

**To the Mayor and Members of the City Council****April 4, 2023**

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SUBJECT: AUTHORIZE AMENDMENT NO. 1 TO ECONOMIC DEVELOPMENT PROGRAM AGREEMENT WITH AMERICAN AIRLINES, INC. TO INCLUDE ADDITIONAL PROPERTY

The City and American Airlines, Inc. ("Company") are currently parties to Economic Development Program Agreement (City Secretary Contract No. 47694) ("EDPA Agreement"), which was executed on or about April 19, 2016. The EDPA Agreement was linked to a one-year Tax Abatement Agreement (City Secretary Contract No. 47341) ("Tax Abatement Agreement") between the two parties where the Company was to construct their new headquarters at 1 Skyview Drive.

On June 6, 2017, City Council approved an amendment to the Tax Abatement Agreement to include an additional 27-acres to the land description so that the Company could expand the scope of the project to construct additional buildings that would not otherwise be located within the original land description. The additional tract of land was also intended to be added to the EDPA Agreement but has yet to be brought to Council for approval.

The Tax Abatement Agreement required the Company to commit to \$200 million in construction costs for a new corporate headquarters with \$50 million in hard construction costs expended with Fort Worth companies and \$25 million in hard construction costs expended with Fort Worth M/WBE companies. The Company was verified to have expended \$772.8 million in construction costs, with \$646 million being in hard construction costs with Fort Worth companies and \$35.6 million being in hard construction costs with Fort Worth M/WBE companies.

In 2020, the Company was committed to employing a total of 4,279 full-time equivalent jobs, with 400 being Fort Worth residents at the project location. The Company was verified to have employed 4,525 full-time equivalent jobs, with 651 being Fort Worth residents. They also had supply and service commitments to expend \$750,000 with Fort Worth companies and \$350,000 with Fort Worth M/WBE companies. The Company was verified to have expended \$2.3 million for both supply and service commitments.

Therefore, City staff recommends that the City Council amend the EDPA Agreement to add the 27-acre tract of land.

City staff will place an M&C for City Council consideration on the April 11, 2023 agenda to amend the Agreement to include the additional property.

If you have any questions concerning this information, please contact Robert Sturns, Economic Development Director at 817-392-2663 or robert.sturns@fortworthtexas.gov.

David Cooke
City Manager