

Mayor and Council Communication

DATE: 03/11/25

M&C FILE NUMBER: M&C 25-0221

LOG NAME: 25CONSULTANT TO SELECT MASTER DEVELOPER FOR COMMERCE ST SITE

SUBJECT

(CD 9) Authorize Execution of a Professional Services Agreement with Con-Real Support Group, Inc. in the Amount Up to \$290,000.00 to Assist the City in the Selection of a Developer for the Site on Commerce Street Created by Phase 1 of the Fort Worth Convention Center Expansion and Renovation Project, and Adopt Appropriation Ordinance.

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize execution of a Professional Services Agreement with Con-Real Support Group, Inc. in the amount up to \$290,000.00 to advise the City on the selection of a developer for the development of the site on Commerce Street created by Phase 1 of the Fort Worth Convention Center Expansion and Renovation project; and
 2. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Culture and Tourism Fund, in the amount of \$290,000.00, from available fund balance, for the purpose of hiring a consultant to assist the City in the selection of a developer for the site on Commerce Street created by the Phase 1 of the Fort Worth Convention Center Expansion and Renovation project.
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DISCUSSION:

Phase 1 of the Fort Worth Convention Center (FWCC) Expansion and Renovation project includes the straightening of Commerce Street. The straightening of Commerce Street creates a new City-owned parcel that can be developed to support the Convention Center, Texas A&M Campus, and other development occurring in the Southeast quadrant of Downtown.

To fulfill the development recommendations described in the Convention District Development Study and accommodate needs of ongoing development downtown, the Commerce Street property should include a 600-1,000-room hotel, parking to support the Convention Center, Texas A&M and hotel, and retail opportunities designed to cater to visitors to the FWCC and Texas A&M. The staff's recommendation is that this development be managed by a single developer.

The City intends to maximize the value of its investment through the selection of the developer. To ensure this return on investment goal is attained, the City will hire a consultant to assist in the selection of this development partner. The preferred consulting team will be familiar with public-private partnerships, local development market conditions and have prior experience in similar projects.

The staff's recommendation is to engage Arlington-based Con-Real Support Group for this purpose. Con-Real Support Group offers a unique combination of all of the aforementioned expertise that cannot be found in other consulting firms. The Con-Real consulting team is a combination of public, private, and semi-public officials who are familiar with public-private partnerships in a public setting.

The firm's experience includes the development of the Tarrant County Entertainment District in Arlington, featuring two Loews hotels, Arlington Convention Center, and the Texas Live entertainment facility. Con-Real team members have also been involved in multiple hotel and mixed-use developments in the DFW Metroplex, AT&T Stadium, convention center renovations in Dallas and Irving, and renovation of State Farm Arena in Atlanta (adjacent to CNN Center and Mercedes Benz Stadium). A registered Business Equity firm in the Metroplex, Con-Real is uniquely positioned to assist the City of Fort Worth in the selection of a developer for the Commerce Street property. Con-Real's engagement will begin after Council approval of the agreement and conclude with the negotiation of an agreement with the developer of choice.

Con-Real's base fee for this work is \$190,000.00, which provides for the firm to advise the City through the selection of a developer. If the firm advises the City on contract negotiations with the selected developer, those services are provided on a time and materials basis, capped at \$100,000.00.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are currently available in fund balance within the Culture and Tourism Fund and upon approval of the above recommendations and adoption of the attached appropriation ordinance, funds will be available in the Culture and Tourism Fund. Prior to an expenditure being incurred, the Public Events Department has the responsibility to validate the availability of funds.

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