

# Mayor and Council Communication

**DATE:** 12/15/20

**M&C FILE NUMBER:** M&C 20-0938

**LOG NAME:** 17TRINITYBLUFFSCONSENT2

## **SUBJECT**

(CD 9) Authorize Execution of a Consent to Assignment to Economic Development Program Agreement Contract No. 30458, as Previously Assigned, with LP 1 REIT, Inc., to Allow Assignment of the Agreement to KV Trinity Bluffs Apartments, LLC or an Affiliate

---

## **RECOMMENDATION:**

It is recommended that the City Council authorize the execution of a consent to assignment to Economic Development Program Agreement Contract No. 30458, as previously assigned, with LP 1 REIT, Inc., to allow assignment of the agreement to KV Trinity Bluffs Apartments, LLC or an affiliate.

---

## **DISCUSSION:**

The purpose of this Mayor and Council Communication (M&C) is to authorize a Consent to Assignment of City Secretary Contract No. 30458, an Economic Development Program Agreement, to allow an assignment from LP 1 REIT, Inc. to KV Trinity Bluffs Apartments, LLC or an affiliate.

On September 3, 2004, the City entered into an Economic Development Program Agreement (Agreement) with Trinity Bluff Development, Ltd. for the development of an apartment complex with 300 units for lease at market rates on property in the northeast portion of the downtown area known as Trinity Bluff, and to provide and develop enhanced perimeter interior streetscape, open space, and pedestrian access to the Trinity River in the vicinity of the property (City Secretary Contract No. 30458, M&C C-20216). The Agreement required the developer to invest at least \$25 million in real property improvements and spend the greater of 20% or \$5 million of those costs with certified Fort Worth M/WBE companies. The Agreement also requires the developer at all times to fill at least one job on site and, if there were multiple jobs on the site, to fill at least 25% of them with Fort Worth Central City residents. The Agreement requires the developer annually to spend the greater of \$30,000.00 for supplies and services related to the operation of the development or 25% of all such costs with certified Fort Worth M/WBE companies.

In return, the City, as authorized by Chapter 380 of the Texas Local Government Code, agreed to pay developer up to fourteen (14) annual economic development program grants in an amount not to exceed the real and personal property taxes attributable to the apartment complex site received by the City in the previous year, subject to annual caps specified in the Agreement. There is also a cap of \$2,973,230.00 on the aggregate amount of program grants that can be paid under the Agreement.

On August 30, 2005, Trinity Bluff Development, Ltd. assigned all of its rights and obligations under the Agreement to LPC WO Trinity Parks, L.P. which was an affiliate of Lincoln Property Southwest, Inc.

On August 31, 2005, LPC WO Trinity Parks, L.P. assigned all of its rights and obligations under the Agreement to Lincoln Trinity Bluffs, L.P., which was an affiliate of Lincoln Property Southwest, Inc.

On August 26, 2011, Lincoln Trinity Bluffs, L.P. assigned all of its rights and obligations under the Agreement to Trinity Bluffs Acquisition Corporation, which is an affiliate of J.P. Morgan Investment Management Inc. On or about October 31, 2018, Trinity Bluffs Acquisition Corporation merged with LP 1 REIT, Inc., who assumed the Agreement and all of its obligations.

LP 1 REIT, Inc. met all obligations required by the Agreement, and KV Trinity Bluffs Apartments, LLC or an affiliate will be required to meet all ongoing obligations under the Agreement. The City will continue to receive the public benefits resulting from the development of this project. Any future assignment of the Agreement would have to be approved by City Council unless otherwise agreed to in the Agreement. There are up to four (4) grant years remaining under the Agreement.

Staff recommends approving the execution of a consent to assignment to the Economic Development Agreement Contract No. 30458 with LP 1 REIT, Inc., to allow an assignment of the Agreement to KV Trinity Bluffs Apartments, LLC or an affiliate.

The Trinity Bluff development is located in COUNCIL DISTRICT 9.

---

## **FISCAL INFORMATION / CERTIFICATION:**

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

**Submitted for City Manager's Office by:** Jay Chapa 5804

**Originating Business Unit Head:** Robert Sturns 2663

**Additional Information Contact:**

Robert Sturns 2663