

CITY COUNCIL AGENDA



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DATE:	5/13/2025	REFERENCE NO.:	M&C 25-0421	LOG NAME:	17EVANS&ROSEDALE EDPA AND ACCEPTANCE AND SALE OF LOTS
CODE:	G	TYPE:	NON-CONSENT	PUBLIC HEARING:	NO
SUBJECT:	(CD 8) Authorize (i) the Execution of Purchase and Sale Agreements for the Purchase of 30 Lots from the Fort Worth Housing Finance Corporation and 5 Lots from the Fort Worth Local Development Corporation; (ii) the Execution of a Purchase and Sale Agreement for the Sale of 36 Lots to Royal Capital, LLC, and/or Related Affiliates (All Lots Located in the Evans and Rosedale Urban Village); and (iii) the Execution of an Economic Development Program Agreement with Royal Capital, LLC, and/or Related Affiliates for the Development of the Evans and Rosedale Urban Village as a Mixed-Use Urban Development				

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize the Execution of Purchase and Sale Agreements for the purchase by the City of 30 lots from the Fort Worth Housing Finance Corporation for the fair market value of \$3,595,977.00 and 5 lots from the Fort Worth Local Development Corporation for the fair market value of \$537,076.00 (All lots located in the Evans and Rosedale Urban Village).
2. Authorize the Execution of a Purchase and Sale Agreement sale by the City of 36 lots to Royal Capital, LLC, and/or related affiliates for \$36.00 (All lots located in the Evans and Rosedale Urban Village).
3. Authorize the Execution of an Economic Development Program Agreement by the City with Royal Capital, LLC, and/or related affiliates for the development of the Evans and Rosedale Urban Village mixed-use urban development.

DISCUSSION:

Royal Capital, LLC and/or related affiliates (Developer) intend to develop certain properties owned by the City of Fort Worth, Fort Worth Housing Finance Corporation, and Fort Worth Local Development Corporation located in the Evans and Rosedale Urban Village (Project Site) as a mixed-use urban development. The development will include commercial, retail, and residential units, as well as parking and enhancements to public spaces (Development) in return for economic development incentives.

In order to facilitate the Development, the City will purchase 30 lots from the Fort Worth Housing Finance Corporation for the fair market value of \$3,595,977.00 and five (5) lots from the Fort Worth Local Development Corporation for the fair market value of \$537,076.00. The City will cover all the closing costs for these purchases. The funds for these purchases were appropriated on October 29, 2024, by M&C 24-0936, and were transferred to the General Capital Projects Fund for the Evans-Rosedale project (City Project No. 105570). The City will then sell these lots along with a single lot owned by the City of Fort Worth with the fair market value of \$112,500.00 to Developer for \$1.00 per lot for a total of \$36.00 and a total investment of \$4,245,553.00 to help meet the gap in the project financing. All lots are sold as-is with the payment of all closing costs and related fees by the Developer. There will be a Deed of Trust on these lots to secure performance as described below.

The City also proposes to enter into an Economic Development Program Agreement (EDPA) with the Developer to provide up to 20 annual Chapter 380 grants equal to up to 80\% of the incremental increase from the City's ad-valorem taxes on the real and business personal property at the Project Site and one-time Pathways to Removing Obstacles to Housing Grant in the amount of \$2,500,000.00

(Grant). The combined aggregate value of all EDPA grants will be capped at a gross amount of \$8,500,000.00 (Program Cap). Requirements for payment of the incentive are as described below.

Developer Commitments:

Development Investment and Construction Commitments:

- a. Developer must invest at least \$61 million in **total development costs**, exclusive of land acquisition costs, in the Project Site no later than twenty-four (24) months from the Agreement execution date (Completion Deadline) with construction commencing on any part of the Project no later than fourteen (14) months from the Agreement execution date. Of that, a minimum of \$48 million shall be **Hard Construction Costs**. The development includes a minimum of:
 1. 170 residential rental units (with the goal of 181 units), comprising of:
 1. Live/work unit(s), stacked flats, multi-family units, senior housing;
 2. An average rental rate of 60\% Area Median Income (AMI) for the total units, no more than 10 units at or below 30\% AMI;
 3. Any 30\% AMI units will be located in the senior housing to promote aging in place or rehoming of senior residents from the neighborhood.
 2. 15,700 square feet of retail and/or office space:
 1. 3,000 square feet of the retail space will be marketed to an urban grocer or set aside for an urban market concept that includes essential fresh foods for a minimum of one year.
 2. All portions of the retail and/or office space that are intended to be occupied must have a temporary or final Certificate of Occupancy by no later than the completion deadline.
 3. 7,200 square feet of the retail space will be reserved for local commercial tenants. If the developer does not meet the local tenant requirement, they can seek approval from the City for a regional tenant or tenant that meets a neighborhood need alternative, otherwise the developer agrees that the 380 grant for the project shall be reduced by 5\% without this prior approval or demonstration to the city's satisfaction that a local tenant was sufficiently sought.
 3. 283 parking spaces to assist with traffic control. The parking spaces may consist solely of, or any combination of, parking garage(s), on-street parking, or surface parking. On street parking must be directly adjacent to a lot in control by the Developer and count towards no more than 54 of the 283 space total.
 4. Public space enhancements to include streetscape landscaping, trees, linear walkways, parks, and other public spaces.
 5. Use of Business Equity Firms (BEF): Developer voluntarily commits to expend or cause to be expended at least 15\% of all construction costs (Hard and Soft) for the Project with BEFs as defined in Chapter 20, Article X of the City Code. If the developer does not meet the 15\% BEF construction requirement, developer agrees that the 380 grant for the project shall be reduced by 10\%. The Developer will, in best faith effort, seek to exceed this goal; and
 6. Cause to employ 30 full-time (FT) local employees during construction with best faith efforts to hire from the neighborhood. If the developer does not meet the 30 FT local employee requirement, developer agrees that the 380 grant for the project shall be reduced by 5\%.
- b. Developer will acquire and purchase 36 (collectively referred to as "City Lots") for \$1.00 per lot. Closing on and transfer of the City Lots will be on a date that is on or before twelve (12) months from the execution of a purchase and sale agreement.
 1. A Deed of Trust to Secure Performance (DTSP) of the EDPA on the entire Project Site includes, but is not limited to, the following:
 1. Construction starts within 14 months of the execution of the agreements, unless and except for so long as Developer is prevented, delayed or hindered by a force majeure event;
 2. Project completion no later than 24 months after project commencement (Completion Deadline) unless and except for so long as Developer is prevented, delayed or hindered by a Force Majeure Event;
 3. In the event that Developer fails to meet the performance requirements set forth in subsections (b.1.1.) and (b.1.2.) above or the Development Investment and

- Construction Commitments set forth in section (a.) above, the City may exercise its remedies set forth in the DTSP;
4. DTSP will be subordinate to construction/permanent financing for the Development, subject to the terms and conditions of an intercreditor/subordination agreement agreed to by City; and
 5. Commence on the date of closing on the Property and will terminate upon satisfaction of the performance obligations of the Developer set forth in the EDPA, which shall be evidenced by receipt of certificate of occupancy for the Development. Upon termination, the City shall record a release of the DTSP.
2. Affordable housing use restrictions will be applicable to all properties used for residential purposes to maintain the public purpose of the Development of providing low-income to moderate-income housing on the property. In particular, such restrictions shall apply on the City Lots on which residential rental improvements are initially being constructed, which improvements are currently anticipated to constitute approximately 181 total housing units, but not less than 170 units, including a mix of senior units, family units, stacked flats, and live/work units, with such units subject to affordability requirements outlined in section (a.) above. The foregoing unit count and mix shall be subject to Developer's underwriting as reasonably acceptable to the City, as well as any requirements imposed by Sections 42 and 142 of the Internal Revenue Code of 1986, as amended (the Code) and applicable law. Such restrictions shall include, but not limited to, the following terms:
1. For a period of 30 years, all residential units shall average at a lease rate for individuals or families whose incomes do not exceed an average of 60\% of the area median gross income (AMI) (including adjustments for family size) with no more than 10 total units set aside at 30\% AMI and with all 30\% AMI units will be located in the senior housing building.
 2. After the affordability period defined in the immediately preceding paragraph, the following perpetual restrictions shall apply: ensuring that at least 10\% of residential units on any City Lots are affordable at 80\% AMI or less, that 10\% of residential units on any City Lots are affordable at 60\% AMI or less, and that any commercial use on Evans Ave shall be neighborhood serving commercial on the ground floor (consistent with deed restrictions).
 3. Neighborhood commercial use restrictions on all properties used for commercial purposes to maintain the public purpose of providing area-appropriate neighborhood commercial uses for the benefit of area residents. Such restrictions shall include, but not limited to, the following terms:
 1. All commercial uses on Evans Ave shall be neighborhood serving commercial on ground floor (consistent with deed restrictions) for 30 years.
 4. In the event that Developer fails to meet the performance requirements set forth in subsections (b.1.1.) and (b.1.2.) above or the Development Investment and Construction Commitments set forth in section (a.) above, City shall have the right to repurchase all City Lots for the acquisition price (\$36.00).
 5. City shall have a right of first refusal to repurchase the City Lots for the price paid by Developer (totaling \$36.00 for 36 lots) in the event Developer seeks to sell any for any other proposed use inconsistent with the restrictions above, provided, however, that before City may exercise such right Developer may extinguish such right of first refusal by paying City the higher of the fair market value of such lots (i) at the time of the PSA (\$4,245,553.00) or (ii) at the time of attempted conveyance to a third party.

Other Developer Non-Construction Commitments:

- a. Demonstrates the financial capacity and commitments to complete the project on or prior to 30 days before closing on any land transactions.
- b. Following completion of construction, Developer will use best faith efforts to employ or cause to be employed Fort Worth residents with a particular emphasis on individuals and local contactors from the neighborhood area.
- c. Maintain the same uses and purposes for which the land is being conveyed into the future, including maintaining a minimum of 20\% affordability on the lots that will be residential with 10\% as 80\% AMI or less and 10\% as 60\% AMI or less on the lots and

- activating the Evans Ave. commercial corridor with neighborhood serving commercial uses on the ground floor.
- d. The Developer shall continue to engage with the public after the full execution of the term sheet by developer and the City. This engagement shall include office hours held no less than once/month, monthly engagement with the neighborhood association committee, provide the City with any updates for the City's website and update the EvansandRosedale.com webpage no less than quarterly, and hold an at-large community meeting with the community prior to construction beginning and closing on the land and at least once per year beginning at closing through the Certificate of Completion.
 - e. Developer will make best faith effort to be responsive to and specifically informed by historic and cultural context in designing the buildings and public spaces. This includes, but is not limited to, utilizing names from the neighborhood's history for buildings and spaces, considering the historic materials and architecture in developing and implementing current designs, and seeking to restore previous historic commercial uses along the street.
 - f. Developer, using the best available means possible, will pursue a grocery or market concept or option.
 - g. Developer, in a best faith effort, will pursue local, and regional, if necessary, tenants for the commercial corridor.
 - h. Developer, in a best faith effort, will pursue, define, and execute a strategy for security.
 - i. The Developer will pursue a waiver of certain permit and impact fees related to the Development through the Neighborhood Empowerment Zone application process prior to submitting for building permit.
 - j. Developer will make best efforts to acquire the property located at 904 W Dashwood St. and 912 Missouri Ave, Fort Worth, TX 76104 from the private property owner with a conclusion of such efforts prior to the city land conveyance.
 - k. Developer shall participate in the park design and development process, with a willingness to provide necessary engineering documentation to help facilitate a feasible development.
 1. Developer shall build and maintain the stormwater facilities underneath the land that will subsequently be transferred from the Housing Finance Corporation to the City as a park. Developer shall (i) enter into a stormwater facilities maintenance agreement with the City reflecting its ongoing obligation to maintain such facilities and (ii) accept conveyance of a drainage facility easement from the Housing Finance Corporation to facilitate Developer's ability to undertake such maintenance. Developer acknowledges and agrees that construction of stormwater and other infrastructure that will ultimately be owned by the City will require execution of one or more community facilities agreements (CFAs) and compliance with the City's standard CFA process and requirements.

Operational Commitments:

- a. BEF Utilization Plan: A plan to utilize BEF firms (within 12 weeks of City Council approval).
- b. Construction Reporting: Quarterly reports throughout the construction phase of the project.
- c. Contact Information: Name, and contact information, of a person for the developer that will have knowledge of the project, construction phase of the project, current community engagement status, and developer performance under the agreements.
- d. Compliance Reporting: From start of first compliance auditing year until expiration of the grant, file annual reports with the City reflecting compliance with the terms of the agreements.
- e. Performance Metric Reporting: Collect and report reasonable general performance metrics for the project, including, but not limited to, project investment, employment, taxable sales, and similar measures of economic impact.

City Commitments:

Economic Development Program Agreement (EDPA) Grants:

380 Grants

Pursuant to Section 10, Catalytic Development Project, of the Economic Development Program Policy, enter into an Economic Development Program Agreement that will provide up to twenty annual grants based on 80\% of the maintenance and operations portion of the incremental value of the real and business personal property at the Project Site (380 Grants). The Chapter 380 incentive cap shall be \$6 million (gross) and begin upon completion.

The amount of the grants will be determined annually and in accordance with the following table:

Company Commitment	Maximum Grants
Real & Business Personal Property Investment (Base Commitment)	60\%
15\% M/WBE Contractors	10\%
30 Full-Time Employees	5\%
7,200 s/f Local Tenant Set Aside	5\%
TOTAL	80\%

The grants will begin in the second calendar year following the completion date of the Project, and will be based on the tax year that immediately follows the year in which the completion date occurred. For example, if the Project is completed on December 31, 2024, the grants will be based on the value of property assessed for the 2025 tax year, with the grants paid in calendar year 2026.

City PRO Housing Grants

City Purchase and Sale of Land to Facilitate the Development

The City will purchase 30 lots from the Fort Worth Housing Finance Corporation for the fair market value of \$3,595,977.00 and five (5) lots from the Fort Worth Local Development Corporation for the fair market value of \$537,076.00. The City will cover all the closing costs for these purchases. The funds for these purchases were appropriated on October 29, 2024, by M&C 24-0936, and were transferred to the General Capital Projects Fund for the Evans-Rosedale project (City Project No. 105570). The City will then sell these lots along with a single lot owned by the City of Fort Worth with the fair market value of \$112,500.00 to Developer for \$1.00 per lot for a total of \$36.00 and a total investment of \$4,245,553.00 to help meet the gap in the project financing. All lots are sold as-is with the payment of all closing costs and related fees by the Developer. There will be a DTSP as described above.

The City will provide up to \$2,500,000.00 in Pathways to Removing Obstacles to Housing Grant funds (PRO Housing) in City commitment from PRO Housing multifamily development capital, with such funding conditioned upon meeting all of the following requirements:

- a. Satisfactory completion of an environmental review pursuant to 24 CFR Part 58;
- b. Receipt of authorization to use grant funds from United States Department of Housing and Urban Development (HUD);
- c. Closing on all other financing for the Project; and
- d. Certificate of completions secured for the Project.

If, for any reason, the City grant funds are not secured as defined in (b.) above, the Fort Worth Housing and Finance Corporation will set aside \$2,500,000.00 to secure this grant structured as a soft loan until they have been released and approved by HUD.

Tax Increment Financing District No. 4 (TIF 4) and Tax Increment Financing Development Agreement (TIFDA).

Advance for consideration by the TIF 4 Board the TIFDA which will provide for the reimbursement of up to \$7,000,000.00 in verified, reimbursable infrastructure costs incurred by Developer. Reimbursable infrastructure costs consist of public infrastructure improvements, including stormwater detention, streetscape, public plazas/parks/linear parks, water, demolition, and sewer improvements.

Total Anticipated Direct Financial Support by City and TIF 4.

Combined, the EDPA and TIFDA will provide Developer with \$15,500,000.00 in direct monetary support for the Project.

Total Anticipated Direct and Indirect Financial Support by City and TIF 4.

Including the fair market value of the City Lots of \$4,245,553.00, the total direct and indirect financial support for the Project by the City and TIF 4 is \$19,745,553.00.

Other City Commitments

- a. Expedited processing through the City of Fort Worth Development Services Project Facilitation team.
- b. Utilize approximately \$1,150,000.00 to design and develop a park on the remaining Fort Worth Housing and Finance Corporation land.
- c. Provide one or more permit-ready letters or similar instruments for Developer to establish to its financing partners that permits are ready to issue pending demonstration of financing and transfer of the lots because permits cannot be applied for until Developer takes title to the City Lots, prior to the closing on the City Lots.
- d. Staff agrees, subject to full compliance with the City's then-current low-income-housing-tax-credit policy, to recommend providing a "resolution of no objection" for the Developer to submit to the Texas Department of Housing and Community Affairs to facilitate the Tax Credit Award.

FISCAL INFORMATION/CERTIFICATION:

The Director of Finance certifies that funds are available in the current capital budget, as previously appropriated, in the General Capital Projects Fund for the Evans-Rosedale project to support the approval of the above recommendations and execution of the purchase & sale agreements. Prior to any expenditure being incurred, the Economic Development Department has the responsibility to validate the availability of funds.

TO

Fund	Department ID	Account	Project ID	Program	Activity	Budget Year	Reference # (Chartfield 2)	Amount
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FROM

Fund	Department ID	Account	Project ID	Program	Activity	Budget Year	Reference # (Chartfield 2)	Amount
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Submitted for City Manager's Office by:

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ATTACHMENTS

[17EVANS&ROSEDALE EDPA AND ACCEPTANCE AND SALE OF LOTS FID.xlsx](#) (CFW Internal)

[17EVANS&ROSEDALE EDPA AND ACCEPTANCE AND SALE OF LOTS funds availability.pdf](#) (CFW Internal)

[EvansRosedaleAll_v4.jpg](#) (CFW Internal)

[Form 1295 - Evans&Rosedale Royal Capital \(signed\).pdf](#) (CFW Internal)

[Historic Southside.png](#) (CFW Internal)

[MC 24-0936 Parcel Purchase Funding.pdf](#) (Public)