impact, and market environment).

The amount of a 380 Incentive will be based on a percentage of annual tax revenues that the City receives in a particular year, including ad valorem taxes on real property, ad valorem taxes on Business Personal Property, local sales taxes directly attributable to the project, or some combination thereof. The percentage of ad valorem taxes will be based on the maintenance and operations (“M&O”) tax rate of the City. The table below establishes the maximum percentage of annual tax revenues on which 380 Incentives to General Sector Industry Projects may be eligible, in correlation with minimum Investment and employment levels:

Requirements for General Sector Industries

Maximum Term	Jobs Required	\$70 M + Investment	\$55 M - \$70 M Investment	\$40 M - \$54 M Investment	\$25 M - \$39 M Investment
3 - 5 years	50 – 100	20 % Incentive	20 % Incentive	20 % Incentive	20 % Incentive
6 - 7 years	100 – 250	30 % Incentive	30 % Incentive	30 % Incentive	N/A
8 - 9 years	250 - 400	40% Incentive	40% Incentive	N/A	N/A
10 years	400 +	50% Incentive	N/A	N/A	N/A

Any General Sector Industry Project with Capital Investment over \$100 million and the creation of over 500 jobs exceeding the minimum annual average wage of \$60,000 will be eligible for a 60% 380 Incentive for a period of up to 15 years.

All General Sector Industry Projects will be subject to a requirement to demonstrate hiring practices that prioritize recruitment and employment of Fort Worth Residents and must demonstrate a “Good Faith Effort” to have at least thirty percent (30%) of employees associated with the project as Fort Worth Residents.

3.3. ELIGIBILITY REQUIREMENTS FOR EXISTING BUSINESS EXPANSION PROJECTS.

The City desires to support the growth of business currently located in the City. In order to be considered for 380 Incentives, an Existing Business expansion project that is not eligible for 380 Incentives elsewhere in this Policy must commit to a minimum Investment of at least \$10 million and creation of at least 25 new full-time jobs.. The amount of a 380 Incentive under this Section will be based on a percentage of annual tax revenues that the City receives in a particular year, including ad valorem taxes on real property, ad valorem taxes on Business Personal Property, local sales taxes directly attributable to the project, or some combination thereof, not to exceed 80%. The percentage of ad valorem taxes will be based on the M&O tax rate of the City.

Requirements for Business Expansion Projects					
Maximum Term	Jobs Required	\$55 M + Investment	\$40 M - \$54 M Investment	\$25 M - \$39 M Investment	\$10 M - \$24 M Investment
3 - 5 years	50 – 100	50 % Incentive	20 % Incentive	20 % Incentive	20 % Incentive
6 - 7 years	100 – 250	60 % Incentive	30 % Incentive	30 % Incentive	N/A
8 - 9 years	250 - 400	70% Incentive	40% Incentive	N/A	N/A
10 years	400 +	80% Incentive	N/A	N/A	N/A

All Existing Business expansion projects will be subject to a requirement to demonstrate hiring practices that prioritize recruitment and employment of Fort Worth Residents and must demonstrate a “Good Faith Effort” to have at least thirty percent (30%) of employees associated with the project as Fort Worth Residents.

3.4. ELIGIBILITY REQUIREMENTS FOR SUPPLIERS OF ESTABLISHED TARGET SECTOR EMPLOYERS.

The City desires to strengthen and further the growth of target sector clusters in Fort Worth and to promote a stronger business environment for major established employers that are currently located in the City. As such, a project completed by or for the supplier of critical materials, components, or services for an established Target Sector company (“Supplier”) that (i) has a corporate or regional headquarters that is located in Fort Worth and (ii) employs at least 3,000 people at its Fort Worth facilities, will be eligible for a Ch. 380 Incentive. To be eligible, a Supplier project must commit to a minimum Investment of at least \$10 million and the creation of at least 25 new full-time jobs with a minimum annual average employee Salary at least \$60,000 (with the understanding that the City may require higher commitments as determined on a project-by-project basis in full view and consideration of the specific project deliverables, anticipated impact, and market environment).

The amount of a Ch. 380 Incentive under this Section will be based on a percentage of annual tax revenues that the City receives in a particular year, including ad valorem taxes on real property, ad valorem taxes on Business Personal Property, local sales taxes directly attributable to the project, or some combination thereof, not to exceed 50%. The percentage of ad valorem taxes will be based on the M&O tax rate of the City.

Requirements for Suppliers of Established Target Sector Employers					
Maximum Term	Jobs Required	\$55 M + Investment	\$40 M -\$54 M Investment	\$25 M - \$39 M Investment	\$10 M - \$24 M Investment
3 - 5 years	25 – 100	45 % Incentive	40 % Incentive	35 % Incentive	30 % Incentive
6 - 10 years	100 +	50 % Incentive	45 % Incentive	40 % Incentive	N/A

3.5. ELIGIBILITY REQUIREMENTS FOR MEGA PROJECTS.

A “**Mega Project**” can be within any industry; however, the City is especially interested in Fortune 1,000, Fortune Global 500, or Inc. 5000 designated firms, pursuing development or redevelopment opportunities within the City. Projects granted this designation must commit to at least one of the following (with the exception of data centers or other unique low employment/high capital investment projects which must have a minimum investment of \$50 million):

- Commits to a minimum Investment of at least \$250 million;
- Commits to hire at least 1,500 full-time employees; *or*
- Commits to a minimum annual payroll of at least \$150 million.

The amount of a 380 Incentive under this Section will be based on a percentage of annual tax revenues that the City receives in a particular year, including ad valorem taxes on real property, ad valorem taxes on Business Personal Property, local sales taxes directly attributable to the project, or some combination thereof, not to exceed 85%. The percentage of ad valorem taxes will be based on the M&O tax rate of the City.

To be eligible, a Mega Project must commit to a minimum annual average employee Salary level of at least \$60,000 (with the understanding that the City may require higher commitments as determined on a project-by-project basis in full view and consideration of the specific project deliverables, anticipated impact, and market environment).

Additionally, or as an alternative to the 380 Incentives that are based on a percentage of annual tax revenues, qualified projects may be eligible to receive a grant of cash funds from the Economic Development Initiatives Fund (“EDIF”) in accordance with the EDIF Policy.

3.6 FILM PROJECTS AND PROMOTION

The City recognizes the direct and indirect impacts produced by Film production, including the ability for such projects to increase the profile and visibility of the community on a national and international stage. The City therefore seeks to support efforts to attract and produce such projects through targeted programs and partnerships.

3.6.1. FILM ATTRACTION AND FILM INDUSTRY PROMOTION.

Certain partnerships with Fort Worth-based government or non-profit organizations involved in the promotion of Fort Worth to the Film industry, the attraction of individual Film projects, or other support to Film projects located in Fort Worth, will be eligible, subject to approval by the City Council, to receive certain 380 Incentives funded by the EDIF, subject to requirements and limitations specified under contract.

3.6.2 FILM PRODUCTION.

Film projects qualifying for support through the Texas Moving Image Industry Incentive Program (TMIIP) will be eligible for consideration for certain 380 Incentives, provided that major production activities relating to the project occur in Fort Worth. The 380 Incentives for Film production projects will be based on a percentage not to exceed 50% of annual tax revenues that the City receives in a particular year during film production, including ad valorem taxes on real property, ad valorem taxes on Business Personal Property, local sales taxes directly attributable to the project, or some combination thereof. The percentage of ad valorem taxes will be based on the maintenance & operations (M&O) tax rate of the City. Film production projects that receive 380 Incentives will be required to make certain commitments relating to (i) local supply and services for the project, (ii) local hiring for film production (i.e. extras, crew, etc.), and (iii) the featuring of Fort Worth in the final edit of the film or series in a manner that positively promotes the image of the community and in a manner that is clearly identifiable as Fort Worth.

3.7 TEMPORARY OFFICE SPACE

For any projects that meet the eligibility criteria set forth in Sections 3.1-3.4 of this Policy, the City may, in its sole discretion, provide applicants with certain temporary office space for a limited period of time during the construction of the applicant’s new facilities for the project. Such temporary office space may be provided to the applicant without charge, subject to certain terms and conditions. Details and total value will be subject to final negotiations.

3.8. PROJECT FACILITATION.

The City recognizes the importance of moving expeditiously through necessary site review and permitting processes for any new development, relocation, or expansion. The urgency of such processes is particularly important to competitive projects or those that face specific challenges with respect to project timeline. To ease project design efforts and to reduce associated time requirements for projects that are designated for enhanced project facilitation by the Department, certain staff time and other City resources may be specifically allocated to a project (“**Project Facilitation**”). Depending on the project, this might involve direct support by senior-level City staff beyond that which would be typically provided to other projects. In all cases in which a project has been designated for such treatment, projects will have a dedicated Project Facilitator in the Development Services Department who is trained in guiding construction projects throughout the permitting and development process.

4. PROGRAM FOCUS II: FOUNDATIONAL COMPETITIVENESS.

A second core responsibility of the City under its Economic Development Program and through related economic development activities, focuses on ensuring a strong foundation for the local economy, including a sound and competitive business environment with infrastructure, institutions, and a built environment capable of supporting sustainable long-term growth for the benefit of the entire community. While these interests may be advanced by the broader efforts of the City, as a whole, the following targeted programs are designed to address specific near- and long-term needs that, when addressed, will provide a stronger foundation for a more competitive local and regional economy.

4.1. CENTRAL BUSINESS DISTRICT PROGRAMS

The Central Business District (“**CBD**”) represents a unique area of the community that plays a highly distinct role in the overall health and operation of the City’s local and regional economy. As commonly found in other major cities throughout the United States, the CBD serves as the primary commercial center of the community, plays an important role in shaping the community’s identity, culture, and brand, and produces spillover effects for all portions of the City. Therefore, programs that provide targeted support to the CBD are both necessary in response to its unique circumstances and desirable for the near-term and long-term impact that can be produced for the City, as a whole.

4.1.1. ELIGIBILITY REQUIREMENTS FOR CERTAIN TARGET SECTOR PROJECTS IN THE CENTRAL BUSINESS DISTRICT.

An applicant in a Target Sector that locates in the CBD (“**CBD TS Business**”) may be eligible for 380 Incentives if the applicant meets the following criteria: (i) employs a minimum of 50 permanent full-time employees at the proposed site; (ii) pays a minimum annual salary of \$60,000 or equal to that of Tarrant County as averaged across the most recent four quarters of published data from the Bureau of Labor Statistics Quarterly County Employment and Wages (QCEW) report (whichever is higher) as determined by City staff upon receipt of an Application to those employees; and (iii) meets the criteria for an Existing Business or relocates from outside the Dallas-Fort Worth Metropolitan Statistical Area. If the CBD TS Business does not own the real property on which the project will be located, then the property owner may need to be included in the EDPA.

If the CBD TS Business locates its project in an existing building in the CBD, the maximum amount of the 380 Incentives will equal (based on the M&O tax rate of the City):

- Up to 80% of the CBD TS Business's incremental Business Personal Property taxes for a maximum of 15 years; *or*
- Up to 80% of the CBD TS Business's incremental real property taxes in a proportional share to the amount of space within the building that is occupied by the CBD TS Business for up to 10 years.

If the CBD TS Business locates its project in a new building in the CBD for which a building permit has not been obtained as of the date of the incentive application, the maximum amount of the 380 Incentives will equal:

- Up to 80% of net new real property taxes (specifically excluding any Business Personal Property taxes) in a proportional share to the amount of space within the building that is occupied by the CBD TS Business for up to 15 years, subject to the following requirements:
 - CBD TS Business must be a Fortune 1,000 or Inc. 5000 corporate or regional headquarters;
 - A minimum of 100,000 square feet must be occupied by the CBD TS Business;
 - The CBD property must be new construction in order to house the CBD TS Business; *and*
 - A minimum of \$100 million must be invested in Hard Construction Costs associated with the new construction.

A CBD TS Business locating in a new building in the CBD will only be eligible for 380 Incentives if it meets all the above-referenced criteria.

4.1.2. RELOCATION SUPPORT FOR NEW OFFICE TENANTS.

The City wishes to support the tenant recruitment process of out-of-region tenants to Class A Office space in strategic locations of Fort Worth and to ease lease transactions by offsetting certain initial costs incurred by major office tenants at the point of lease execution and shortly thereafter as part of a business's relocation. In support of these goals, office tenants entering into a lease of at least 10,000 square feet of unoccupied Class A office space in the CBD will be eligible to receive a one-time cash grant from the EDIF. Eligibility will be limited only to tenants who meet the following criteria:

- Relocating or expanding tenant is currently located outside of the City of Fort Worth;
- Tenant is entering into a minimum five-year lease of at least 10,000 square feet of Class A Office space located within the Fort Worth CBD;

The value of grants will be equal to between five and seven percent (5 - 7%) of the value of the lease based on a maximum of five years of the proposed lease term (the “5-Year Lease Value”). The maximum grant value for the lease of 10,000 - 49,999 square feet will be equal to 7% of the 5-Year Lease Value and the maximum grant value for the lease of 50,000 square feet or more will be equal to 5% of the 5-Year Lease Value. Grants will be paid within twelve months of final lease execution. The grant may be assigned to an affiliate of the tenant provided that such affiliate was directly involved in the lease transaction, such as the property owner or sub-lessor.

The delivery of any 380 Incentives as described above will be subject to requirements specified under agreement, including minimum requirements for tenant employment and minimum average salaries for the term of the lease. The 380 Incentives will be subject to Clawback provisions applicable to the grant recipient.

4.1.3 OTHER SUPPORT FOR MAJOR OFFICE TENANTS.

Companies proposing to enter into a new lease of at least 50,000 square feet of Class A office space in the CBD may be eligible for targeted support under this Policy subject to evaluation of project characteristics and strategic impact. All such projects will be reviewed on a case-by-case basis. To support eligible projects, and in place of or in addition to 380 Incentives that are based on annual tax revenues received by the City, the City may elect to provide a grant of cash funds from the EDIF so long as it complies with the EDIF Policy.

4.2 ELIGIBILITY REQUIREMENTS FOR FULL-SERVICE HOTELS.

In addition to direct contributions to the local economy as part of the broader hospitality industry, full-service hotels play a particularly meaningful role in support of efforts to achieve broader economic development objectives for the City. Leisure properties in or near key cultural districts can serve to enhance the attractiveness or impact of that district as an asset for the community. Hotels that serve business travel can play an important role in promoting greater exposure of the City to investors, executives, and professionals in other industries that may be targeted for growth by the City and, functionally, they can serve as a temporary base of operations for those wishing to do business in the City. Other hotels add necessary capacity to host major conventions or events and, by that additional capacity, improve the type, quality, exposure, or industry brought to City by such conventions or events.

In recognition of the role that full-service hotels play in the broader local economy, the City is engaged in a sustained effort to encourage expanded inventory and higher quality of full-service hotels in the City. In support of these efforts, the City will consider providing 380 Incentives to full-service hotel projects, including the hotel portion of mixed-use projects. Projects will be evaluated on a case-by-case basis in relation to their location, the evolving conditions and offerings of the established hotel market in Fort Worth, historical adaptive reuse or preservation, and expected contributions by the proposed project to other related economic development objectives of the City.

The following matrix presents the minimum features required by the City for a full-service hotel project to be eligible for 380 Incentives:

Hotel Rooms	Full Service Restaurant	Ballroom* Size	Meeting* Space	Boardroom* Space	Room Block Agreement
200 rooms	Yes	6,000 sq. ft.	2,400 sq. ft.	500 sq. ft.	Yes
250 rooms	Yes	7,500 sq. ft.	4,000 sq. ft.	500 sq. ft.	Yes
300 rooms	Yes	10,000 sq. ft.	6,000 sq. ft.	500 sq. ft.	Yes
* Hotel projects located within the CBD that are 12 stories or taller may qualify for a reduction or reconfiguration of conference space requirements. To be eligible for such adjustments, the applicant must demonstrate that sufficient parking has been secured to serve the needs of the hotel, whether through a shared parking agreement, provision of new parking, or the installation of equipment or infrastructure that supports the use of car sharing services or other shared transportation services.					

The amount of any 380 Incentives under this Section will be based on a percentage of hotel occupancy taxes, directly attributable to the project, not to exceed 80%.

4.2.1 BOUTIQUE HOTELS.

Certain properties, due to site constraints, opportunities for the adaptive-reuse of existing historical or non-hotel buildings, or for certain reasons relating to market positioning, may present an opportunity for the development of new boutique hotel projects that may not meet the minimum eligibility requirements for full-service hotels as specified above in Section 4.2-. Such project opportunities may be of interest to the City when contributing to efforts to: (i) promote infill development in walkable mixed-use districts’ (ii) attract new hotels to districts that offer limited site opportunities for larger full-service hotels; (iii) or when the addition of a large full-service hotel is inconsistent with the City’s aims and objectives for a given area. In such cases, the City may consider a waiver of some or all of the minimum hotel features specified above in Section 4.2-. “Boutique Hotel” means a smaller, typically independent (i.e. non-chain) hotel that is known for its unique style, personalized service, relationship to and shared identity with its surrounding properties or district, and its focus on creating a distinctive guest experience.

Boutique Hotel projects will be evaluated on a case-by-case basis in relation to their location, immediate surroundings, the evolving conditions and offerings of the established hotel market in Fort Worth, the needs or conditions of the surrounding district, and in consideration of other related economic development objectives of the City. To be eligible for a waiver of minimum eligibility requirements, a Boutique Hotel project must:

- Be located within a Fort Worth Target Area;
- Offer full-service onsite dining or demonstrate a partnership or service agreement with a nearby full-service restaurant offering guests in-hotel dining; and
- Feature a design that promotes walkable urbanism that highlights, complements, or amplifies the unique setting and culture of the immediate surroundings

Eligible Boutique Hotel projects will be evaluated based on their expected contribution to the City's economic development objectives for the area and based on demonstration of a financial gap or other significant constraint preventing the project from proceeding but for the assistance of the City. Such projects may be eligible to receive 380 Incentives that will be based on a combination of new incremental City hotel occupancy taxes, property taxes, or sales taxes that will be negotiated on a per-project basis and with consideration to the impact of the proposed project, net fiscal impact to the City, and the role of an applicable project financing zone that might constrain the availability or use of certain public funds.

4.3. AFFORDABLE HOUSING FOR MIXED-USE DEVELOPMENT PROJECTSUPPORT.

All ~~Mixed-Use Development~~ Projects subject to an EDPA that contain residential units will earn annual grants in each program year for the term of the EDPA that are equal to five percent (5%) of the incremental City taxes on ~~R~~real and/or Business Personal Property associated with the Project, with such grants to be paid to the Fort Worth Housing Finance Corporation for the purpose:– of promoting the development or provision of affordable housing, at all times striving to deliver such affordable housing in close proximity to the Project (“Affordable Housing Grant”). At no time may the combined value of an Affordable Housing Grant and any other grant payable under the EDPA that is based on the incremental value of City ~~R~~real and Business Personal Property taxes exceed one hundred percent (100%) of such taxes.

- ~~• At least 10% of all rental residential units must be set aside exclusively for lease to qualifying households whose adjusted incomes do not exceed the then-current eighty percent (80%) income limits established by the U.S. Department of Housing and Urban Development (“HUD”) at rents that are affordable to such households.~~
- ~~• At least 10% of all rental residential units must be set aside exclusively for lease to qualifying households whose adjusted incomes do not exceed the then-current sixty percent (60%) income limits established by HUD at rents that are affordable to such households.~~

4.454. CITY-OWNED PROPERTY.

Projects involving property that, either prior to project start or after project completion, is owned by the City or one of its component units, will be eligible to receive 380 Incentives for the purpose of project finance or facilitation. Such property may include, but is not limited to, real property and leasehold interests. The delivery of 380 Incentives to such projects will require approval by the City Council.

5. PROGRAM FOCUS III: FULL STRENGTH FORT WORTH.

A third core responsibility of the City under its Economic Development Program and through related economic development activities, focuses on tapping into the full potential of neighborhoods and districts throughout the City so that the City can compete at full strength.

Doing so requires the joint efforts of multiple City departments and community partners. The following targeted programs are administered by the Department as part of this Economic Development Program. They are designed to provide specific support for projects and initiatives that advance revitalization, economic productivity, equitability, and commercial opportunity in historically disadvantaged districts and corridors as well as in locations that may significantly impact surroundings in a manner that advance the City's long-term aims for community development.

5.1. COMMITMENT FOR UTILIZATION OF SMALL BUSINESS FIRMS

All projects receiving 380 Incentives are subject to the City's Small Business Program in Procurement of Goods, Services and Construction Ordinance (-Chapter 21 of the City Code and herein referred to as "Small Business Ordinance") and must make a commitment to utilize Small Business Firms as determined by the Economic Development Director.

5.2. ELIGIBILITY REQUIREMENTS FOR CATALYTIC DEVELOPMENT PROJECTS.

A "Catalytic Development Project" is a business or real estate development project that meets the following criteria:

- Located within either a Designated Investment Zone, an Urban Village, ~~or an identified Revitalization Area, (as depicted in Exhibits "B", "C", and "D", respectively), or the CBD or a Fort Worth Target Area Innovation District, or Strategic Development Area (as depicted in Exhibits "B", "C", "D", and "E" respectively);~~
- Commits to at least \$5 million in Investment; and
- Complies with at least one of the following requirements:
 - Mixed-Use Development;
 - Fills a gap, such as a grocery store in a food desert or a childcare facility, as determined by City staff based on goals set forth in the City's then-current Comprehensive Plan or other statistical data or relevant documentation;
 - Located along a commercial corridor or within an urban village, as identified in the City's then-current Comprehensive Plan;
 - Generates significant job opportunities in the area, as determined by City staff based on then-current employment data; or
 - Helps create a hub of entrepreneurial activity, positioning the City to attract entrepreneurs and high-growth companies, as determined by City staff based on goals and recommendations set forth in the City's Economic Development Strategic Plan, the City's then-current Comprehensive Plan, or on other statistical data or relevant documentation.

All Catalytic Development Projects will be eligible for consideration for 380 Incentives. The amount of a 380 Incentive under this Section will be based on a percentage of annual tax revenues that the City receives in a particular year, including ad valorem taxes on real property, ad valorem taxes on Business Personal Property, local sales taxes directly attributable to the project, or some combination thereof, not to exceed 80%. The percentage of ad valorem taxes will be based on the M&O tax rate of the City. In place of or in addition to 380 Incentives that

are based on annual tax revenues received by the City, the City may elect to provide a grant of cash funds from the EDIF so long as it complies with the EDIF Policy.

~~Notwithstanding the foregoing, an applicant for a Mixed-Use Development that commits to at least \$5 million in Investment and whose residential component comprises rental units (i.e., apartments) that meets the affordable housing commitments set forth in Section 4.3 will be considered as a “Catalytic Project” eligible for 380 Incentives even if it is located outside of a Designated Investment Zone.~~

~~Any Catalytic Development Project located in the CBD that includes rental residential units may, at the discretion of the City Council, be exempt from affordable housing requirements set forth in Section 3.6 provided ; provided, however, that in such instances the total aggregate value of 380 Incentives will be capped at an amount equal to the value of public improvements associated with the project. (See Section 311.008(b)(4)(B) for examples of public improvements).~~

Additionally, Catalytic Development Projects proposed to occur on property that is owned by the City will be eligible to receive a grant of funds in an amount not to exceed the purchase price or the lease rate of the property that is due to be received by the City in concert with the proposed project. Such projects will qualify as a Catalytic Development Project irrespective of their location, provided that all other criteria of this Section are met. In such instances in which the value of City-owned property is the sole form of support under this Policy, only requirements specified under this section will apply (except as otherwise required under Chapter 380 of the Texas Local Government Code) and any additional project requirements or minimums will be negotiated on a case-by-case basis.

5.3. ELIGIBILITY REQUIREMENTS FOR TRANSIT ORIENTED DEVELOPMENTS.

The City encourages and supports the construction of Transit Oriented Developments. In order to be considered for 380 Incentives, a Transit Oriented Development project must commit to at least \$5 million in Investment. The amount of a 380 Incentive under this Section will be based on a percentage of annual tax revenues that the City receives in a particular year, including ad valorem taxes on real property, ad valorem taxes on Business Personal Property, local sales taxes directly attributable to the project, or some combination thereof, not to exceed 50%, for a period of no more than 7 years. The percentage of ad valorem taxes will be based on the M&O tax rate of the City.

6. ECONOMIC DEVELOPMENT INITIATIVES FUND INCENTIVES (EDIF).

From time-to-time, the City may have cash reserves available as part of the EDIF to incentivize businesses that commit to increase employment at salary levels desired by the City. These cash reserves will be utilized to make cash grants, either upfront or following attainment of certain performance metrics, or loans.

All industries will be considered, but strong consideration will be given to applicants that derive the majority of its revenues from the Target Sectors outlined in Section 1.3 (subject to additional requirements outlined below).

Existing Businesses will only be eligible for 380 Incentives under this Section if the City is able to verify that they are receiving competing offers to relocate their operations outside of the City.

The following table reflects the maximum level of 380 Incentives available to a qualifying business under this Section based on the required minimum Salaries for net new full-time permanent jobs. All jobs must be filled and maintained for a minimum of 3 years in order to qualify. Remedies for enforcement of this requirement will be established in the Economic Development Program Grant Agreement.

Minimum Annual Wage Rate	Maximum Amount Per New Position
\$70,000 - \$80,499	\$1,500
\$80,500 - \$91,999	\$2,000
\$92,000 - \$101,499	\$2,500
\$102,000 or above	\$3,000

7. PROGRAM FOCUS IV: INNOVATION AND ENTREPRENEURSHIP.

A fourth core responsibility of the City under its Economic Development Program and through related economic development activities, focuses on promoting innovation and entrepreneurship to build a sustainable, competitive advantage for the City that fuels growth in economic productivity and drives the future of the City's economy. Doing so requires the joint efforts of multiple City departments and community stakeholders. The following targeted programs are administered by the Department as part of this Economic Development Program.

7.1. ELIGIBILITY REQUIREMENTS FOR RESEARCH AND DEVELOPMENT PROJECTS.

The City seeks to promote increased research and development activity and investment in the City. In support of this effort and recognizing that such research and development activities are not always associated with the delivery of new taxable sales or property, the City offers qualified projects the ability to earn 380 Incentives that are based on the value of annual research and development activity. While the 380 Incentives are earned on the basis of annual research and development activity, the ultimate value of 380 Incentives received are determined on the basis of incremental property taxes generated by either the applicant or an assignee, with the understanding that an assignee's property need not be the location of the project site.

Applicants within a Target Sector are eligible to receive 380 Incentives equal to a percentage of certain qualified expenses relating to ongoing research and development activities that take place in the City. Qualified Expenses outside the City will not be considered.

The City may provide 380 Incentives for a period of up to 15 years equal to up to 50% of Qualified Expenses that are reported for a given year during a period of up to 10 years. At no time will the amount of any 380 Incentives exceed 75% of annual incremental real property and Business Personal Property taxes received by the City in the preceding year from the subject property of an applicant or an assignee. The maximum amount of each 380 Incentive under this Section will be determined by the location in which the Target Sector research and development project is located, as set forth in the table below:

	Maximum Potential R&D Reimbursement
CBD/ Innovation District	Equal to 50% of Qualified Expenses
Designated Investment Zones	Equal to 35% of Qualified Expenses
Other City Location	Equal to 25% of Qualified Expenses

A Target Sector business receiving 380 Incentives pursuant to this Section may assign, sell, or transfer its right to receive the 380 Incentives to any party it wishes, subject to execution of a written agreement between the City, the Target Sector business, and the assignee party memorializing this arrangement. The Target Sector Business will still be required to submit any reports and documentation required by the EDPA in order for the City to verify the amount of each 380 Incentive. The amount of any transferred or assigned 380 Incentives will be reduced by 5 percentage points to account for the City’s additional administrative costs in overseeing the program.

In the event an assignee advances funds to the Target Sector business within the first 24 months following execution of the EDPA, the assignee may, subject to terms expressed in the EDPA, have the right to receive 380 Incentives equal to up to 75% of its annual incremental real and Business Personal Property ad valorem tax received by the City in an amount equal to the lesser of the amount advanced or 15% of the Program Cap for a period of up to 10 years. No property that is zoned Residential by the City shall be permitted to be included as part of an assignee’s subject property except where such zoning may be changed to facilitate new development (example: a property zoned for Single-Family Detached subsequently rezoned for Industrial in connection with new development). Properties that are zoned Mixed-Use (including any part of a form-based code) or properties that are zoned Planned Development may be included as part of an assignee’s subject property.

7.2. ELIGIBILITY REQUIREMENTS FOR WET LAB PROJECTS.

The City wishes to foster innovation and growth in the life sciences sector by supporting the development of state-of-the-art wet lab facilities, especially in areas targeted for innovation in the fields of medicine and other biosciences. -In support of these aims, the City offers qualified projects the ability to earn Ch. 380 Incentives in relation to the construction of new wet lab facilities. To be eligible, projects must:

- Be located in the Fort Worth Medical Innovation District as officially designated by the City Council and illustrated in Exhibit "E"; and

- Involve a minimum of \$10 million in new investment for the construction or modernization of wet lab facilities, including the value of new Business Personal Property.

The amount granted as part of the Ch. 380 Incentives will be based on a maximum of 50% of incremental City ad valorem taxes generated by the project, which may be delivered as a one-time cash grant or a series of annual grants delivered over a period not to exceed ten years.

8. ECONOMIC DEVELOPMENT PROGRAM CALCULATION.

8.1. Improvements Required.

All applicants for 380 Incentives must deliver or construct the minimum Capital Investment expenditure by the deadline established in the EDPA.

8.2. Percentage and Amount.

Although this Policy establishes the maximum calculations for 380 Incentives that may be available for a particular type of project, the specific amount of a particular EDPA will be negotiated on a case-by-case basis and the amount of the 380 Incentives may be less than the maximum amounts specified in this Policy, based on the review criteria set forth in Section 10.3. The calculation of a 380 Incentive for any project that meets the requirements of this Policy will be negotiated on a case-by-case basis and governed solely by the terms and conditions of the EDPA.

9. ECONOMIC DEVELOPMENT PROGRAM IMPLEMENTATION.

9.1. Term.

Although this Policy establishes the maximum term of EDPAs that may be available to certain types of projects, the actual term of any particular EDPA will be negotiated on a case-by-case basis and may be less than the maximum available term specified in this Policy, based on the review criteria set forth in Section 10.3.

9.2. Compliance.

Unless otherwise provided in the EDPA, the City will review and determine the recipient's compliance with the terms and conditions of the EDPA for a full calendar year prior to the first year in which the first 380 Incentive will be payable ("**First Compliance Review Year**"). The First Compliance Review Year will either be the full calendar year in which a final certificate of occupancy is issued for the improvements required by the EDPA (or if a certificate of occupancy is not required for some or all of the improvements, then such other written confirmation of completion of such improvements) for the real property and Business Personal Property investment required by the EDPA or the following calendar year, as negotiated and set forth in the EDPA. The first 380 Incentive will be paid in the calendar year following the Compliance Review Year. In other words, the degree to which the recipient meets the commitments set forth in the EDPA will determine the amount of the 380 Incentive payable in

the following year. The City will continue to review and determine the recipient's compliance with the terms and conditions of the EDPA for each subsequent calendar year, which findings will govern the amount of each subsequent 380 Incentive, until expiration of the EDPA.

9.3. Delegated Authority for Certain Amendments.

Except as otherwise reserved to the City Council in an EDPA, a Mayor and Council Communication (M&C) authorizing an EDPA, or any other action required to be taken by the City Council by law, City rule or regulation, or this Policy, the City Manager may amend an EDPA for the following purposes without further action by the City Council:

- Extension of any deadline for a period of up to one year;
- Amendment of a minimum Investment commitment; provided that the difference does not exceed ten percent (10%) of the minimum Investment commitment authorized by the City Council and specified in the EDPA;
- Amendment of a minimum employment commitment; provided that the difference does not exceed ten percent (10%) of the minimum employment commitment authorized by the City Council and specified in the EDPA; or
- Amendment of a minimum average annual salary commitment; provided that the difference does not exceed ten percent (10%) of the minimum average annual salary commitment authorized by the City Council and specified in the EDPA.

Notwithstanding the foregoing and except as otherwise expressly authorized by the City Council, any amendment to an EDPA authorized by the City Manager pursuant to this Section 9.3. must comply with the applicable minimum eligibility requirements of this Policy. Nothing in this Section 9.3. obligates the City Manager to authorize any amendment of an EDPA and any requests for amendments pursuant to this Section 9.3. will be considered on a case-by-case basis. The City Manager will report timely to the City Council when this authority is exercised.

9.34. Clawbacks and Performance Bonds.

Certain 380 Incentives involving the delivery of a cash grant that is subject to specific ongoing performance requirements under the Agreement will be subject to conditions providing for the potential recapture by the City of the grant funds received if those conditions are not fulfilled ("Clawback"). To ensure adherence to obligations and duties under any Agreement that is subject to a Clawback provision as described above and to protect the interests of the City, certain additional requirements for a Performance Bond will apply. The sole exception will be for situations involving the documented impossibility of efforts to secure a Performance Bond as more specifically provided for in the Agreement.

10. ECONOMIC DEVELOPMENT PROGRAM APPLICATION PROCEDURES.

Each 380 Incentive application will be processed in accordance with the following standards and procedures:

10.1. Submission of Application

The Department is responsible for promulgating the application for 380 Incentives (“**Application**”). Applicants desiring to receive 380 Incentives must complete and submit an Application to the Department. Among other things, the Application must include documentation that there are no delinquent property taxes due for the subject property. In addition, applicants whose projects include, either in whole or in part, the renovation of one or more existing structures, must provide a detailed description and cost estimates for the contemplated renovations.

10.2. Application Fee

An applicant must pay a non-refundable application fee \$2,500 (“**Application Fee**”) prior to final approval of the agreement by City Council.

10.3. Application Review and Evaluation

The Department will review an Application for accuracy and completeness. Once complete, the Department will evaluate an Application based on the proposed merit and value of the project, including, the guidelines and criteria established by this Policy, which include, without limitation, the following:

- Types and number of new jobs created, including: respective Salaries, and employee benefits packages such as health insurance, day care provisions, retirement packages, transportation assistance, employer-sponsored training and education, any other benefits and whether all benefits are offered on an equal and non-discriminatory basis to all employees;
- Percent of construction contracts committed to (i) Fort Worth Companies and (ii) BEFs;
- Financial viability of the project;
- The reasonably projected increase in the value of the tax base;
- Costs to the City (such as infrastructure participation, etc.);
- Type of industry and activities associated at the project site;
- If the company is foreign owned and/or includes capital investment sources from outside the United States;

- Other items that the City may determine to be relevant with respect to the project.

10.4. Consideration by the City Council

The City Council retains sole authority to approve or deny any EDPA and is under no obligation to approve any Application or EDPA.

11. GENERAL POLICIES AND REQUIREMENTS.

Notwithstanding anything to the contrary herein, the following general terms and conditions govern this Policy:

11.1. The City will not grant 380 Incentives for any development project in which a building permit application has been filed with the City's Development Services Department.

11.2. An applicant for a 380 Incentives must provide evidence to the City that demonstrates that 380 Incentives are necessary for the financial viability of the development project proposed.

11.3. An applicant 380 Incentives must provide Salary and employee benefit information for all positions of employment to be located in any facility covered by the Application as well as a copy of the applicant's written non-discrimination policy applicable to the applicant's employees.

11.4. As part of the consideration for any 380 Incentives, the City will have the right to (i) review and verify the applicant's financial statements and records related to the project and the amount of any 380 Incentives that may be payable in any given year; and (ii) conduct an on-site inspection of the project in order to verify compliance with the terms and conditions of the EDPA. Similarly, the City will have the right to require and review documentation providing evidence of project funding commitments, including but not limited to, direct equity participation by the proposed recipient, in advance of a determination relating to the offer or approval of a 380 Incentive.

Exhibit “A” DEFINITIONS

Business Personal Property -- Any taxable tangible personal property other than inventory and supplies that (i) is subject to ad valorem taxation by the City; (ii) is located on the property subject to an EDPA; (iii) is owned or leased by the party to the EDPA; and (iv) was not located in the City prior to the year in which the EDPA was executed.

Capital Investment - Expenditures for real property improvements such as, without limitation, new facilities and structures, site improvements, infrastructure improvements, facility expansion, facility modernization, and utility installation. Capital Investment does NOT include land acquisition costs or the cost or value of any improvements existing on the property prior to the City Council’s authorization of execution of an EDPA.

Catalytic Development Project – A development that meets the prerequisites set forth in Section 5.2.

Central Business District – A geographic area within the City, also referenced as Downtown, as defined in the Fort Worth Comprehensive Plan.

Comprehensive Plan - The City of Fort Worth’s official guide for making decisions about growth and development. The Plan is a summary of the goals, objectives, policies, strategies, programs, and projects that will enable the city to achieve its mission of focusing on the future, working together to build strong neighborhoods, develop a sound economy, and provide a safe community.

Designated Investment Zone –The geographic area within the City containing those census tracts (i) that are eligible for community development block grants (CDBG), as defined and determined by the United States Department of Housing and Urban Development (HUD), meaning that fifty-one percent (51%) or more of residents have low to moderate incomes and (ii) those census tracts that have a poverty rate of 20% or higher, as shown in the map of Exhibit “B” of this Policy.

Economic Development Initiatives Fund (EDIF) –The special revenue fund established pursuant to the City of Fort Worth Economic Development Initiatives Fund Policy and incorporated into the City of Fort Worth Adopted Budget to make cash funds available for the purpose of supporting economic development activities within the City.

Existing Business – A business that was operating within the corporate limits of the City prior to the effective date of this Policy.

Fort Worth Resident – An individual whose primary residence is located in the corporate boundaries of the City of Fort Worth.

Fort Worth Target Area – A geographic area as more specifically illustrated in Exhibit “E” that is located either within the corporate boundaries of the City of Fort Worth or its extraterritorial jurisdiction and that is identified for the specific purpose of prioritizing or otherwise guiding the proposed location of certain economic development projects or programs, for communicating industry or economic trends, growth patterns, and site or market characteristics, and for purposes of reference in relation to economic development policy or strategy. Fort Worth Target Areas are at all times inclusive of duly designated

Revitalization Target Areas, Innovation Districts, Tax Increment Reinvestment Zones, and Public Improvement Districts. Also designated as Fort Worth Target Areas are Target Industry Growth Centers, which are areas that are generally suited for supporting near or long-term growth in one or more Target Sector across multiple sites with similar characteristics, and Strategic Development Areas, which are areas suited for high-value mixed-use development of the kind that can be expected to promote citywide or regional economic growth or activity. Although not depicted in Exhibit “E,” Strategic Development Areas also generally include developable properties that are located within a one-quarter mile distance of the Trinity River, Benbrook Lake, Lake Arlington, or Lake Worth.

Innovation District – Geographic areas where leading-edge anchor institutions and companies cluster and connect with start-ups, business incubators, and accelerators that are physically compact, transit-accessible, and technically-wired, and offer mixed-use housing, office, and retail.

Investment – The aggregate of Capital Investment and Personal Property Investment.

Mega Project- A project meeting the prerequisites set forth in Section 3.4.

Mixed-Use Development Project – A development project in which a facility or facilities will be constructed or renovated such that (i) at least twenty percent (20%) of the total gross floor area will be used as residential space and (ii) at least ten percent (10%) of the total gross floor area will be used for office, restaurant, entertainment and/or retail sales and service space. In the event that all or any portion of the residential space is rental (i.e. apartments), there must be at least fifty (50) units.

Personal Property Investment – The value of Business Personal Property installed on a development site by a date certain, as determined solely by the appraisal district having jurisdiction over the development site.

Program Cap – The maximum amount of 380 Incentive award available over the term of 380 Incentive Term.

Qualified Expenses – Those expenses classified as qualified expenses under Internal Revenue Code Section 41 (the Research and Experimentation Tax Credit) and any other expenses identified and agreed to by the City in an EDPA as direct expenses for utility patent generation, technology commercialization, or spinoff incubation costs.

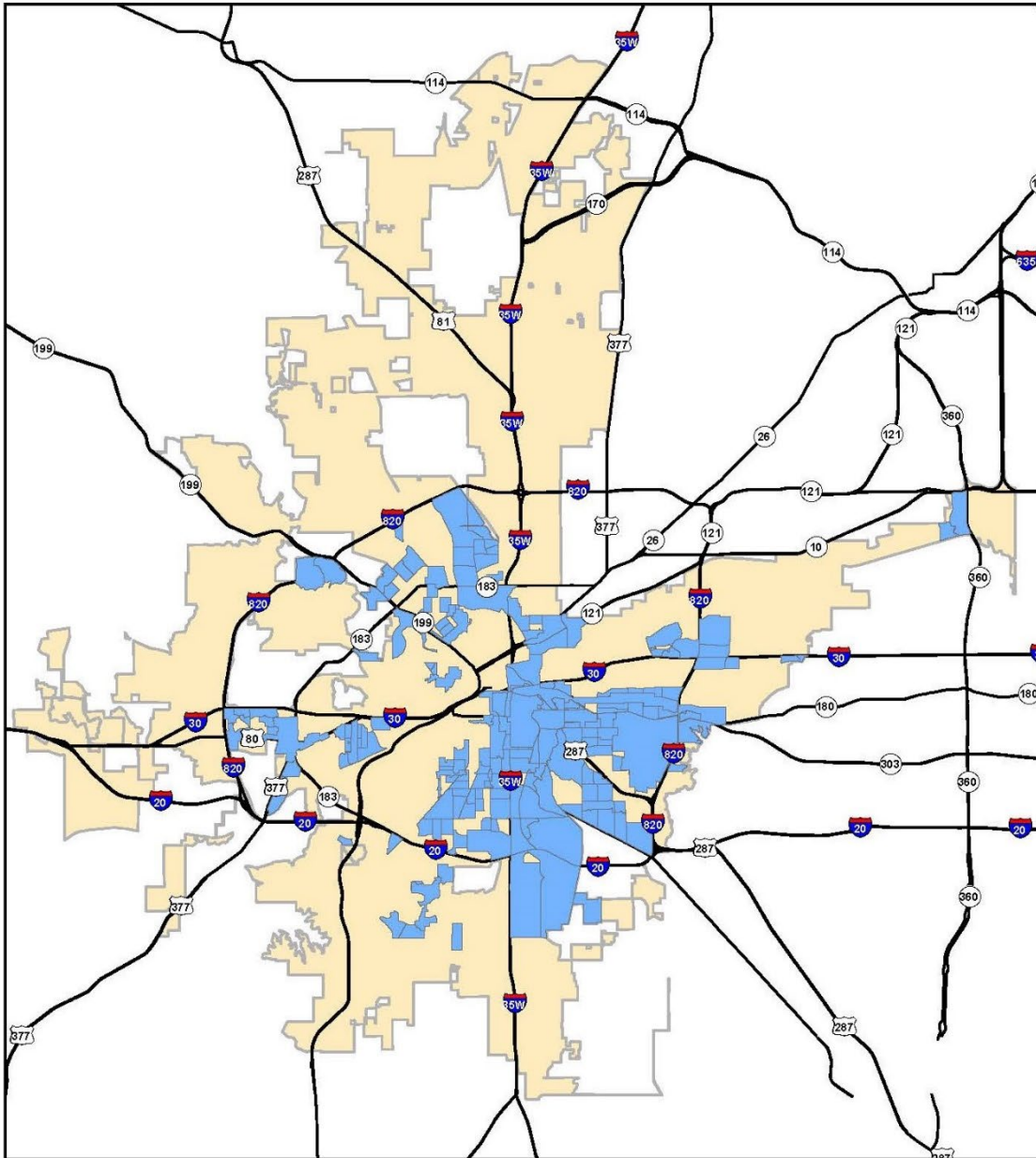
Salary – A cash payment or remuneration made to a full-time employee, including paid time off, commissions, and non-discretionary bonuses. A Salary does not include any benefits, such as health insurance or retirement contributions by the employer, reimbursements for employee expenses, or any discretionary bonuses.

Target Sector– A business providing services in the sectors specifically identified in Section 1.3.

Technology Company – A company working in an industry with a high concentration of workers in STEM (Science, Technology, Engineering, and Mathematics) occupations, including, but not limited to, design, prototype development and testing, preliminary manufacturing and product marketing.

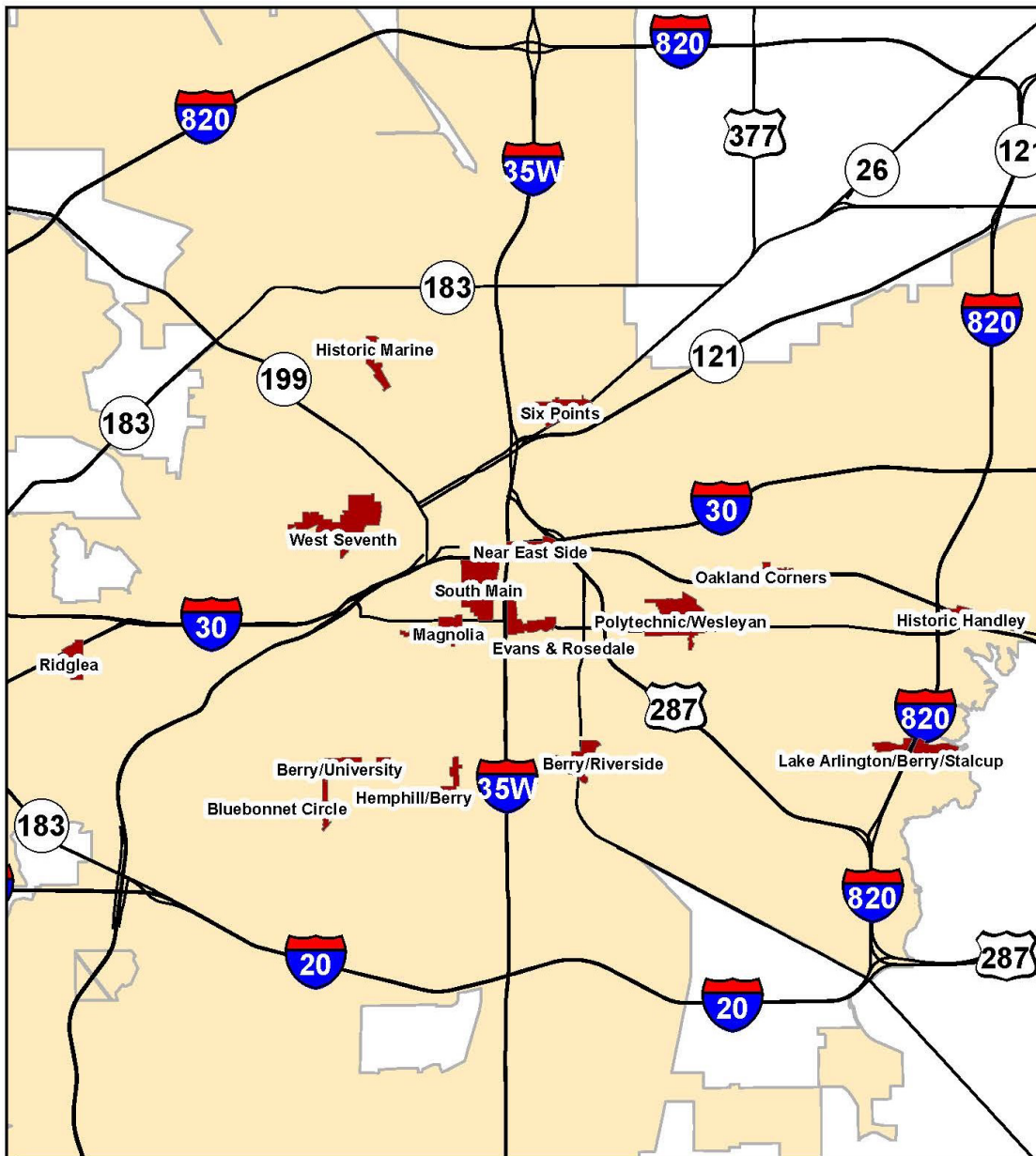
Transit Oriented Development - A Mixed-Use Development located within one-half mile of a commuter rail line station and in which all buildings will be at least 3 stories in height.

Exhibit “B”
DESIGNATED INVESTMENT ZONES



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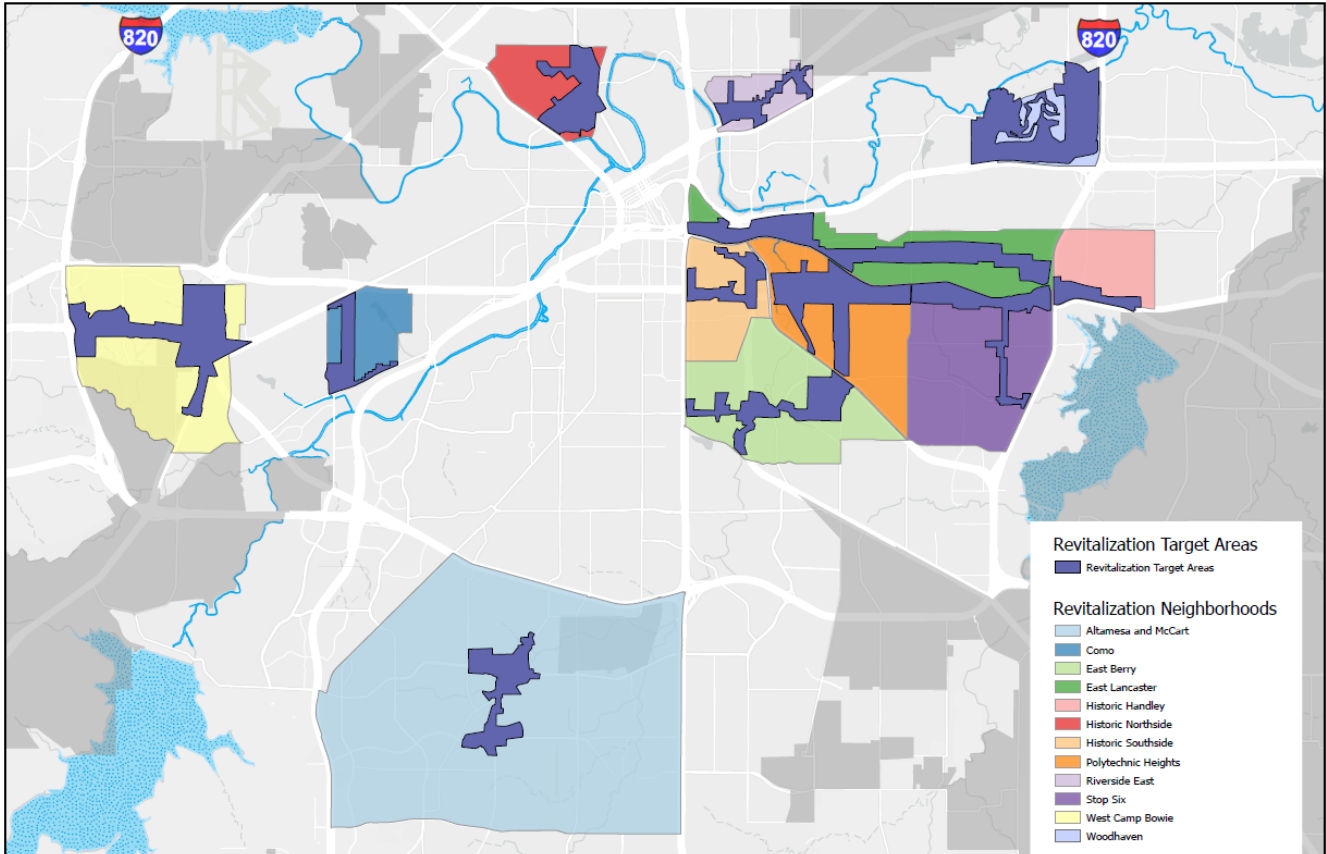
Exhibit “C”
URBAN VILLAGES



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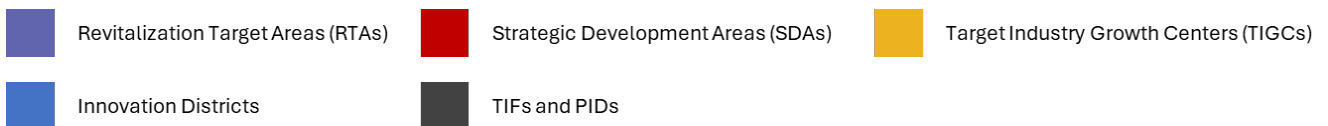
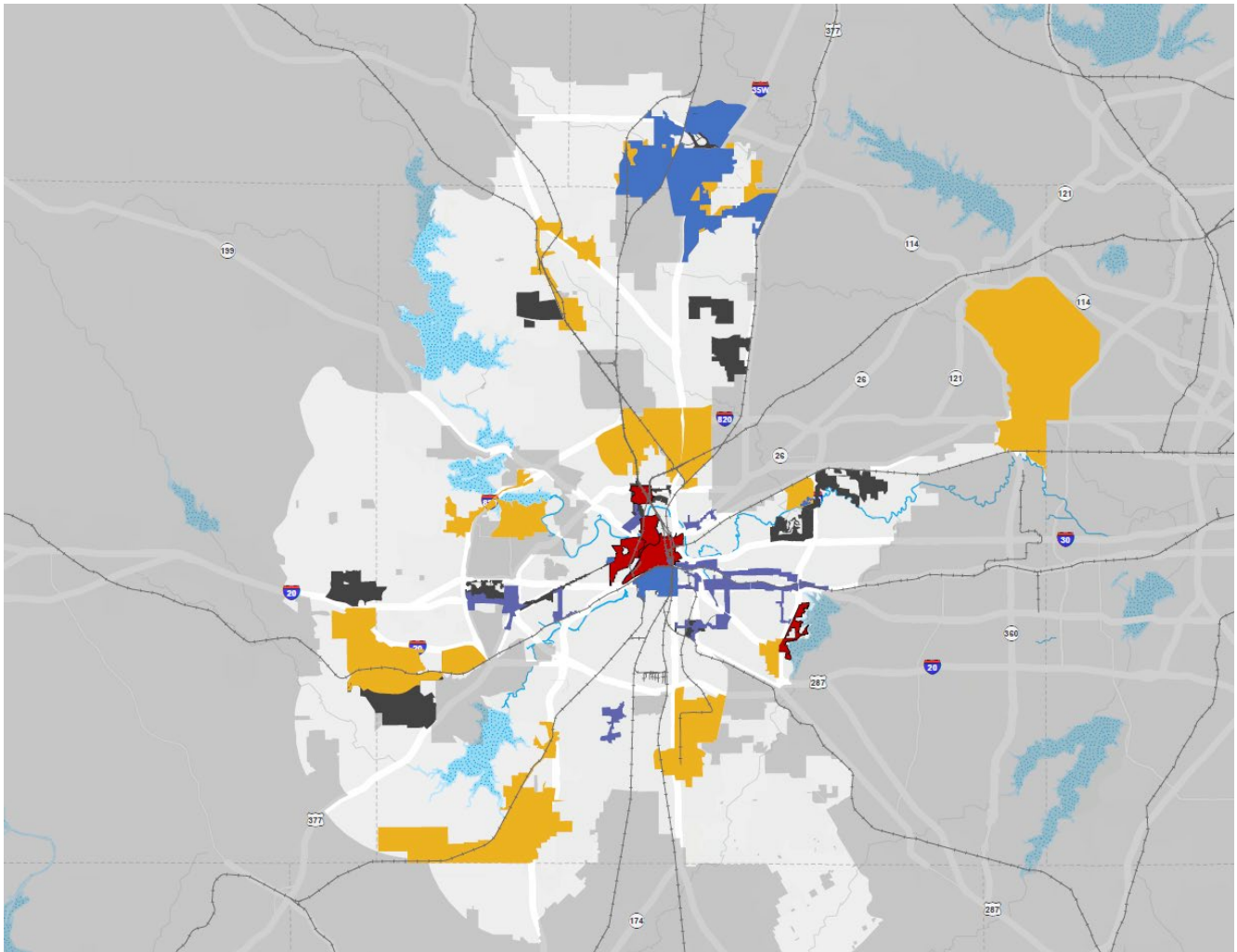
Exhibit “D”

REVITALIZATION TARGET AREAS



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Exhibit “E”
FORT WORTH TARGET AREAS



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City of Fort Worth

General Tax Abatement Policy

Effective ~~September-December 9~~⁴, 2025 through April 22, 2027

1. GENERAL PROVISIONS.

1.1. Purpose

Chapter 312 of the Texas Tax Code allows, but does not obligate or require, the City of Fort Worth (“City”) to grant a Tax Abatement on the value added to a particular property on account of a specific development project that meets the eligibility requirements set forth in this Policy. -In order for the City to participate in a Tax **Abatement**, the City is required to establish guidelines and criteria governing Tax Abatement Agreements. -This Policy is intended to set forth those guidelines and criteria for persons or entities interested in receiving a Tax Abatement from the City. This Policy, as revised by Resolution 6126-08-2025, will be effective on ~~September-1December 9~~, 2025 and expire at 11:59 p.m. on April ~~22~~¹, 2027.

1.2. General Eligibility Criteria

A Tax Abatement can only be granted to persons or entities eligible for a Tax Abatement pursuant to Section 312.204(a) of the Texas Tax Code, which persons or entities as of the effective date of this Policy must be (i) the owner of taxable real property located in a Tax Abatement reinvestment zone; or (ii) the owner of a leasehold interest in real property located in a Tax Abatement reinvestment zone. Although the City will consider all applications for a Tax Abatement that meet the eligibility requirements set forth in the associated Policy, it is especially interested in supporting projects that are expected to produce a meaningful impact on the City and its economy and that result in one or more of the following:

- Growth of business activity, employment, or investment in one of the City’s identified Target Industries;
- Creation of high-wage jobs;
- Significant Investment;
- Growth of business activity, employment, or investment in the Central Business District;
- Revitalization with likelihood of ancillary development in a key employment node or specifically designated area of the city;
- Retention or expansion of an existing, major employer; and
- Anchoring of a business expansion project with potential to generate additional supply chain activity.

1.3. General Exclusions and Limitations

1.3.1. Lessees of Real Property

A person or entity seeking a Tax Abatement on real property that is leased from a third party should be advised that, pursuant to state law, unless the real property owner is also a party to a Tax Abatement Agreement, the City can only abate taxes on the increased value of the taxable leasehold interest in the real property, if any, and the increase in value

of taxable improvements and ~~New Taxable Tangible Business~~ Personal Property located on the real property and subject to the leasehold interest, if any.—Before applying for a Tax Abatement from the City, such persons or entities should seek professional and legal guidance, and may wish to consult with the appraisal district having jurisdiction over the property in question as to whether their development projects will result in a taxable leasehold interest in the property and, if so, the anticipated value of that leasehold interest.

1.3.2. Property Located in Neighborhood Empowerment Zones (“NEZs”)

The City Council has designated certain distressed areas of the City needing economic development and expanded public services as NEZs.—Notwithstanding anything that may be interpreted to the contrary, this Policy does not apply to property located in a NEZ.—A person or entity seeking a Tax Abatement on property owned or leased in a NEZ should refer to the Neighborhood Empowerment Zone Tax Abatement Policy currently in effect.

1.3.3. Property Located in Tax Increment Reinvestment Zones (“TIFs”)

The City Council has designated certain areas of the City as TIFs.—This Policy does apply to property located in a TIF. However, a person or entity seeking a Tax Abatement on property owned or leased in a TIF should be advised that state law requires a TIF’s board of directors and the governing bodies of all taxing jurisdictions contributing tax increment revenue to a TIF to approve a City Tax Abatement Agreement on property located in that TIF before the Agreement can take effect.

1.3.4. Property Located in Enterprise Zones

The State of Texas has designated certain areas of the City with high unemployment as enterprise zones. Various economic development incentives are available to owners of property located in enterprise zones.—In accordance with state law, all property located within an enterprise zone is automatically designated as a Tax Abatement reinvestment zone.—However, the City typically designates individual Tax Abatement reinvestment zone overlays when it wishes to grant Tax Abatements on property located in an enterprise zone.

2.— DEFINITIONS: See Exhibit “A”.

3. ELIGIBILITY CRITERIA FOR GENERAL PROJECTS.

Unless a project meets one of the other minimum eligibility criteria set forth in Sections 4-~~119~~ below, in order to be considered for a Tax Abatement, a project must commit to a minimum Investment of at least \$25 million and the creation of new, full-time jobs that meet a minimum average annual Salary of—at least \$60,000 (with the understanding that the City may require higher commitments as determined on a project-by-project basis in full view and consideration of the specific project deliverables, anticipated impact, and market environment).

The table below establishes the maximum percentage of a Tax Abatement that may be available to general projects based on minimum Investment and employment levels:

Requirements for General Sector Industries					
Maximum Term	Jobs Required	>\$70 M Investment	\$55 M - \$70 M Investment	\$40 M - \$54 M Investment	\$25 M - \$39M Investment
3 - 5 years	50 – 100	20% Abatement	20% Abatement	20% Abatement	20% Abatement
6 - 7 years	100 – 250	30% Abatement	30% Abatement	30% Abatement	N/A
8 - 9 years	250 - 400	40% Abatement	40% Abatement	N/A	N/A
10 years	400 +	50% Abatement	N/A	N/A	N/A

All General Sector Industry Projects will be subject to a requirement to demonstrate hiring practices that prioritize recruitment and employment of Fort Worth Residents and must demonstrate a “Good Faith Effort” to have at least thirty percent (30%) of employees associated with the project as Fort Worth Residents.

4. **ELIGIBILITY REQUIREMENTS FOR TARGET INDUSTRY PROJECTS.**

The City is particularly interested in attracting certain target industries (each defined herein as a “**Target Industry**”) that will help strengthen and diversify the City’s economy:

- **Mobility** – Automotive & Transportation Manufacturing, Vehicle Technologies, Micromobility, Vertical Takeoff and Landing (VTOL) and Electric Flight, Transportation Services, Logistics Technologies and Management
- **Aerospace & Defense** – Aerospace Manufacturing and Design, Federal Government, Information Technology and Analytical Instruments
- **Energy** – Alternative Energy Generation, Alternative Energy Equipment, Energy Storage and Distribution, Oil and Gas Management, Oil & Gas Technology, Smart Building Systems
- **Culture** – Hospitality and Tourism, Performing Arts, Film, Local Hospitality and Independent Venues
- **Anchors & Innovators** – Corporate Headquarters, Engineering, Financial Services, Professional Services, Colleges and Universities, Research Organizations, Biopharmaceutical Products and Medical Technologies, Hospitals, Computer and Information Services

In order to be considered for a Tax Abatement, an applicant for a Target Industry project must commit to a minimum Investment of at least \$25 million and the creation of new, full-time jobs that meet a minimum average annual Salary of \$ at least \$60,000 (with the understanding that the City may require higher commitments as determined on a project-by-project basis in full view and consideration of the specific project deliverables, anticipated impact, and market environment).

The table below establishes the maximum percentage of Tax Abatement that will be available to Target Industry projects based on minimum investment and employment:

Requirements for Target Sector Industries					
Maximum Term	Jobs Required	> \$70 M + Investment	\$55 M -\$70 M Investment	\$40 M - \$54 M Investment	\$25 M - \$39 M Investment
3 - 5 years	50 – 100	40% Abatement	40% Abatement	40% Abatement	40% Abatement
6 – 7 years	100 – 250	50% Abatement	50% Abatement	50% Abatement	N/A
8 – 9 years	250 - 400	60% Abatement	60% Abatement	N/A	N/A
10 years	400 +	70% Abatement	N/A	N/A	N/A

The difference in the eligibility criteria between general projects under Section 3 and Target Industry projects under this Section 4 is that the maximum percentage of a Tax Abatement available for Target Industry projects is 70% instead of 50%.

All Target Sector Industry Projects will be subject to a requirement to demonstrate hiring practices that prioritize recruitment and employment of Fort Worth Residents and must demonstrate a “Good Faith Effort” to have at least thirty percent (30%) of employees associated with the project as Fort Worth Residents.

5. **ELIGIBILITY REQUIREMENTS FOR EXISTING BUSINESS EXPANSION PROJECTS.**

The City desires to support the growth and expansion of existing business in the City. In order to be considered for a Tax Abatement, an applicant for an Existing Business expansion project must commit to a minimum Investment of at least \$10 million and the creation of at least 25 new, full-time jobs.

Requirements for General Sector Industries					
Maximum Term	Jobs Required	>\$55 M Investment	\$40 M -\$54 M Investment	\$25 M - \$39 M Investment	\$10 M - \$24 M Investment
3 - 5 years	50 – 100	50% Abatement	50% Abatement	50% Abatement	50% Abatement
6 - 7 years	100 – 250	60% Abatement	60% Abatement	60% Abatement	N/A
8 - 9 years	250 - 400	70% Abatement	70% Abatement	N/A	N/A
10 years	400 +	80% Abatement	N/A	N/A	N/A

Any Existing Business expansion project will be considered for a Tax Abatement at a Tax Abatement percentage not to exceed 80%.

All Target Sector Industry Projects will be subject to a requirement to demonstrate hiring practices that prioritize recruitment and employment of Fort Worth Residents and must demonstrate a “Good Faith Effort” to have at least thirty percent (30%) of employees associated with the project as Fort Worth Residents.

5.1. ELIGIBILITY REQUIREMENTS FOR SUPPLIERS OF ESTABLISHED TARGET INDUSTRY EMPLOYERS.

The City desires to strengthen and further the growth of target industry clusters in Fort Worth and to promote a stronger business environment for major established employers that are currently located in the City. As such, a project completed by or for the supplier of critical materials,

components, or services for an established Target Sector company (“Supplier”) (i) has a corporate or regional headquarters that is located in Fort Worth and (ii) employs at least 3,000 people at its Fort Worth facilities will be eligible for a Tax Abatement. To be eligible, a Supplier project must commit to a minimum Investment of at least \$10 million and the creation of at least 25 new full-time jobs with a minimum annual average employee Salary of— at least \$60,000 (with the understanding that the City may require higher commitments as determined on a project-by-project basis in full view and consideration of the specific project deliverables, anticipated impact, and market environment).

Requirements for Suppliers of Established Target Industry Employers					
Maximum Term	Jobs Required	\$55 M + Investment	\$40 M - \$54 M Investment	\$25 M - \$39 M Investment	\$10 M - \$24 M Investment
3 - 5 years	25 – 100	45 % Incentive	40 % Incentive	35 % Incentive	30 % Incentive
6 - 10 years	100 +	50 % Incentive	45 % Incentive	40 % Incentive	N/A

6. ELIGIBILITY REQUIREMENTS FOR MEGA PROJECTS.

A “Mega Project” can be within any industry.— However, the City is especially interested in Fortune 1,000, Fortune Global 500, and Inc. 5000 designated companies, pursuing development or redevelopment opportunities within the City.— Applicants for Mega Projects granted must commit to at least one of the following (with the exception of data centers or other unique low employment/high capital investment projects that must have a minimum investment of \$50 million):

- Commit to a minimum Investment of at least \$250 million;
- Commit to hire at least 1,500 full-time employees; or
- Commit to a minimum annual payroll of at least \$150 million.

A Mega Project will be considered for a Tax Abatement at an Abatement percentage not to exceed 85%.

To be eligible, a Mega Project must commit to a minimum annual average employee Salary level of at least \$60,000 (with the understanding that the City may require higher commitments as determined on a project-by-project basis in full view and consideration of the specific project deliverables, anticipated impact, and market environment).

7. ELIGIBILITY REQUIREMENTS FOR TECHNOLOGY COMPANY PROJECTS.

The City wishes to encourage and promote the development of technology businesses.— In order to be considered for a Tax Abatement, a Technology Company project must employ at least 5 individuals.

A Technology Company may receive one of the following Tax Abatements:

- Up to 80% of incremental real property taxes on owned or leased facilities for up to 5 years;
- or*
- Up to 80% of— ~~New Taxable Tangible Business~~ Personal Property taxes for up to 5 years.

8. ELIGIBILITY REQUIREMENTS FOR CATALYTIC DEVELOPMENT PROJECTS.

To be designated as a “Catalytic Development Project”, an applicant must show that the Project meets the following criteria:

- Located within either a Designated Investment Zone, an Urban Village, ~~or an identified Revitalization Target Area~~, ~~or a Fort Worth Target Area~~, ~~depicted in Exhibits “B”, “C” and “D”, respectively~~, Innovation District, or Strategic Development Area (as depicted in Exhibits “B”, “C” “D”, and “E” respectively);
- Minimum \$5 million in Investment; and
- Complies with at least one of the following requirements:
 - A Mixed-Use Development;
 - Fills a gap, such as a grocery store in a food desert or a childcare facility, as determined by City staff based on goals set forth in the City’s then-current Comprehensive Plan or other statistical data or relevant documentation;
 - Located along a commercial corridor or within an urban village, as identified in the City’s then-current Comprehensive Plan;
 - Generates significant job opportunities in the area, as determined by City staff based on then-current employment data; or
 - Helps create a hub of entrepreneurial activity, positioning the City to attract entrepreneurs and high-growth companies, as determined by City staff based on goals and recommendations set forth in the City’s Economic Development Strategic Plan, the City’s then-current Comprehensive Plan, or on other statistical data or relevant documentation.

~~Notwithstanding the foregoing, a Mixed-Use Development with at least \$5 million in Investment and whose residential component comprises rental units (i.e., apartments) that meet the affordable housing commitments set forth in Section 11.2 will be considered as a “Catalytic Development Project” eligible for a Tax Abatement even if it is located outside of a Designated Improvement Zone.~~

All Catalytic Development Projects will be eligible for consideration for a Tax Abatement.— The maximum percentage of Tax Abatement available for a Catalytic Development Project will be 80% of incremental real property and ~~New Taxable Tangible~~Business Personal Property tax.

9. ELIGIBILITY REQUIREMENTS FOR TRANSIT ORIENTED DEVELOPMENTS.

The City encourages and supports the construction of Transit Oriented Developments.— In order to be considered for Tax Abatement, an applicant for a Transit Oriented Development project must commit to at least \$5 million in Investment.— The maximum percentage of Tax Abatement available for a Transit Oriented Development project will be 50% of incremental real property and ~~New Taxable Tangible~~Business Personal Property taxes for a maximum term of 7 years.

10. TAX ABATEMENTS IN COOPERATION WITH COUNTIES

The City may, at its sole discretion and for purposes of facilitating a Tax Abatement by a County as required under Chapter 312 of the Texas Tax Code, elect to enter into a Tax Abatement Agreement for a term of one (1) year if a County government separately proposes to enter into a Tax Abatement Agreement in support of the project.

11. ADDITIONAL TAX ABATEMENT REQUIREMENTS.

11.1 Commitment for Utilization of Small Business Firms.

- a. All projects subject to a Tax Abatement are subject to the City's Small Business Program in Procurement of Goods, Services and Construction Ordinance (Chapter 21 of the City Code and herein referred to as " Small Business Ordinance") and must make a commitment to utilize Small Business Firms (" SBF") (as Small Business is defined in the Small Business Ordinance) as determined by the Economic Development Director.
- b. If upon completion of the funded portion of the improvements it is determined that the required SBF commitment was not achieved for a particular category of improvement as outlined in the agreement, the agreed to penalty or loss of incentive will be enforced as outlined in the agreement.

~~11.2. Affordable Housing Commitment for Mixed-Use Development Projects.~~

~~———— All Mixed-Use Development Projects subject to a Tax Abatement that contain rental residential units must provide affordable housing as follows:~~

- ~~• At least 10% of all rental residential units must be set aside exclusively for lease to qualifying households whose adjusted incomes do not exceed the then-current eighty percent (80%) income limits established by HUD at rents that are affordable to such households.~~
- ~~• At least 10% of all rental residential units must be set aside exclusively for lease to qualifying households whose adjusted incomes do not exceed the then-current sixty percent (60%) income limits established by HUD at rents that are affordable to such households.~~

11.2. Affordable Housing CommitmentSupport.

All Projects subject to a Tax Abatement Agreement that contain residential units will, for each year of the Tax Abatement Compliance Term, earn a Tax Abatement that is equal to five percent (5%) of the incremental City taxes on Real and/or Business Personal Property associated with the Project ("Affordable Housing Abatement"). Subject to terms more specifically provided for under the Tax Abatement Agreement, the Project owner will upon receipt of the Affordable Housing Abatement make equal payment annually to the Fort Worth Housing Finance Corporation for the purpose of promoting the development or provision of affordable housing, at all times striving to deliver such affordable housing in close proximity to the Project ("Affordable Housing Payment"). At no time may the combined value of the Affordable Housing Abatement and any other Tax Abatement payable under the Tax Abatement Agreement that is based on the incremental value of City Real and Business Personal Property taxes exceed one hundred percent (100%) of such taxes.

11.3. Commitment for Employment of Fort Worth Residents.

All projects that are subject to a commitment for the employment of at least ten (10) individuals must also demonstrate hiring practices that prioritize recruitment and employment of Fort Worth Residents.

12. TAX ABATEMENT CALCULATION.

12.1. Improvements Required.

All Tax Abatement Agreements must require the applicant to construct or cause construction of specific improvements on the real property that is subject to the Tax Abatement.

12.2. Percentage and Amount.

Although this Policy establishes the maximum percentage of Tax Abatement that may be available for a particular type of project, the specific amount of a particular Tax Abatement will be determined on a case-by-case basis and may be less than the maximum available percentage specified in this Policy, based, without limitation, on the review criteria set forth in Section 14.3.

13. TAX ABATEMENT IMPLEMENTATION

13.1. Term.

Although this Policy establishes the maximum term of a Tax Abatement that may be available to certain types of projects, the actual term of a Tax Abatement will be determined on a case-by-case basis and may be less than the maximum available term specified in this Policy, based on the review criteria set forth in Section 14.3.

13.2. Compliance.

The City will review and determine the recipient's compliance with the terms and conditions of the Tax Abatement Agreement in each year of the Tax Abatement Compliance Term.—The first year of the Tax Abatement Compliance Term will be either the calendar year in which the recipient achieved all Investment required by the Tax Abatement Agreement or the following calendar year, as set forth in the Tax Abatement Agreement.—The City will provide Tax Abatement for the tax years comprising the Tax Abatement Benefit Term, with the first such tax year occurring in the year following the first year of the Tax Abatement Compliance Term. In other words, the degree to which the recipient meets the commitments set forth in the Tax Abatement Agreement will determine the percentage of taxes abated for the following tax year. The City will continue to review the recipient's compliance with the terms and conditions of the Tax Abatement Agreement for each subsequent calendar year, which findings will inform the percentage of taxes abated for the following tax year, until expiration of the Tax Abatement Agreement.

13.3. Delegated Authority for Certain Amendments.

Except as otherwise reserved to the City Council in a Tax Abatement Agreement, a Mayor and Council Communication (M&C) authorizing a Tax Abatement Agreement, or any other action required to be taken by the City Council by law, City rule or regulation, or this Policy, the City Manager may amend a Tax Abatement Agreement for the following purposes without further action by the City Council:

- Extension of any deadline for a period of up to one year;

- Amendment of a minimum Investment commitment; provided that the difference does not exceed ten percent (10%) of the minimum Investment commitment authorized by the City Council and specified in the Tax Abatement Agreement;
- Amendment of a minimum employment commitment; provided that the difference does not exceed ten percent (10%) of the minimum employment commitment authorized by the City Council and specified in the Tax Abatement Agreement; or
- Amendment of a minimum average annual salary commitment; provided that the difference does not exceed ten percent (10%) of the minimum average annual salary commitment authorized by the City Council and specified in the Tax Abatement Agreement.

Notwithstanding the foregoing and except as otherwise expressly authorized by the City Council, any amendment to a Tax Abatement Agreement authorized by the City Manager pursuant to this Section 13.3. must comply with the applicable minimum eligibility requirements of this Policy. Nothing in this Section 13.3. obligates the City Manager to authorize any amendment of a Tax Abatement Agreement and any requests for amendments pursuant to this Section 13.3. will be considered on a case-by-case basis.—

-The City Manager will report timely to the City Council when this authority is exercised.

14. TAX ABATEMENT APPLICATION PROCEDURES

The City will process each Tax Abatement application in accordance with the following standards and procedures:

14.1. Submission of Application

If a given project qualifies for a Tax Abatement pursuant to this Policy, an applicant for a Tax Abatement must complete and submit a City Tax Abatement Application (“**Application**”). An Application can be obtained from, and must be submitted to, the City’s Economic Development Department (“**Department**”).—In order to be complete, the Application must include documentation evidencing no delinquent property taxes due for the subject property. In addition, projects that include, in whole or in part, the renovation of one or more existing structures must provide, as part of the Application, a detailed description and the estimated costs of the proposed renovations.

14.2. Application Fee

An applicant must pay a non-refundable Application fee of \$2,500 (“**Application Fee**”) prior to final approval of the ~~£~~Tax ~~a~~Abatement ~~a~~Agreement by City Council.

14.3. Application Review and Evaluation

The Department will review an Application for accuracy and completeness.—Once complete, the Department will evaluate an Application based on the proposed merit and value of the project, including the guidelines and criteria established by this Policy, which include, without limitation, the following:

- Types and number of new jobs created, including: respective Salaries and employee benefits packages, such as health insurance, day care provisions, retirement packages, transportation assistance, employer-sponsored training and education, any other benefits and whether all benefits are offered on an equal and non-discriminatory basis to all employees;
- Percentage of Capital Investment committed to local companies, including BEFs;
- Financial viability of the project;
- The reasonably projected increase in the value of the tax base;
- Costs to the City (such as infrastructure participation, etc.);
- Remediation of an existing environmental problem on the real property;
- Type of industry and activities associated at the project site;
- If the company is foreign owned and/or includes Capital Investment sources from outside the United States; and
- Any other items that the City may determine to be relevant with respect to the project.

1514.4. Consideration by the City Council

The City Council retains sole authority to approve or deny any Tax Abatement Agreement and is under no obligation to approve any Application or Tax Abatement Agreement.

156. GENERAL POLICIES AND REQUIREMENTS

Notwithstanding anything to the contrary herein, the following general terms and conditions govern this Policy:

156.1. The City will not grant a Tax Abatement for any project in which a building permit application has been filed with the City's Planning and Development Department.—In addition, the City will not abate taxes on the value of real or Tangible Personal Property for any period of time prior to the year of execution of a Tax Abatement Agreement with the City.

156.2. The applicant for a Tax Abatement must provide evidence to the City that demonstrates that a Tax Abatement is necessary for the financial viability of the proposed project.

156.3. The City will not abate taxes levied on inventory, supplies, or the existing tax base.

156.4. An applicant for a Tax Abatement must provide Salary and employee benefit information for all positions of employment to be located in any facility covered by the Application as well as a copy of the applicant's written non-discrimination policy applicable to the applicant's employees.

156.5. Unless otherwise specified in the Tax Abatement Agreement, the amount of real property taxes to be abated in a given year shall not exceed one hundred fifty percent (150%) of the amount of the minimum Capital Investment expenditure required by the Tax Abatement Agreement for improvements to the real property subject to Tax Abatement multiplied by the City's tax rate in effect for that same year, and the amount of Business Personal Property taxes to be abated in a given year shall not exceed one hundred fifty percent (150%) of the minimum value of Business Personal Property required by the Tax Abatement Agreement to be located on the real property, if any, subject to Tax Abatement multiplied by the City's tax rate in effect for that same year.

156.6. The owner of real property and/or ~~New-Taxable-Tangible~~Business Personal Property for which a Tax Abatement has been granted must properly maintain the property to assure the long-term economic viability of the project.

156.7. As part of the consideration for any Tax Abatement, the City will have the right to (i) review and verify the applicant's financial statements and records related to the project and the Tax Abatement in each year during the term of the Tax Abatement Agreement prior to the granting of a Tax Abatement in any given year and (ii) conduct an on-site inspection of the project in each year during the term of the Tax Abatement to verify compliance with the terms and conditions of the Tax Abatement Agreement. ~~Any incidents of non-compliance will be reported to all taxing units with jurisdiction over the real property subject to a Tax Abatement.~~ Similarly, the City will have the right to require and review documentation providing evidence of project funding commitments, including but not limited to direct equity participation by the proposed recipient, in advance of a determination relating to the offer or approval of a Tax Abatement.

EXHIBIT “A” **DEFINITIONS**

Capitalized terms used in this Policy but not defined elsewhere shall have the following meanings:

Abatement or Tax Abatement – An abatement of a specified percentage of the City’s incremental ad valorem real property taxes on any improvements located on the subject property (calculated as of January 1 of the year in which the Tax Abatement Agreement is executed) and of the City’s incremental ad valorem tax on ~~New Taxable Tangible~~Business Personal Property.

Abatement Benefit Term – The period of time specified in a Tax Abatement Agreement, but not to exceed ten (10) years, that the recipient of a Tax Abatement may receive the Abatement.

Abatement Compliance Term – The period of time specified in a Tax Abatement Agreement during which the recipient of a Tax Abatement must comply with the provisions and conditions of the Tax Abatement Agreement and file an annual report with the City that outlines and documents the recipient’s compliance with such provisions and conditions.

Business Personal Property – Any taxable tangible personal property other than inventory and supplies that (i) is subject to ad valorem taxation by the City; (ii) is located on the property subject to a Tax Abatement Agreement; (iii) is owned or leased by the party to the Tax Abatement Agreement; and (iv) was not located in the City prior to the year in which the Tax Abatement Agreement was executed.

New Taxable Tangible Personal Property – Any personal property other than inventory and supplies that (i) is subject to ad valorem taxation by the City; (ii) is located on the property subject to Abatement; (iii) is owned or leased by the party to the Tax Abatement Agreement; and (iv) was not located in the City prior to the period covered by the Tax Abatement Agreement.

Capital Investment – Expenditures for real property improvements such as, without limitation, new facilities and structures, site improvements, infrastructure improvements, facility expansion, facility modernization, and utility installation. Capital Investment does NOT include land acquisition costs or the cost or value of any improvements existing on the property prior to the City Council’s authorization of execution of a Tax Abatement Agreement.

Catalytic Development – A development that meets the prerequisites set forth in Section 8.

Central Business District – A geographic area within the City, also referenced as Downtown, as defined in the City’s Comprehensive Plan.

Comprehensive Plan – ~~T~~ The City’s official guide for making decisions about growth and development, which includes a summary of the goals, objectives, policies, strategies, programs, and projects that will enable the City to achieve its mission of focusing on the future, working together to build strong neighborhoods, develop a sound economy, and provide a safe community.

Designated Investment Zone – The geographic area within the City containing those census tracts (i) that are eligible for community development block grants (CDBG), as defined and determined by the United States Department of Housing and Urban Development (HUD), meaning that fifty-one percent

(51%) or more of residents have low to moderate incomes and (ii) those census tracts that have a poverty rate of 20% or higher, as shown in the map of Exhibit “B” of this Policy.

Existing Business – A business that was legally operating within the corporate boundaries of the City prior to the effective date of this Policy.

Fort Worth Resident – An individual whose primary residence is located in the corporate boundaries of the City.

Fort Worth Target Area – A geographic area as more specifically illustrated in Exhibit “E” that is located either within the corporate boundaries of the City of Fort Worth or its extraterritorial jurisdiction and that is identified for the specific purpose of prioritizing or otherwise guiding the proposed location of certain economic development projects or programs, for communicating industry or economic trends, growth patterns, and site or market characteristics, and for purposes of reference in relation to economic development policy or strategy. Fort Worth Target Areas are at all times inclusive of duly designated Revitalization Target Areas, Innovation Districts, Tax Increment Reinvestment Zones, and Public Improvement Districts. Also designated as Fort Worth Target Areas are Target Industry Growth Centers, which are areas that are generally suited for supporting near or long-term growth in one or more Target Sector across multiple sites with similar characteristics, and Strategic Development Areas, which are areas suited for high-value mixed-use development of the kind that can be expected to promote citywide or regional economic growth or activity. Although not depicted in Exhibit “E,” Strategic Development Areas also generally include developable properties that are located within a one-quarter mile distance of the Trinity River, Benbrook Lake, Lake Arlington, or Lake Worth.

Innovation District – Geographic areas where leading-edge anchor institutions and companies cluster and connect with start-ups, business incubators, and accelerators that are physically compact, transit-accessible, and technically-wired, and offer mixed-use housing, office, and retail.

Investment – The aggregate of Capital Investment and ~~New-Taxable-Tangible~~Business Personal Property.

Mega Project – A project meeting the prerequisites set forth in Section 6.

Mixed-Use Development Project – A development project in which a facility or facilities will be constructed or renovated such that (i) at least twenty percent (20%) of the total gross floor area will be used as residential space and (ii) at least ten percent (10%) of the total gross floor area will be used for office, restaurant, entertainment and/or retail sales and service space. In the event that all or any portion of the residential space is rental (i.e., apartments), there must be at least fifty (50) units.

Reinvestment Zone – An area designated by the City as a Tax Abatement reinvestment zone in accordance with Chapter 312 of the Texas Tax Code.

Salary – A cash payment or remuneration made to a full-time employee, including paid time off, commissions, and non-discretionary bonuses. A Salary does not include any benefits, such as health insurance or retirement contributions by the employer, reimbursements for employee expenses, or any discretionary bonuses.

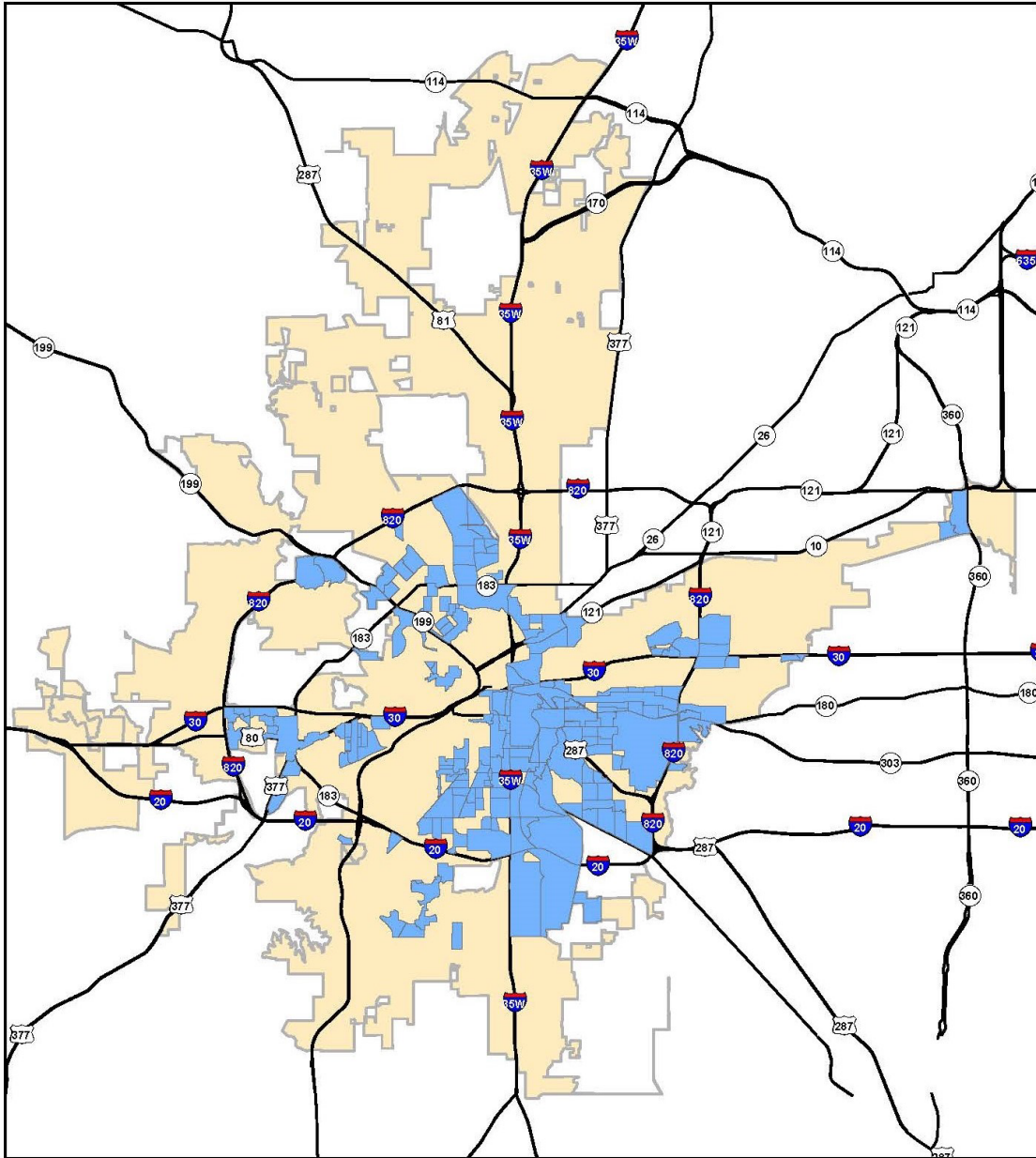
Target Industry – A business providing services in the sectors specifically identified in Section 4.

Tax Abatement Agreement – A written agreement that the recipient of a Tax Abatement must enter into with the City that outlines the specific terms and conditions pertaining to and governing the Tax Abatement.

Technology Company – A company working in an industry with a high concentrations of workers in STEM (Science, Technology, Engineering, and Mathematics) occupations, including, but not limited to, design, prototype development and testing, preliminary manufacturing and product marketing.

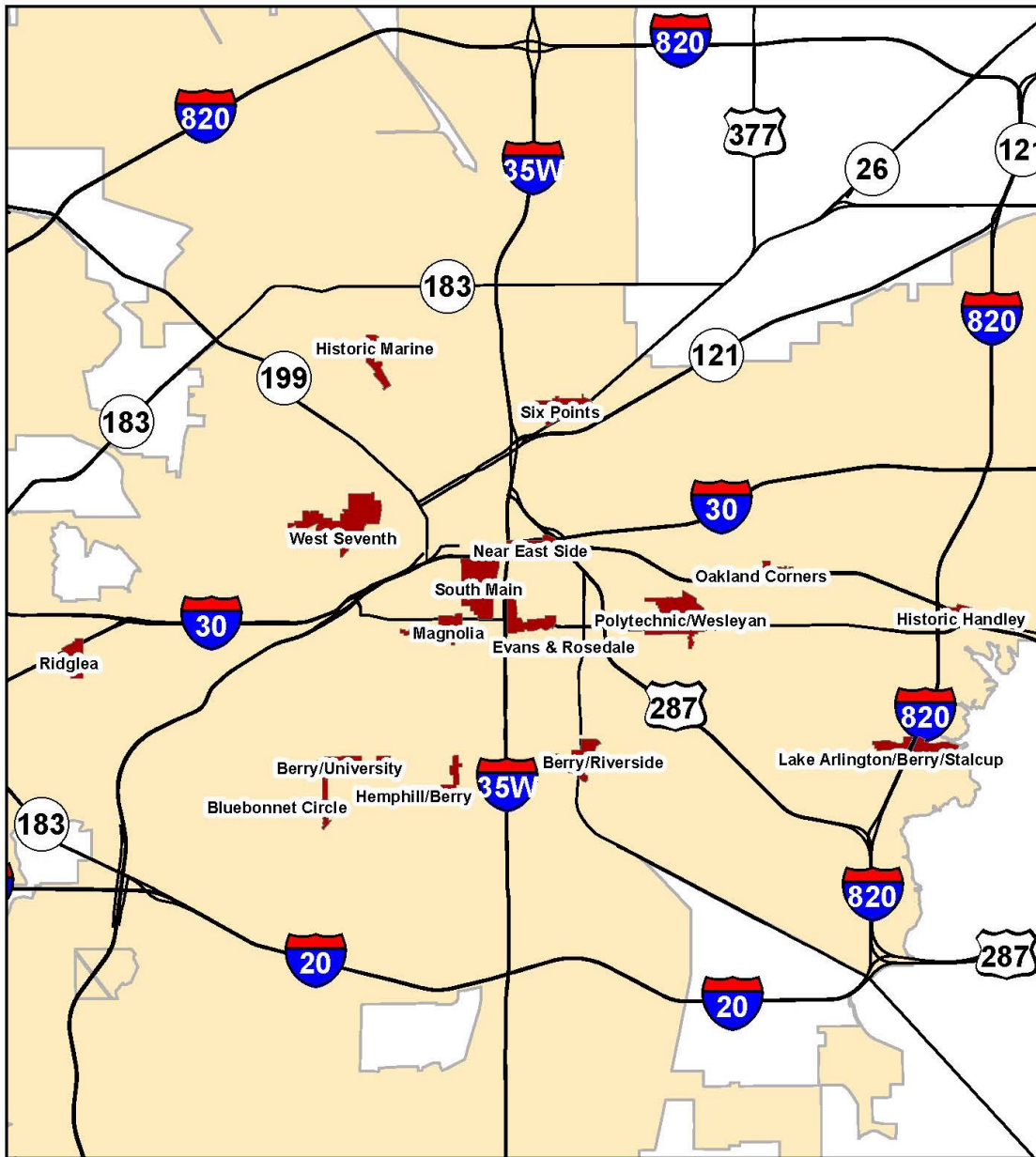
Transit Oriented Development – ~~A~~ ~~→~~ ~~A~~ Mixed-Use Development located within one-half mile of a commuter rail line station and in which all buildings will be at least 3 stories in height.

EXHIBIT “B”
DESIGNATED INVESTMENT ZONES



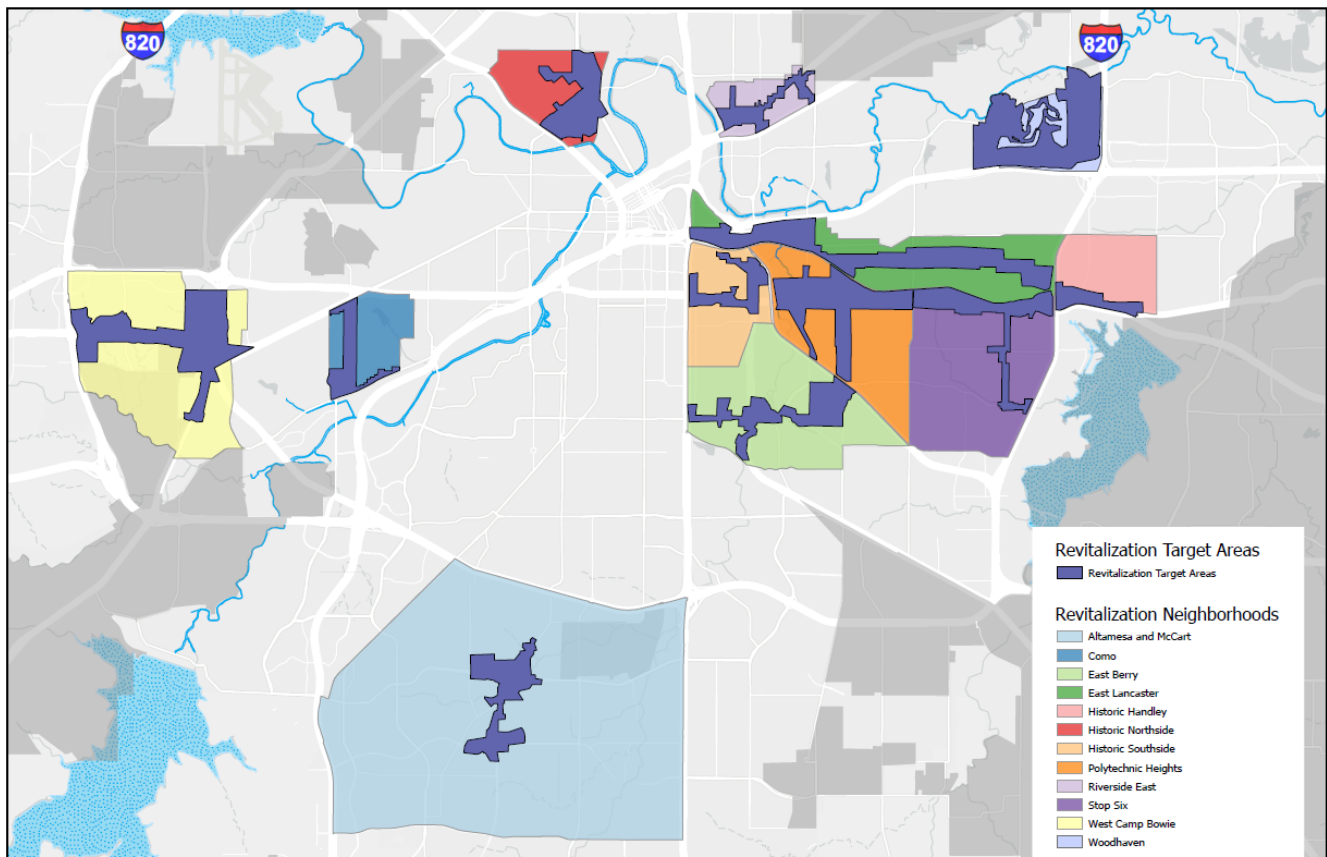
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EXHIBIT “C”
URBAN VILLAGES



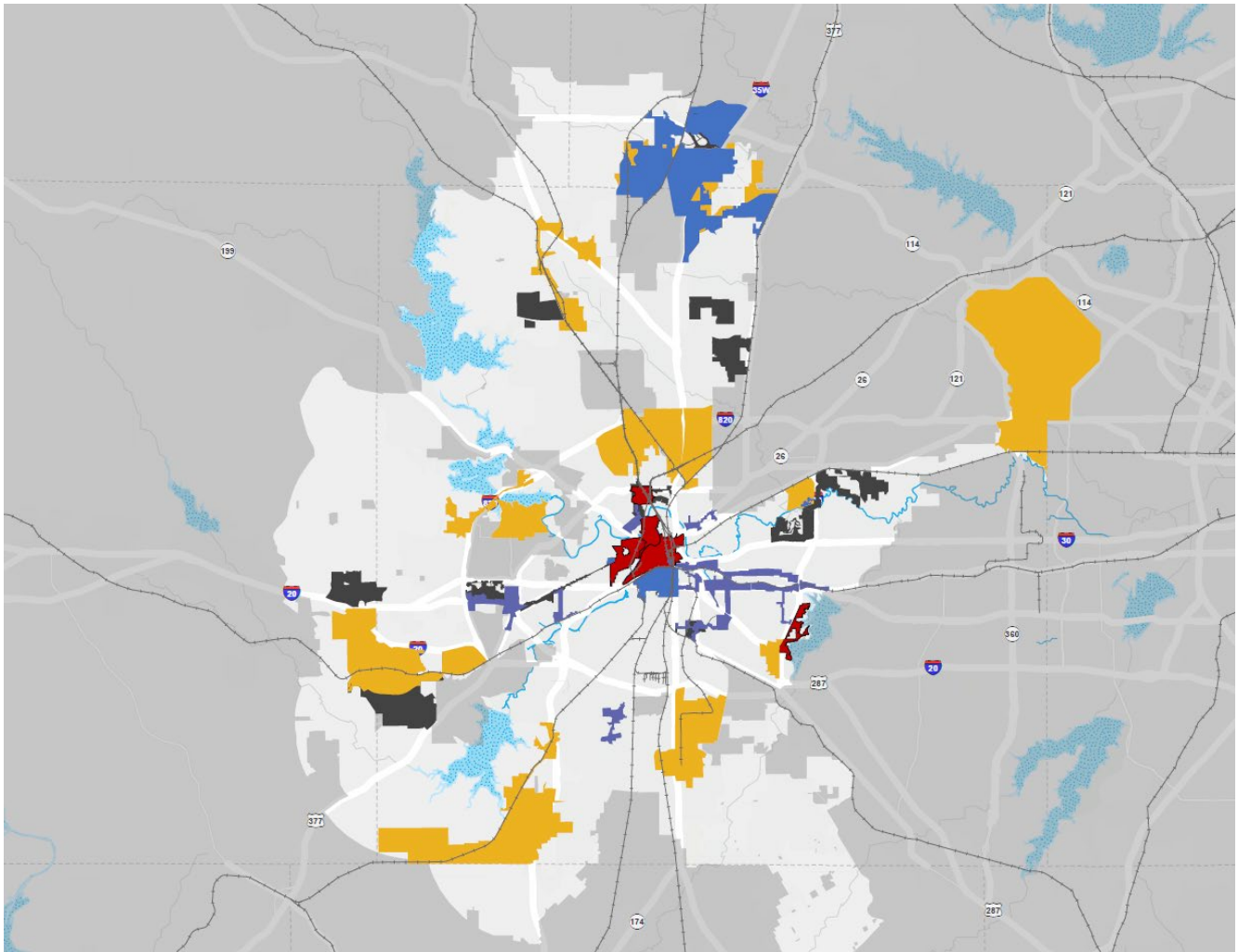
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Exhibit “D”
REVITALIZATION TARGET AREAS



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Exhibit “E”
FORT WORTH TARGET AREAS



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