

Mayor and Council Communication

DATE: 06/24/25

M&C FILE NUMBER: M&C 25-0582

LOG NAME: 17WESTSIDEVILLAGEEDPA

SUBJECT

(CD 9) Authorize Execution of an Economic Development Program Agreement with FW Westside RE Investors, LLC, or an Affiliate, for the Construction of a New Mixed-Use Development Generally Located Northeast of the Intersection of University Drive and White Settlement Road

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize the execution of an Economic Development Program Agreement with FW Westside RE Investors, LLC, or an affiliate, for the construction of a new mixed-use development generally located northeast of the intersection of University Drive and White Settlement Road; and
 2. Find that the terms and conditions of the Economic Development Program Agreement, as outlined below and in the Agreement, constitute a custom-designed economic development program, as recommended by the most recently adopted Comprehensive Plan and authorized by Chapter 380, Texas Local Government Code and the City's Economic Development Policy Program for Grants Authorized by Chapter 380, Texas Local Government Code.
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DISCUSSION:

FW Westside RE Investors, LLC, or affiliate, (Developer) intends to develop property generally located northeast of the intersection of University Drive and White Settlement Road as a mixed-use development featuring an approximate 175 room hotel, 880,000 square feet of Class AA office, 238,000 square feet of retail, 1,785 units of multi-family apartments, and various public improvements as more specifically described and required below (Project).

Developer Commitments:

To support the Project, Developer and City staff propose to enter into an Economic Development Program Agreement (EDPA) (Agreement). As part of the proposed Agreement, Developer would commit to completing the Project over four individual phases (Phase A, B, C, and D respectively) in accordance with the following minimums:

Phase A

- Minimum Total Development Costs of \$410,000,000.00
- Minimum \$311,000,000.00 Hard Construction Costs
- Minimum 200,000 square feet of new class AA office space
- Minimum 95,000 square feet of new retail space
- Minimum 150 key class AA full-service hotel
- Required completion date of December 31, 2030 (Phase A Completion Deadline)

Phase B

- Minimum Total Development Costs of \$370,000,000.00
- Minimum \$275,000,000.00 Hard Construction Costs
- Minimum 90,000 square feet of new class AA office space
- Minimum 100,000 square feet of new retail space
- Minimum 500 new multi-family units
- Required completion date of December 31, 2032 (Phase B Completion Deadline)

Phase C

- Minimum Total Development Costs of \$380,000,000.00
- Minimum \$280,000,000.00 Hard Construction Costs
- Minimum 230,000 square feet of new class AA office space
- Minimum 25,000 square feet of new retail space
- Minimum 275 new multi-family units
- Required completion date of December 31, 2033 (Phase C Completion Deadline)

Phase D

- Minimum Total Development Costs of \$530,000,000.00

- Minimum \$400,000,000.00 Hard Construction Costs
- Minimum 350,000 square feet of new class AA office space
- Minimum 9,000 square feet of new retail space
- Minimum 275 new multi-family units
- Required completion date of December 31, 2035 (Phase D Completion Deadline)

Across all four phases of the Project, Developer must invest minimum Total Development Costs of \$1,700,000,000.00 and minimum overall Hard Costs of \$1,275,000,000.00.

City Commitments:

In return for development of the Project, the City would provide up to fifteen (15) annual grants equal for each of the four phases of the Project based on 85% of new incremental City ad valorem taxes (Grants) for a total amount not to exceed \$80,000,000.00 (Program Cap). The Grants will exclude the value of taxes paid in association with multi-family property developed as part of the Project.

Additionally, City will seek to establish a new tax increment reinvestment zone (TIF) that includes the Project and will advance for TIF Board consideration a TIF Development Agreement providing for the reimbursement of up to \$45,000,000.00 in eligible public improvements associated with the Project (Public Improvements). In the event that the TIF is not established or a TIF Development Agreement is not approved, City will pursue funding alternatives for the Public Improvements to be provided for under the Agreement, including by increase to the EDPA Project Cap up to the amount of the Public Improvements.

Failure by Developer to complete the minimum requirements associated with each Phase of the Project will result in a reduction of the Program Cap in an amount proportional to the minimum Total Development Costs required for the respective phase. The City Manager, or designee, is granted the authority to extend Completion Deadlines for individual phases by no more than an additional twelve months without further Council action.

This project is located in COUNCIL DISTRICT 9.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that approval of this agreement will have no material effect on the Fiscal Year 2025 Budget. While no current year impact is anticipated from this action, any effect on expenditures and revenues will be budgeted in future Fiscal Years and will be included in the long-term financial forecast.

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Expedited