

Mayor and Council Communication

DATE: 06/22/21

M&C FILE NUMBER: M&C 21-0494

LOG NAME: 17LDCEDINCENTIVETRANSFER

SUBJECT

(ALL) Accept Donation from the Fort Worth Local Development Corporation of a Portion of Net Proceeds from Sale of the Blue Mound Road Industrial Complex, Fort Worth, Texas to Further Fund the Economic Development Incentive Fund for Certain Economic Development Activities and Adopt Attached Appropriation Ordinance

RECOMMENDATION:

It is recommended that the City Council:

1. Accept a donation in the amount of \$1,000,000.00 of a portion of net proceeds from the sale of the Blue Mound Road Industrial Complex, Fort Worth, Texas for certain economic development activities from the Fort Worth Local Development Corporation for deposit into the Economic Development Fund; and
 2. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the amount of \$1,000,000.00 in the Economic Incentives Fund from additional net proceeds.
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DISCUSSION:

The Fort Worth Local Development Corporation (LDC) was the owner of a 50+ acre industrial complex located at the northeast corner of Blue Mound Road and Meacham Boulevard, Fort Worth, Texas (Blue Mound Road Complex).

On September 25, 2018, the Board of Trustees of the LDC approved a resolution to authorize the sale of Blue Mound Road Complex to two existing tenants, CHM Industries, Inc, and Anchor Fabrication, LLC, and/or their affiliates. On February 25, 2021, the sale of 4600 Blue Mound Road and 1401 Meacham Boulevard was closed and the property conveyed to Anchor Fabrication and 1401 Meacham Partners, respectively. On March 5, 2021, the sale of 4700 Blue Mound Road and 1035 Meacham Boulevard was closed and the property conveyed to CHM industries, Inc.

On May 18, 2021, the LDC adopted a resolution authorizing the transfer of a portion of net proceeds from the Blue Mound Road Complex sale in the amount of \$1,000,000.00 to the City of Fort Worth to provide additional funding to the Economic Incentives Fund. The Economic Incentives Fund was started with an initial deposit of \$4,575,896.00, which was transferred to the City from the LDC following the sale by the LDC of the 250 Lancaster project (Mayor and Council Communication (M&C) G-19419), and a second deposit of \$400,000.00 also from the LDC from 250 Lancaster sales proceeds (M&C G-19565, Resolution No. 5039-01-2019).

The Economic Incentives Fund is utilized to support projects that meeting eligibility under Section 9, Technology Company Projects, and Section 14, Employment Designated Project Fund, in the Economic Development Program Policy for Grants Authorized by Chapter 380, as approved by City Council on January 26,2021 (M&C 21-0072, Resolution No. 5338-01-2021).

A Form 1295 is not required because: This contract will be with a governmental entity, state agency or public institution of higher education: Fort Worth Local Development Corporation

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 deposited into the Economic Incentives Fund. The Economic Development Department (and Financial Management Services) is responsible for the collection and deposit of funds due to the City. Prior to any expense being incurred, the Economic Development Department also has the responsibility to validate the availability of funds.

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