

Economic Development Program Agreement Sundance Square Central Plaza

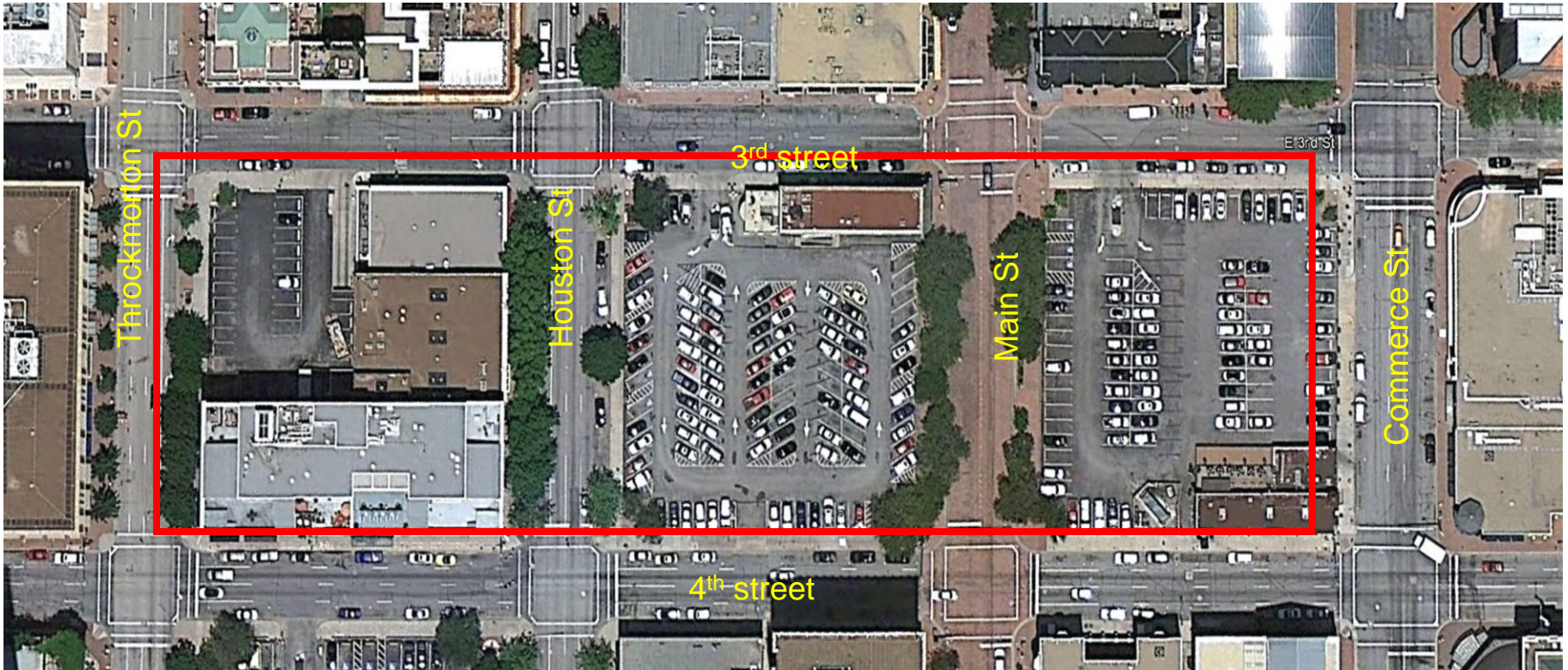


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Housing and Economic Development Department
April 10, 2012

Project Scope

- Construction of 3 new mixed-use buildings
- Preservation of 2 historic buildings
- Total Development Costs: \$110 million
 - Includes construction, tenant improvements, land value and relocation costs
- Project Completion Deadline: Dec. 31, 2014
- Plaza flanking Main St. realizes crucial element of Downtown Strategic Action Plan and the Downtown Tax Increment Finance Project Plan
- Development of Plaza without the corresponding return on investment creates a large gap on the overall project

Project Location

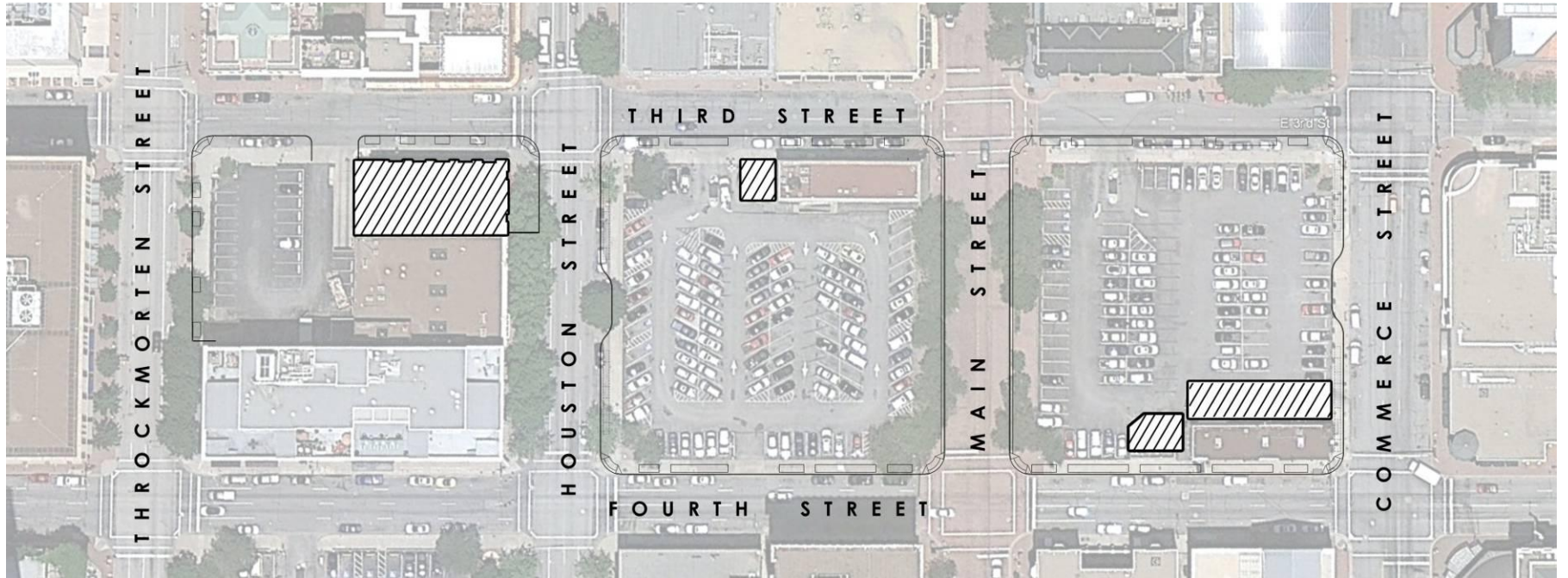


Project Location



Project overview:

- Three mixed use buildings
- Historic preservation of two buildings
- Plaza space



Demolition

Demolition



West Plaza Bldg



WEST ELEVATION @ HOUSTON STREET

East Plaza Bldg



EAST ELEVATION @ COMMERCE STREET

The Cassidy



NORTH ELEVATION



EAST ELEVATION



WEST ELEVATION



Proposed Development Incentive

- Projected project gap of approximately \$14.0 million
- Downtown TIF Board approved reimbursement of up to \$11.0 million in TIF eligible expenses related to the project
- Provide Chapter 380 Economic Development Program Agreement (EDPA) of up to \$2.5 M
- Waive specific development fees with an estimated value of \$175,000

Chapter 380 Agreement Terms

- Incentive request consisting of a 15 year Chapter 380 Economic Development Program Agreement (EDPA) capped at \$2.5 M
- Agreement would provide annual grant payments equal to 85% of \$0/01 annual sales tax generated from taxable items in the retail component of the project
- If cap is reached prior to the end of 15 years, the agreement will terminate

Sundance Square Commitments

- Construction of 3 New Buildings:
 - Six-story building totaling 101,067 SF with 17,504 SF of retail on the ground level, 66,940 SF of Class A office space and 16,643 SF of residential
 - Six-story building totaling 93,290 SF with 16,395 SF of retail and 72,829 SF Class A office space
 - Five-story building totaling 79,857 SF adjoining the existing Land Title Building to the north with 16,204 SF of retail and 63,657 SF of Class A office space
- Preservation and Renovation of:
 - 111 E. 4th Street (Existing Land Title Building)
 - 115 W 3rd Street (Existing Jett Building with Chisholm Trail mural)
- Construction of 55,450 SF Plaza

Sundance Square Commitments

- Minimum of \$65,000,000 (excluding property acquisition costs) will be spent in development and hard construction costs. Failure to meet the minimum investment commitment will result in immediate termination
- Spend 30% or \$19,500,000 of all hard construction costs with Fort Worth companies
- Spend 25% or \$16,250,000 of the construction costs with Fort Worth M/WBE companies (with the understanding that dollars spent with Certified Fort Worth M/WBE companies will also count as dollars spent with Fort Worth companies)

Sundance Square Commitments

- Employ a minimum of 5 Full-time employees
- Fill the greater of 40% or 2 of the FTE's with Fort Worth residents
- Fill the greater of 20% or 1 of the FTE's with Fort Worth Central City residents
- Spend at least \$200,000 of annual discretionary service and supply expenditures with Fort Worth contractors.
- Spend at least \$100,000 of annual discretionary service and supply expenditures with Fort Worth Certified M/WBE contractors (with the understanding that dollars spent with Fort Worth Certified M/WBE companies will also count as dollars spent with Fort Worth companies).

Proposed Incentive Terms

Company Commitment	Grant Percentage
Real & Personal Property Investment	35%
FW Construction	20%
FW M/WBE Construction	5%
Overall Employment	5%
Employment of FW Residents	5%
Employment of FW CC Residents	5%
FW Supply & Service Expenditures	5%
FW M/WBE Supply & Service Expenditures	5%
Total	85%

- Failure to meet a commitment will result in a reduction of the corresponding component of the grant for that year proportional to the amount the commitment was not met

Fee Waivers

- Waive fees that would otherwise be charged by the City at any time prior to the Completion Deadline including: (i) all building permit, plan review, inspection, and re-inspection fees; (ii) all zoning fees; (iii) all temporary encroachment fees; (iv) all platting fees; and (v) all fire, sprinkler, and alarm permit fees
- Street/sidewalk rental permit fees up to a cap of \$100,000
- All other fees including transportation impact fees, water and sewer tap and impact fees, and parking removal permits are not waived and will be payable by Sundance Square

Projected Taxes Summary

- Downtown TIF has \$5.0 million annual cap so all new investment accrues directly to the taxing entities

	Annual	15-year
City Property Tax	\$705,500	\$10,582,500
City Sales Tax	\$18,690	\$280,350
City Total	\$724,190	\$10,862,850
Sundance Sales Tax	\$105,910	\$1,588,650
Fee Waivers	\$175,000*	\$175,000*
Sundance Sq Total	\$280,910	\$1,763,650

Development Summary

- Private Investment
 - At least \$110,000,000 in development costs, including construction, tenant improvements, land value and relocation costs by December 31, 2014
- Employment
 - Employ a minimum of 5 Full-time employees
- Maximum Public Investment \$2.5 M
- Ratio
 - Private/Public Investment 44:1
 - Percent City Participation 2.27%
 - With TIF Participation 8:1

Next Steps

Consideration of Chapter 380 and fee waivers	May 1 st
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Questions / Comments

