

Mayor and Council Communication

DATE: 12/13/22

M&C FILE NUMBER: M&C 22-1076

LOG NAME: 17FW TC INNOVATION PARTNERSHIP

SUBJECT

(CD 9) Authorize Execution of an Interlocal Agreement with Tarrant County; Authorize the Acceptance of Funds from Tarrant County in the Amount of \$2,000,000.00; Authorize Execution of a Services Agreement Between City of Fort Worth, Tarrant County and Fort Worth Now in an Amount not to Exceed \$4,000,000.00 Relative to Services to be Provided That Support the Growth and Success of the Texas A&M University System Research and Innovation Hub and Surrounding Area; and Adopt Appropriation Ordinance in the Amount of \$2,000,000.00

RECOMMENDATION:

It is recommended that the City Council:

1. Approve the acceptance of funds from Tarrant County in the amount of \$2,000,000.00 from the American Rescue Plan Act, Subtitle M (Coronavirus State and Local Fiscal Recovery Funds);
 2. Authorize the City Manager or his designee to execute an Interlocal Agreement with Tarrant County;
 3. Authorize the City Manager or his designee to enter into a Services Agreement between City of Fort Worth, Tarrant County and Fort Worth Now to provide services that support the future growth and success of the Texas A&M University Campus and surrounding area; and
 4. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Grants Operating Federal Fund, subject to receipt of the grant, in an amount up to \$2,000,000.00.
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DISCUSSION:

The purpose of this M&C is authorize the execution of an Interlocal Agreement with Tarrant County and Services Agreement with Fort Worth Now relative to services to be provided that support the future growth and success of the Texas A&M University System Research and Innovation Hub (Innovation Hub); and allocate funds in the amount of \$2,000,000.00 from ARPA funds to pay for services provided under the Services Agreement.

Interlocal Agreement (ILA)

Responding to the negative health and economic impacts of the coronavirus pandemic is a specifically identified use of American Rescue Plan Act (ARPA) dollars under Section 603(c)(1)(A) of Title VI of the Social Security Act (added by ARPA). Treasury Department guidance specifically notes that these Fiscal Recovery Funds can be deployed for a broad range of uses to mitigate the effects of COVID-19 on local residents and accelerate the community's recovery from the pandemic. To aid in the community's recovery Tarrant County and the City will use ARPA funds in an amount up to \$2,000,000.00 each. The City portion of \$2,000,000.00 will come from the already set aside \$5,000,000.00 in ARPA funding dedicated to the Innovation Hub.

Services Agreement

The City of Fort Worth and Tarrant County have identified a need to partner on the creation of an entity to assist with the synchronization and success of the Texas A&M System Research and Innovation Hub which consists of the new Texas A&M Law & Education building and two additional Texas A&M occupied buildings (Innovation Hub) and surrounding district-wide vision. The entity will work with developer(s), Texas A&M University System (TAMUS), corporate tenants, entrepreneurs, and local stakeholders to maximize the impact of the collaboration between the City of Fort Worth (City) and Tarrant County (County), local industries and top research, education, and workforce training assets of the Texas A&M system.

To leverage existing resources, the City and County will utilize the current and mostly inactive Fort Worth Now non-profit corporation by legally amending it to become the Fort Worth Tarrant County Innovation Partnership (FWTCIP), retaining Jarratt Watkins, the current Executive Director of Fort Worth Now to assist with modifying the legal name, amending the bylaws with its new purpose, and creating a new board of directors. The new board of directors will be led by the City and County appointees. This new entity will help spark a vibrant innovation district that attracts world-class tenants and partners, creates partnerships between TAMUS, the City, County, and corporate tenants to build a thriving downtown innovation ecosystem. The Innovation Hub will be a major opportunity for economic development and growth in the City and County. Initial key areas of focus and services to be provided by the FWTCIP will include, but not limited to the following;

Real Estate Development Support

- Serve as lead in coordinating planning efforts to integrate TAMUS designed and constructed building with developer/City efforts to design and construct the Research and Innovation Building and Gateway Conference Center Building and associated spaces (plaza, parking, etc.).
- Coordinate the activities of partners involved in the development of the Innovation Hub and surrounding area.
- Participate in commercial tenant/partner recruitment.
- Provide coordination on behalf of all parties in connection with negotiations of the development agreement between the City, TAMUS and chosen Innovation Hub developer.

Research and Innovation

- Promote to local, regional and national industry partners the commercialization opportunities associated with the Innovation Hub.
- Work with local and state partners supporting entrepreneurs' efforts throughout the community.

Stakeholder and Community Engagement

- Secure local and regional philanthropy to help support the TAMUS Urban Campus development through fund raising associated with business opportunities emerging from the Innovation Hub.
- Coordinate partner engagement and community stakeholder meetings.

Economic Development

- Assist with planning efforts to support future growth of the TAMUS Urban Campus and surrounding district-wide vision.
- Coordinate with City, County and Chamber economic development groups the opportunities for the use of incentives to help development in and around the TAMUS Urban Campus.

In consideration of the services to be performed by FWTCIP, the City and County will agree to pay up to \$4,000,000.00 spread out over the four year term of a Services Agreement with FWTCIP from funding provided by both the City and Tarrant County. Funds will be used for setting up the new entity and providing services outlined in the agreement. The term of this agreement will be effective as of January 1, 2023 and expire December 31, 2026, unless terminated earlier in accordance with the provisions of the agreement.

A Form 1295 will be provided prior to execution of the Services Agreement.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendations and adoption of the attached appropriation ordinance, funds will be available in the current operating budget, as appropriated, in the Grants Operating Federal Fund. The Economic Development Department (and Financial Management Services) will be responsible for the collection and deposit of funds due to the City. Prior to an expenditure being incurred, the Economic Development Department has the responsibility to validate the availability of funds. This is an advance grant.

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Expedited