



To the Mayor and Members of the City Council

March 2, 2021

Page 1 of 1

SUBJECT: AMENDMENT TO LINEAR LABS ECONOMIC DEVELOPMENT PROGRAM AGREEMENT

On June 16, 2020, the City Council approved M&C 20-0421 authorizing the execution of an Economic Development Program Agreement with Linear Labs (Company) which included as one part of the Company's base requirements that the Company expend at least \$250,000.00 by the end of its first operational year and \$3,750,000.00 by the end of its third operational year in construction costs for upgrades and modifications to the building and the property at which project operations will occur. Although the primary purpose of the agreement was to support the relocation of the firm and the growth of its investment and business activities in research and development, the anticipated cost of improvements to the building that had been expected to house those activities was also incorporated into the terms of the Agreement.

Since the date of the approval of the M&C, the Company has chosen to locate at a different location within the City, a building located at 2600 NE Loop 820. The new location does not require the same level of improvements during the initial years of the term of the agreement necessary to house the Company's activities in those years. However, the Company does plan for the installation of taxable capital equipment at the property which is proposed for inclusion as part of the base requirement for the agreement.

Therefore, staff recommends that the City Council approve the following changes to the Company requirements:

<i>Original Requirement</i>	<u>Year 1</u>	<u>Year 3</u>
Minimum Real Property Improvements (in aggregate)	250,000.00	4,000,000.00
Minimum Total Capital Investment (in aggregate)	250,000.00	4,000,000.00

<i>Amended Requirement</i>	<u>Year 1</u>	<u>Year 5</u>
Minimum Real Property Improvements (in aggregate)	250,000.00	2,750,000.00
Minimum Capital Equipment Installations (in aggregate)	0.00	1,250,000.00
Minimum Total Capital Investment (in aggregate) ¹	250,000.00	4,000,000.00

¹Year 5 Minimum Total Capital Investment may be reallocated between Real and Capital Equipment provided that the combined value is satisfied.

Staff will place an M&C for City Council consideration on the March 9, 2021 agenda, recommending that the City amend the Economic Development Program Agreement with Linear Labs to change the property requirements as described above. No other commitments, including those relating to employment or investment in research & development, will be amended.

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