

**MEETING OF THE BOARD OF  
DIRECTORS OF THE  
ARLINGTON ECONOMIC DEVELOPMENT CORPORATION**

**AGENDA  
JANUARY 16, 2024 AT 4:30p.m.  
ARLINGTON CITY HALL  
COUNCIL BRIEFING ROOM  
3<sup>RD</sup> FLOOR  
101 W. ABRAM STREET  
ARLINGTON, TX 76010**

Members of the public who wish to speak on a listed agenda item for action will be asked for their comments at the appropriate time.

- I. Call to Order
  
- II. Consideration of Minutes
  - A. December 11, 2023 Meeting
  
- III. Standing Reports
  - A. Financial Report
  - B. Real Estate Report
  - C. Industry Spotlight Report
  
- IV. Interim Executive Director's Report
  - A. Project updates
  - B. Small business initiative update
  - C. Sponsorship updates
  
- V. UTA Life Sciences Briefing
  
- VI. Economic Development Update
  
- VII. Item for Action
  - A. Resolution

Approve a resolution authorizing the Interim Executive Director or her designee to execute a Performance Agreement with MedHab LLC relative to the creation and retention of primary jobs as part of the Texas Manufacturing Assistance Center Incentive Project.

- B. Resolution

Following a public hearing held in accordance with Section 505.159 of the Texas Local Government Code, consider a resolution authorizing the President of the Board of Directors to execute a Funding Agreement by and between the Arlington Economic Development Corporation and the City of Arlington relative to the acquisition of real and business personal property interest to allow for operation by the City of the Fixed Base Operator at Arlington Municipal Airport.

Approve a resolution authorizing the President of the Board of Directors to execute a Funding Agreement by and between the Arlington Economic Development Corporation and the City of Arlington relative to the acquisition of real and business personal property interest to allow for operation by the City of the Fixed Base Operator at Arlington Municipal Airport.

VIII. Executive Session

Discussion of matters permitted by the following sections of V.T.C.A, Government Code, Chapter 551:

A. Section 551.087, Deliberation Regarding Economic Development Negotiations

1. Offers of Incentives to Business Prospects

B. Section 551.072, Deliberation Regarding Real Property

1. Discussion regarding the possible purchase, exchange, lease, or value of real property for eligible projects of the Arlington Economic Development Corporation.

IX. Future Agenda Items

X. Adjourn

**MEETING OF THE BOARD OF DIRECTORS  
OF THE  
ARLINGTON ECONOMIC DEVELOPMENT CORPORATION**

**MINUTES OF THE  
ARLINGTON ECONOMIC DEVELOPMENT CORPORATION  
BOARD OF DIRECTORS  
December 11, 2023**

The Board of Directors of the Arlington Economic Development Corporation convened in Regular Session on December 11, 2023, at 9:30 a.m., in Arlington City Hall, 3<sup>rd</sup> Floor, 101 W. Abram Street, Arlington, Texas, with the meeting being open to the public and notice of said meeting, giving the date, place and subject thereof, having been posted as prescribed by V.T.C.A., Government Code, Chapter 551, with the following members present, to-wit:

Board Members:

Michael Jacobson	§	President
Mojy Haddad	§	Vice President
John Whiteley	§	Treasurer
Gerald Alley	§	Board Member
Carmenza Moreno	§	Board Member

Absent:

Jollyn Mwisongo	§	Secretary
Kate Miller	§	Board Member

And

Trey Yelverton	City Manager
Lyndsay Mitchell	Interim Executive Director
Molly Shortall	City Attorney
Jennifer Wichmann	Deputy City Manager
Bruce Payne	Director of Economic Development
Jonathan Moss	Senior Attorney
Jasmine Amo	Specialist
Marcus Young	Economic Development Specialist
Erin Clark	Public Funds Administrator
Stephanie Dimas	Senior Public Funds Analyst
Alicia Winkelblech	Director of Transportation
Trent Ballard	Airport Manager
Raja Saravanan	Business Intelligence and Marketing Analyst
Teresa Burnett	Communications Coordinator
Kevin McGlaun	Real Estate Consultant
Erica Yingling	Coordinator

I. Call to Order

President M. Jacobson called the meeting to order at 9:31 a.m.

II. Consideration of Minutes

A. October 17, 2023 Meeting

Board Member G. Alley made a motion to approve the minutes of the October 17, 2023 Board meeting. Seconded by Treasurer J. Whiteley, the motion carried with 5 ayes and 0 nays.

B. October 20, 2023 Meeting

Board Member G. Alley made a motion to approve the minutes of the October 20, 2023 Board meeting. Seconded by Treasurer J. Whiteley, the motion carried with 5 ayes and 0 nays.

APPROVED

III. Standing Reports

- A. Financial Report
- B. Real Estate Report
- C. Industry Spotlight Report

IV. Airport Master Plan Update

Trent Ballard, Airport Manager provided information relative to the Arlington Municipal Airport Development Plan.

V. Items for Action:

A. Resolution

Approve a resolution authorizing the Interim Executive Director or her designee to execute a Performance Agreement with Urban Tree Merchants relative to the creation and retention of primary jobs as part of the Texas Manufacturing Assistance Center Incentive Project.

Jasmine Amo, Specialist, presented the resolution for consideration.

Vice President M. Haddad made a motion to approve the resolution. Seconded by Board Member G. Alley, the motion carried with 5 ayes and 0 nays.

AEDC RESOLUTION NO. 23-019

## B. Resolution

Approve a resolution authorizing the President of the Board of Directors to execute an Economic Development Performance Agreement by and among Go For Three, LLC, the Arlington Economic Development Corporation, and the City of Arlington relative to the redevelopment of fourteen acres in the Entertainment District.

Vice President M. Haddad made a motion to amend the resolution date. Seconded by Board Member C. Moreno, the motion carried with 4 ayes and 0 nays. Board Member G. Alley abstained from the vote.

AEDC RESOLUTION NO. 23-020

Treasurer J. Whiteley left the meeting at 10:33 a.m.

## VI. Executive Session

At 10:34 a.m., President M. Jacobson announced that the Board would convene in Executive Session.

Discussion of matters permitted by the following sections of V.T.C.A, Government Code, Chapter 551:

- A. Section 551.087, Deliberation Regarding Economic Development Negotiations
  - 1. Offers of Incentives to Business Prospects

At 11:01 a.m., President M. Jacobson announced the Executive Session was adjourned, and the Board immediately reconvened in Open Session.

## VII. Future Agenda Items

## VIII. Adjourn

There being no further business, the meeting was adjourned at 11:02 a.m.

**COA Expenditures by Cost Center**

Budget Structure Non-Operating Budget  
 Amount Type Activity  
 Period FY24 - Nov  
 Cost Center Hierarchy Economic Development Corporation  
 From Budget Date 10/1/2023  
 To Budget Date 9/30/2024

Cost Center	Budget Appropriation	Current Monthly Expenditures	Expenditures to Date	Encumbrances	Actuals + Encumbrances	Unexpended Balance	%Exp
<b>CC973005 Economic Development Corporation Projects</b>	<b>69,016,963</b>	-	-	<b>23,380</b>	<b>23,380</b>	<b>68,993,583</b>	<b>0.03%</b>
61000:Purchase/Contract	69,016,963	-	-	23,380	23,380	68,993,583	0.03%
<b>CC973010 Economic Development Corporation Operations</b>	<b>3,918,114</b>	<b>82,507</b>	<b>164,958</b>	<b>20,696</b>	<b>185,654</b>	<b>3,732,460</b>	<b>4.74%</b>
50000:Salaries and Wages	674,492	40,067	80,013	-	<b>80,013</b>	594,479	11.86%
55000:Benefits	174,572	9,104	17,821	-	<b>17,821</b>	156,751	10.21%
60000:Supplies	150,000	38	1,646	2,880	<b>4,526</b>	145,474	3.02%
61000:Purchase/Contract	700,000	10,542	12,811	32,600	<b>45,411</b>	654,589	6.49%
62000:Utilities	20,000	-	-	-	-	20,000	0.00%
63000:Maintenance and Repair	1,000,000	1,960	5,246	216	<b>5,462</b>	994,538	0.55%
65000:Miscellaneous Expense	755,000	17,955	22,955	(15,000)	<b>7,955</b>	747,045	1.05%
66000:Travel and Training	438,050	2,622	24,246	-	<b>24,246</b>	413,804	5.54%
67000:Interdepartmental Expense	6,000	220	220	-	<b>220</b>	5,780	3.67%

**SALES TAX REVENUES**

TOTAL	4,137,662	Sales Month	Revenue Received
	2,121,335	October 2023	December 2023
	2,016,327	November 2023	January 2024
		December 2023	February 2024
		January 2024	March 2024
		February 2024	April 2024
		March 2024	May 2024
		April 2024	June 2024
		May 2024	July 2024
		June 2024	August 2024
		July 2024	September 2024
		August 2024	October 2024
		September 2024	November 2024

COA Expenditures by Cost Center

Budget Structure Non-Operating Budget  
 Amount Type Activity  
 Period FY24 - Nov  
 Cost Center Hierarchy Economic Development Corporation  
 From Budget Date 10/1/2023  
 To Budget Date 9/30/2024

Cost Center	Budget Appropriation	Current Monthly Expenditures	Expenditures to Date	Encumbrances	Actuals + Encumbrances	Unexpended Balance	%Exp
<b>CC973005 Economic Development Corporation Projects</b>	<b>69,016,963</b>	-	-	<b>23,380</b>	<b>23,380</b>	<b>68,993,583</b>	<b>0.03%</b>
61000:Purchase/Contract	69,016,963	-	-	23,380	23,380	68,993,583	0.03%
SC0574 - Professional Services	69,016,963	-	-	23,380	23,380	68,993,583	0.03%
<b>CC973010 Economic Development Corporation Operations</b>	<b>3,918,114</b>	<b>82,507</b>	<b>164,958</b>	<b>20,696</b>	<b>185,654</b>	<b>3,732,460</b>	<b>4.74%</b>
50000:Salaries and Wages	674,492	40,067	80,013	-	80,013	594,479	11.86%
SC50002 - Salaries: Operations	674,492	31,437	70,144	-	70,144	604,348	10.40%
SC50010 - Salaries: Terminal Pay	-	8,630	9,869	-	9,869	(9,869)	0.00%
55000:Benefits	174,572	9,104	17,821	-	17,821	156,751	10.21%
SC0805 - Deferred Comp 401K Payable	-	-	-	-	-	-	0.00%
SC0809 - Cigna Life Insurance Payable	-	-	-	-	-	-	0.00%
SC0810 - L-T Disability Payable	-	-	-	-	-	-	0.00%
SC50004 - Benefits: Longevity/Stability	210	168	168	-	168	42	80.00%
SC55000 - Benefits : Worker's Comp	763	47	99	-	99	664	13.03%
SC55001 - Benefits : Employee Retirement	72,626	4,047	7,721	-	7,721	64,905	10.63%
SC55002 - Benefits : Disability Income Plan	1,484	86	165	-	165	1,319	11.10%
SC55003 - Benefits : Employee Insurance	64,022	2,555	4,901	-	4,901	59,121	7.66%
SC55005 - Benefits : Medicare	9,779	584	1,166	-	1,166	8,613	11.93%
SC55008 - Benefits : Thrift Plan	18,096	1,177	2,713	-	2,713	15,383	14.99%
SC55009 - Benefits : Car Allowance	5,200	371	771	-	771	4,429	14.84%
SC55010 - Benefits : Phone Allowance	2,392	69	115	-	115	2,277	4.82%
60000:Supplies	150,000	38	1,646	2,880	4,526	145,474	3.02%
SC0500 - Office Supplies less than \$5,000	10,000	38	475	-	475	9,525	4.75%
SC0514 - Other Supplies	3,000	-	-	-	-	3,000	0.00%
SC0516 - Supplies/Computer Hardware	22,000	-	1,171	2,880	4,051	17,949	18.41%
SC0517 - Office Furniture less than \$5,000	60,000	-	-	-	-	60,000	0.00%
SC0521 - Cost Of Food & Beverage	25,000	-	-	-	-	25,000	0.00%
SC0531 - Rental	30,000	-	-	-	-	30,000	0.00%
61000:Purchase/Contract	700,000	10,542	12,811	32,600	45,411	654,589	6.49%
SC0533 - Special Services	500,000	1,056	3,325	-	3,325	496,675	0.67%
SC0574 - Professional Services	200,000	9,486	9,486	32,600	42,086	157,914	21.04%
62000:Utilities	20,000	-	-	-	-	20,000	0.00%
SC0578 - Electric Service	20,000	-	-	-	-	20,000	0.00%
63000:Maintenance and Repair	1,000,000	1,960	5,246	216	5,462	994,538	0.55%
SC0583 - Maintenance of Buildings	1,000,000	1,960	5,246	216	5,462	994,538	0.55%
65000:Miscellaneous Expense	755,000	17,955	22,955	(15,000)	7,955	747,045	1.05%
SC0658 - Advertising	750,000	17,955	22,955	(15,000)	7,955	742,045	1.06%
SC0735 - Employee Reimbursement - non travel/training	5,000	-	-	-	-	5,000	0.00%
66000:Travel and Training	438,050	2,622	24,246	-	24,246	413,804	5.54%
SC0668 - Membership	50,000	2,075	17,075	-	17,075	32,925	34.15%
SC0669 - Training	10,000	250	250	-	250	9,750	2.50%
SC0670 - Registration	78,050	-	1,200	-	1,200	76,850	1.54%
SC0671 - Travel	50,000	297	5,721	-	5,721	44,279	11.44%
SC0675 - Supplies/Computer Software	250,000	-	-	-	-	250,000	0.00%
67000:Interdepartmental Expense	6,000	220	220	-	220	5,780	3.67%
SC0633 - General Services Charges	6,000	220	220	-	220	5,780	3.67%

**Economic Development Corporation**

**Pro Forma**

Report Date: 01.11.2024

FD8050 CC 973010 (Operations) and CC 973005 (Projects)

	ACTUALS			PROJECTIONS							
	1 FY21	2 FY22	3 FY23	4 FY24	5 FY25	6 FY26	7 FY27	8 FY28	9 FY29	10 FY30	11 FY31
<b>Beginning Balance</b>	-	10,853,564	33,352,739	49,183,947	38,605,823	33,605,823	28,605,823	23,605,823	18,605,823	13,605,823	8,605,823
<b>Revenues</b>											
Sales Tax Revenue	11,164,714	24,115,528	23,849,011	26,161,473	26,946,317	27,754,706	28,587,347	29,444,968	30,328,317	31,238,166	32,175,311
Interest	-	137,745	1,161,268	1,967,358	965,146	840,146	715,146	590,146	111,635	81,635	51,635
Miscellaneous Revenue	-	2	24,750	-	-	-	-	-	-	-	-
Reserve for Incr/Decr in FMV of Investments	-	(877,675)	-	-	-	-	-	-	-	-	-
Reserve for Accrued Comp Absences	-	(10,666)	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>11,164,714</b>	<b>23,364,934</b>	<b>25,035,029</b>	<b>28,128,830</b>	<b>27,911,462</b>	<b>28,594,852</b>	<b>29,302,493</b>	<b>30,035,113</b>	<b>30,439,952</b>	<b>31,319,801</b>	<b>32,226,946</b>
<b>Interfund Transfers</b>											
Transfer to General Fund	-	(227,363)	(254,250)	(261,878)	(269,734)	(277,826)	(286,161)	(294,745)	(303,588)	(312,695)	(322,076)
<b>Total Transfers</b>	<b>-</b>	<b>(227,363)</b>	<b>(254,250)</b>	<b>(261,878)</b>	<b>(269,734)</b>	<b>(277,826)</b>	<b>(286,161)</b>	<b>(294,745)</b>	<b>(303,588)</b>	<b>(312,695)</b>	<b>(322,076)</b>
<b>Expenditures</b>											
<b>EDC Operations</b>											
YTD Actuals (see monthly budget report)	(311,151)	(638,396)	(1,318,221)	(185,654)	-	-	-	-	-	-	-
Remaining current year budget for EDC Operations	-	-	-	(3,732,460)	-	-	-	-	-	-	-
Projected future budget	-	-	-	-	(3,035,657)	(3,126,727)	(3,220,529)	(3,317,145)	(3,416,659)	(3,519,159)	(3,624,734)
<b>Total Operations</b>	<b>(311,151)</b>	<b>(638,396)</b>	<b>(1,318,221)</b>	<b>(3,918,114)</b>	<b>(3,035,657)</b>	<b>(3,126,727)</b>	<b>(3,220,529)</b>	<b>(3,317,145)</b>	<b>(3,416,659)</b>	<b>(3,519,159)</b>	<b>(3,624,734)</b>
<b>EDC Capital Expenditures</b>											
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Projects - Active Incentive Agreements</b>											
Bell Textron Inc.	-	-	(1,000,000)	(1,500,000)	-	-	-	-	-	-	-
Six Flags Southeast Project / Intercon Environmental	-	-	(286,316)	-	-	-	-	-	-	-	-
Center Street Gateway Project	-	-	(5,845,034)	-	-	-	-	-	-	-	-
First Rate	-	-	(500,000)	(500,000)	(500,000)	-	-	-	-	-	-
TMAC	-	-	-	(50,000)	(50,000)	-	-	-	-	-	-
Small Business Initiatives	-	-	-	(550,000)	-	-	-	-	-	-	-
Sportec (startup incentive)	-	-	-	-	(750,000)	(250,000)	-	-	-	-	-
Sportec (hiring grant)	-	-	-	-	(10,000)	(10,000)	(12,500)	-	-	-	-
Town North Redevelopment	-	-	-	-	-	-	-	(2,361,600)	-	-	-
Go For Three / Sheraton redevelopment	-	-	-	-	(2,333,333)	(2,333,333)	(7,333,333)	(2,333,333)	(2,333,333)	(2,333,333)	(1,000,000)
<b>Total Active Incentive Projects</b>	<b>-</b>	<b>-</b>	<b>(7,631,350)</b>	<b>(2,600,000)</b>	<b>(3,643,333)</b>	<b>(2,593,333)</b>	<b>(7,345,833)</b>	<b>(4,694,933)</b>	<b>(2,333,333)</b>	<b>(2,333,333)</b>	<b>(1,000,000)</b>
<b>Projects - Proposed and Potential</b>											
* prior year * funding available for new projects ^^^	-	-	-	-	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)
* current year * funding available for new projects	-	-	-	(31,926,964)	(20,962,738)	(22,596,966)	(18,449,970)	(21,728,290)	(24,386,372)	(25,154,614)	(27,280,136)
<b>Total Available for Projects</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(31,926,964)</b>	<b>(25,962,738)</b>	<b>(27,596,966)</b>	<b>(23,449,970)</b>	<b>(26,728,290)</b>	<b>(29,386,372)</b>	<b>(30,154,614)</b>	<b>(32,280,136)</b>
<b>TOTAL EXPENDITURES</b>	<b>(311,151)</b>	<b>(638,396)</b>	<b>(8,949,571)</b>	<b>(38,445,078)</b>	<b>(32,641,729)</b>	<b>(33,317,026)</b>	<b>(34,016,332)</b>	<b>(34,740,368)</b>	<b>(35,136,364)</b>	<b>(36,007,106)</b>	<b>(36,904,870)</b>
<b>Ending Balance</b>	<b>10,853,564</b>	<b>33,352,739</b>	<b>49,183,947</b>	<b>38,605,823</b>	<b>33,605,823</b>	<b>28,605,823</b>	<b>23,605,823</b>	<b>18,605,823</b>	<b>13,605,823</b>	<b>8,605,823</b>	<b>3,605,823</b>

italics indicate projections

^^^ "prior year funding available for new projects" is a placeholder to demonstrate that there are funds leftover from prior years that can be utilized during any year for any adopted project; these amounts will change periodically as this pro forma is updated

**REVENUE Assumptions:**

Sales Tax Revenue projections based on City's Street Maintenance assumptions (it and EDC are both quarter-cent sales tax) and out years beginning FY25 assume 3% growth  
Interest projections based on the prior year ending balance multiplied by 4%

**Operations EXPENDITURE Assumptions:**

FY24 operations expenditure projections based on proposed budget, which includes one-time expenditure of \$1m for tenant improvement expenses at Choctaw Stadium  
FY25 shows 3% growth minus \$1m for the one-time construction costs at Choctaw Stadium in FY24  
FY26 and beyond operations expenditure projections assume 3% growth

**Projects EXPENDITURE Assumptions:**

Bell Textron payment years based on project commencement/completion deadlines per the agreement  
Town North payment projected in FY28 based on 12/31/2027 project completion deadlines; timing subject to change  
Six Flags Southeast Project: actual expenditure includes purchase price and closing costs  
Center Street Gateway Project: projection includes purchase price, attorneys fees and commissions; additional closing costs to be determined  
First Rate will be paid \$500k per year for three years for a total of \$1.5m  
Partnership with Texas Manufacturing Assistance Center (TMAC) are estimated expenditures per year for a total of \$150k total  
Current year funding available for new projects = current year revenue estimate minus operations and all known project expenses



# City of Arlington Retail Overview January 2024 Report



## SOUTH ARLINGTON SUBMARKET

The South Arlington retail submarket reports vacancy of 4.8%, marginally above the DFW norm of 4.5%. Construction is constrained with 93,000 SF underway.

12 Mo Deliveries in SF	12 Mo Net Absorption in SF	Vacancy Rate	12 Mo Asking Rent Growth
<b>56.6K</b>	<b>72.7K</b>	<b>4.8%</b>	<b>5.1%</b>

AVAILABILITY	SUBMARKET	MARKET
Market Asking Rent/SF	\$21.14 ↑	\$23.50 ↑
Vacancy Rate	4.6% ↓	4.4% ↓
Vacant SF	901K ↓	20.6M ↓
Availability Rate	4.1% ↓	5.0% ↓
Available SF Direct	803K ↓	23.5M ↓
Available SF Sublet	15.9K ↑	362K ↑
Available SF Total	819K ↓	23.8M ↓
Months on Market	13.3	11.4

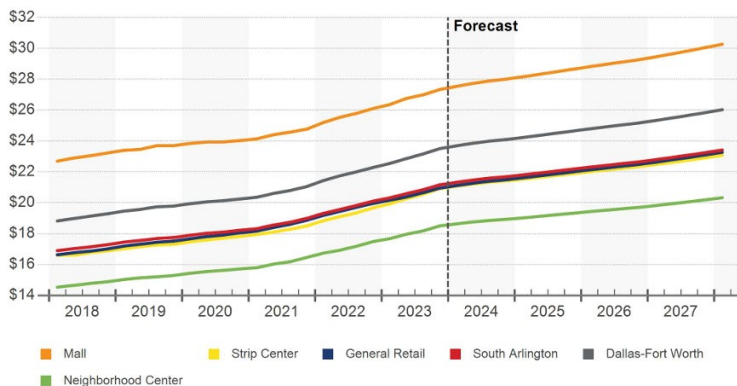
INVENTORY	SUBMARKET	MARKET
Existing Buildings	1,252 ↑	35,805 ↑
Inventory SF	19.7M ↑	467M ↑
Average Building SF	15.8K ↓	13K ↓
Under Construction SF	93.4K ↑	4.9M ↑
12 Mo Delivered SF	56.6K ↑	3.5M ↓

DEMAND	SUBMARKET	MARKET
12 Mo Net Absorption SF	72.7K ↑	3.2M ↓
12 Mo Leased SF	426K ↑	9.3M ↓
6 Mo Leasing Probability	30.3%	30.4%

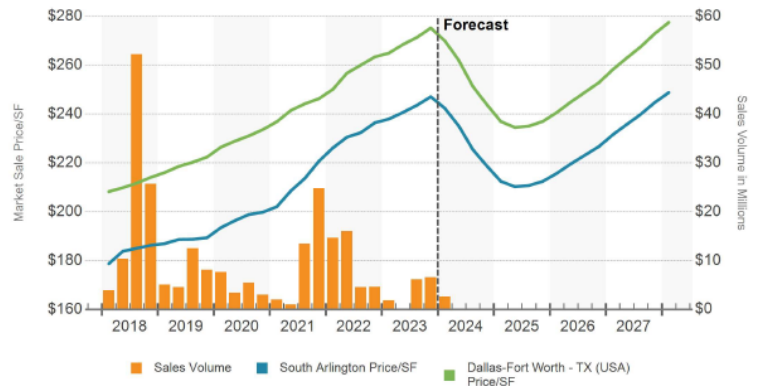
SALES	SUBMARKET	MARKET
12 Mo Transactions	56 ↓	1,479 ↓
Market Sale Price/SF	\$247 ↑	\$275 ↑
Average Market Sale Price	\$3.9M ↑	\$3.6M ↑
12 Mo Sales Volume	\$16.4M ↓	\$489M ↓
Market Cap Rate	6.3% ↓	6.3% ↓

NOTE: Arrows indicate an increase or decrease from the same metric for the previous 12-month period.

### MARKET ASKING RENT PER SF



### SALES VOLUME & PRICE PER SF



# City of Arlington Retail Overview

January 2024 Report

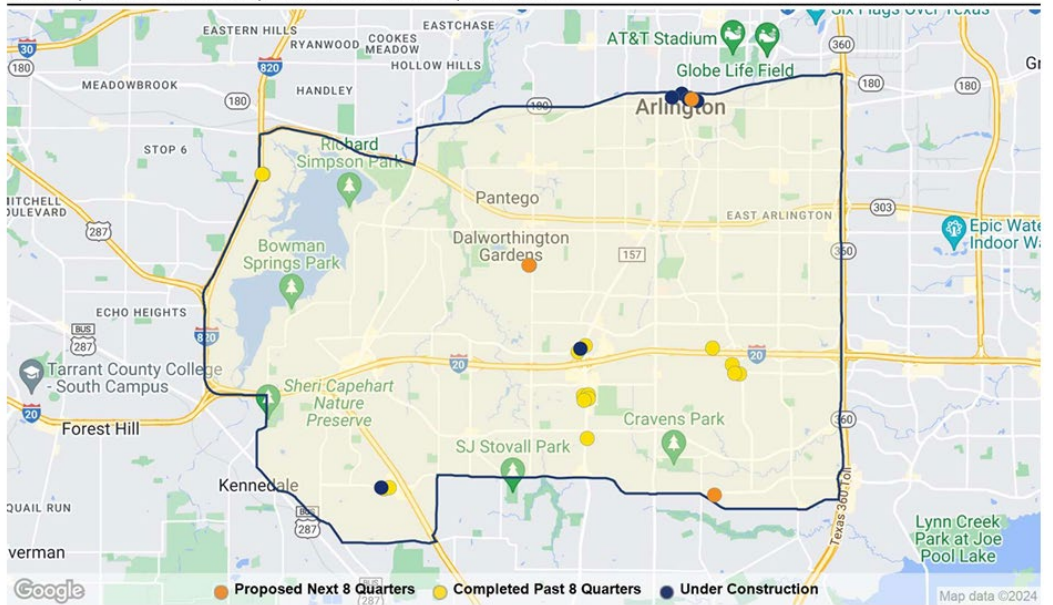


# SOUTH ARLINGTON SUBMARKET

## PROPERTIES UNDER CONSTRUCTION

All-Time Annual Avg. Square Feet	Delivered Square Feet Past 8 Qtrs	Delivered Square Feet Next 8 Qtrs	Proposed Square Feet Next 8 Qtrs
183,592	94,051	93,357	207,099

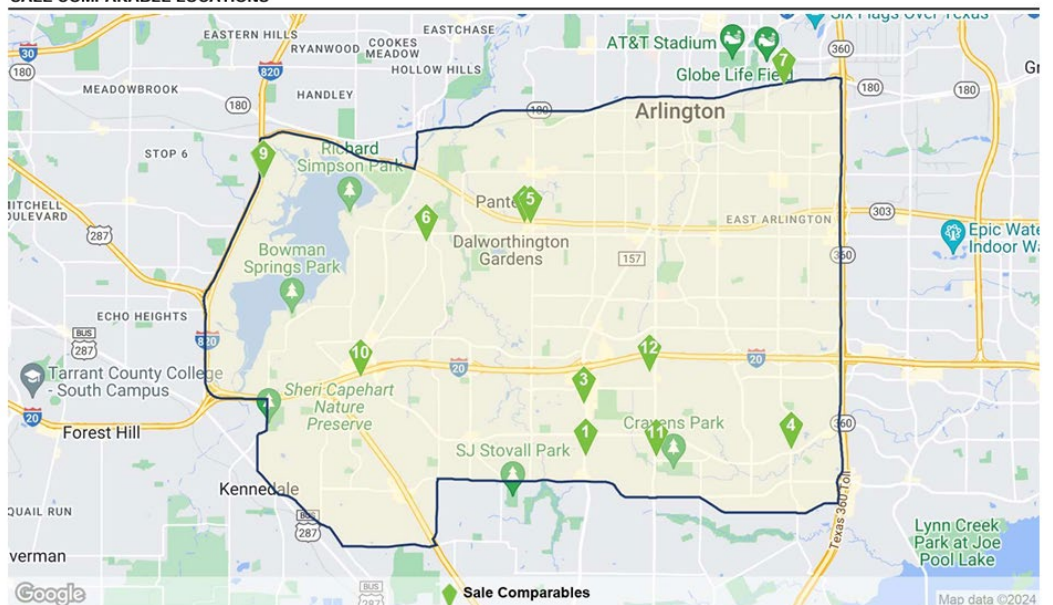
PAST 8 QUARTERS DELIVERIES, UNDER CONSTRUCTION, & PROPOSED



## PROPERTIES FOR SALE

Sale Comparables	Avg. Cap Rate	Avg. Price/SF	Avg. Vacancy At Sale
56	6.0%	\$437	5.7%

SALE COMPARABLE LOCATIONS



# City of Arlington Retail Overview January 2024 Report



## NORTH ARLINGTON SUBMARKET

The North Arlington retail submarket vacancy rate is 4.4%. Rents are \$21/SF, a 5.2% increase from a year ago. There is nothing currently under construction. 12 sales have closed, averaging \$420/SF.

<b>12 Mo Deliveries in SF</b>	<b>12 Mo Net Absorption in SF</b>	<b>Vacancy Rate</b>	<b>12 Mo Asking Rent Growth</b>
<b>4.9K</b>	<b>22.8K</b>	<b>4.4%</b>	<b>5.4%</b>

AVAILABILITY	SUBMARKET	MARKET
Market Asking Rent/SF	\$21.26 ↑	\$23.50 ↑
Vacancy Rate	4.4% ↓	4.4% ↓
Vacant SF	235K ↓	20.6M ↓
Availability Rate	5.1% ↑	5.0% ↓
Available SF Direct	269K ↑	23.5M ↓
Available SF Sublet	8.4K ↓	362K ↑
Available SF Total	277K ↑	23.8M ↓
Months on Market	13.3	11.4

DEMAND	SUBMARKET	MARKET
12 Mo Net Absorption SF	22.8K ↓	3.2M ↓
12 Mo Leased SF	59.4K ↓	9.3M ↓
6 Mo Leasing Probability	26.6%	30.4%

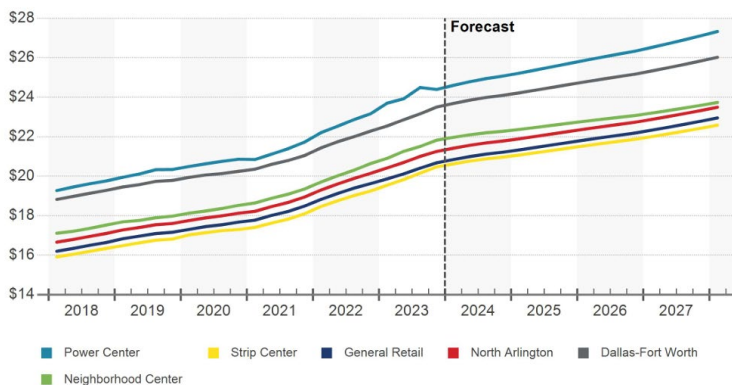
INVENTORY	SUBMARKET	MARKET
Existing Buildings	392 ↑	35,805 ↑
Inventory SF	5.4M ↑	467M ↑
Average Building SF	13.8K ↓	13K ↓
Under Construction SF	0 ↓	4.9M ↑
12 Mo Delivered SF	4.9K ↓	3.5M ↓

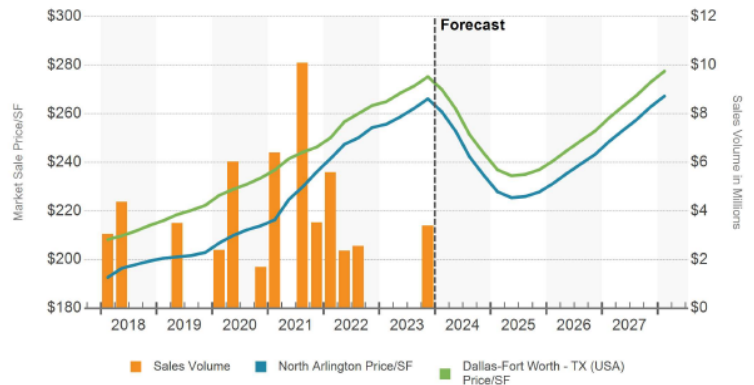
SALES	SUBMARKET	MARKET
12 Mo Transactions	12 ↓	1,479 ↓
Market Sale Price/SF	\$266 ↑	\$275 ↑
Average Market Sale Price	\$3.7M ↑	\$3.6M ↑
12 Mo Sales Volume	\$3.4M ↓	\$489M ↓
Market Cap Rate	6.2% ↓	6.3% ↓

NOTE: Arrows indicate an increase or decrease from the same metric for the previous 12-month period.

### MARKET ASKING RENT PER SF



### SALES VOLUME & PRICE PER SF



# City of Arlington Retail Overview

January 2024 Report

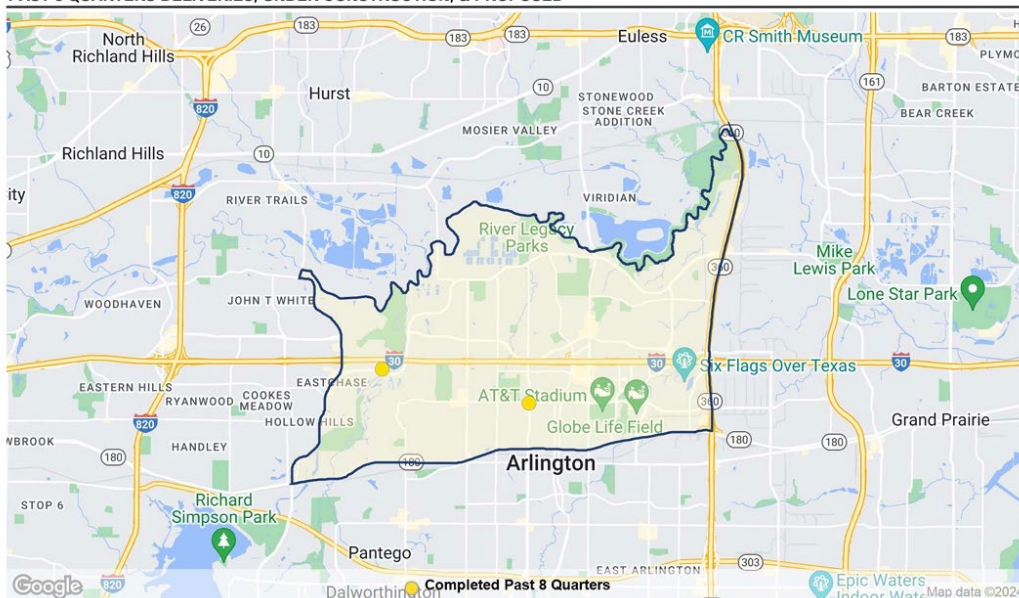


# NORTH ARLINGTON SUBMARKET

## PROPERTIES UNDER CONSTRUCTION

All-Time Annual Avg. Square Feet	Delivered Square Feet Past 8 Qtrs	Delivered Square Feet Next 8 Qtrs	Proposed Square Feet Next 8 Qtrs
33,660	5,767	0	0

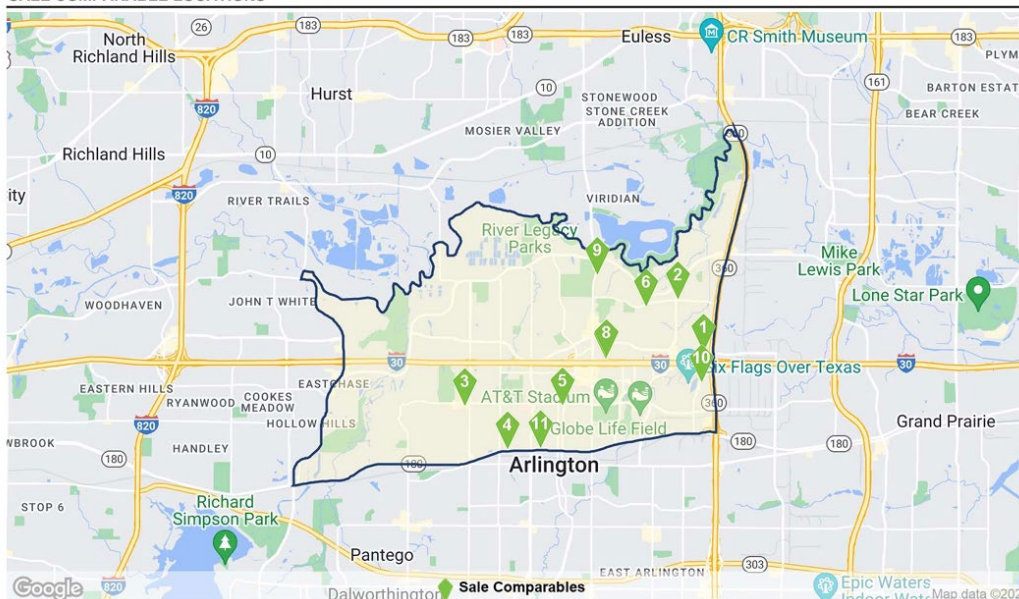
PAST 8 QUARTERS DELIVERIES, UNDER CONSTRUCTION, & PROPOSED



## PROPERTIES FOR SALE

Sale Comparables	Avg. Cap Rate	Avg. Price/SF	Avg. Vacancy At Sale
12	6.0%	\$425	27.2%

SALE COMPARABLE LOCATIONS





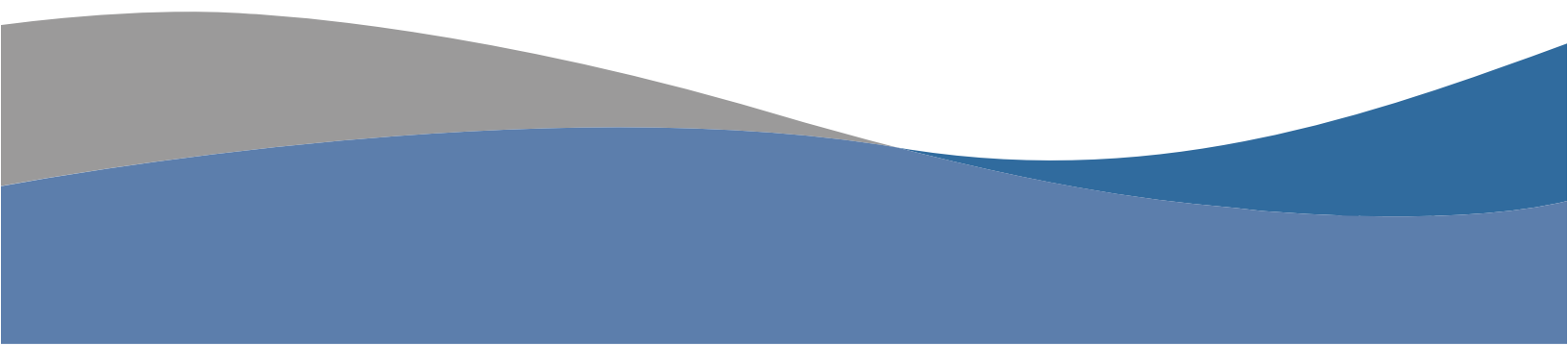
## Industry Spotlight

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# Motor Vehicle Manufacturing

Arlington, TX

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Industry Snapshot..... 4

Staffing Pattern ..... 5

Employment Distribution by Type..... 6

Sector Strategy Pathways..... 7

Postsecondary Programs Linked to Motor Vehicle Manufacturing ..... 8

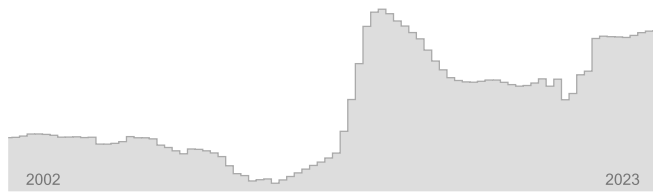
Arlington, TX Regional Map..... 9

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FAQ..... 11

# Motor Vehicle Manufacturing Arlington, TX – 2023Q2

## EMPLOYMENT



**5,014**

Regional employment / **291,490** in the nation

## WAGES

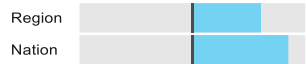


**\$127,286**

Avg Wages per Worker / **\$93,080** in the nation

**3.6%** ↑

Avg Ann % Change Last 10 Years / **+5.0%** in the US



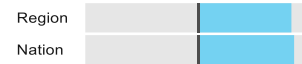
**2.8%**

% of Total Employment / **0.2%** in the US



**1.5%** ↑

Avg Ann % Change Last 10 Years / **+1.5%** in the US

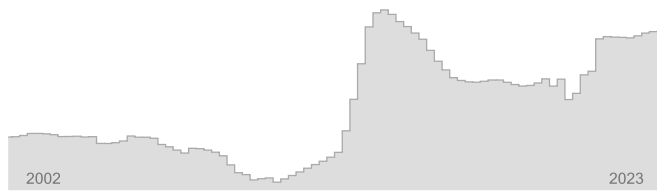


## TOP OCCUPATION GROUPS



# Industry Snapshot


## EMPLOYMENT



## WAGES



4-Digit Industry	Empl	Avg Ann Wages	LQ	5yr History	Annual Demand	Forecast Ann Growth
<b>Motor Vehicle Manufacturing</b>	<b>5,014</b>	<b>\$127,286</b>	<b>15.74</b>		<b>612</b>	<b>1.3%</b>

 Employment is one of the broadest and most timely measures of a region's economy. Fluctuations in the number of jobs shed light on the health of an industry. A growing employment base creates more opportunities for regional residents and helps a region grow its population.

 Since wages and salaries generally compose the majority of a household's income, the annual average wages of a region affect its average household income, housing market, quality of life, and other socioeconomic indicators.



# Staffing Pattern



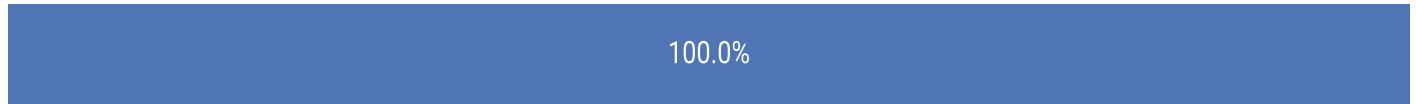
6-digit Occupation	Empl	Avg Ann Wages	Annual Demand
Team Assemblers	2,635	\$52,000	349
Assemblers and Fabricators, All Other	329	\$56,200	44
First-Line Supervisors of Production and Operating Workers	136	\$78,600	17
Industrial Engineers	127	\$112,400	12
Electricians	118	\$63,400	15
Industrial Machinery Mechanics	95	\$68,800	13
Coating, Painting, and Spraying Machine Setters, Operators, and Tenders	92	\$62,400	11
Inspectors, Testers, Sorters, Samplers, and Weighers	91	\$56,100	13
Industrial Production Managers	80	\$134,100	7
Welders, Cutters, Solderers, and Brazers	73	\$51,600	9
Remaining Component Occupations	1,225	\$84,800	145
<b>Total</b>	<b>5,000</b>		



 The mix of occupations points to the ability of a region to support an industry and its flexibility to adapt to future demand. Industry wages are a component of the cost of labor for regional employers.

# Employment Distribution by Type

The table below shows the employment mix by ownership type for Motor Vehicle Manufacturing for Arlington, TX. Four of these ownership types — federal, state, and local government and the private sector — together constitute “Covered Employment” (employment covered by the Unemployment Insurance programs of the United States and reported via the Quarterly Census of Employment and Wages).

“Self-Employment” refers to unincorporated self-employment and represents workers whose primary job is self-employment (that is, these data do not include workers whose primary job is a wage-and-salary position that is supplemented with self-employment).

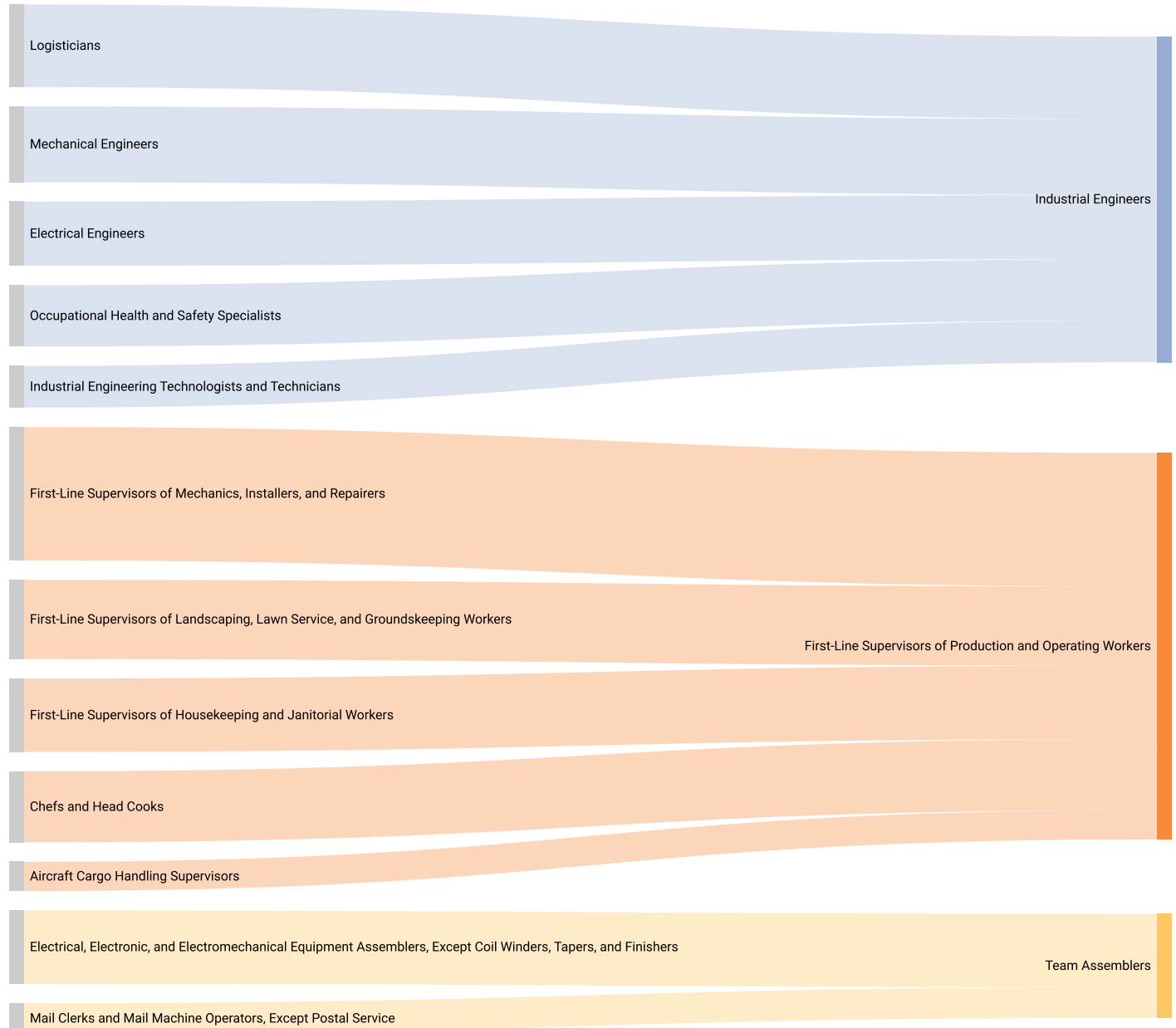



	<b>Empl</b>	<b>%</b>
 Private	5,013	100.0%
 Self-Employment	1	0.0%

Source: JobsEQ®

 Strong entrepreneurial activity is indicative of growing industries. Using self-employment as a proxy for entrepreneurs, a higher share of self-employed individuals within a regional industry points to future growth.

# Sector Strategy Pathways





 The graphics on this page illustrate relationships and potential movement (from left to right) between occupations that share similar skill sets. Developing career pathways as a strategy promotes industry employment growth and workforce engagement.

# Postsecondary Programs Linked to Motor Vehicle Manufacturing

Program	Awards
<b>The University of Texas at Arlington</b>	
Business Administration and Management, General	966
Civil Engineering, General	207
Computer and Information Sciences, General	253
Construction Engineering	114
Electrical and Electronics Engineering	92
Engineering/Industrial Management	13
Industrial Engineering	97
Information Science/Studies	258
Mechanical Engineering	209
Registered Nursing/Registered Nurse	3,249

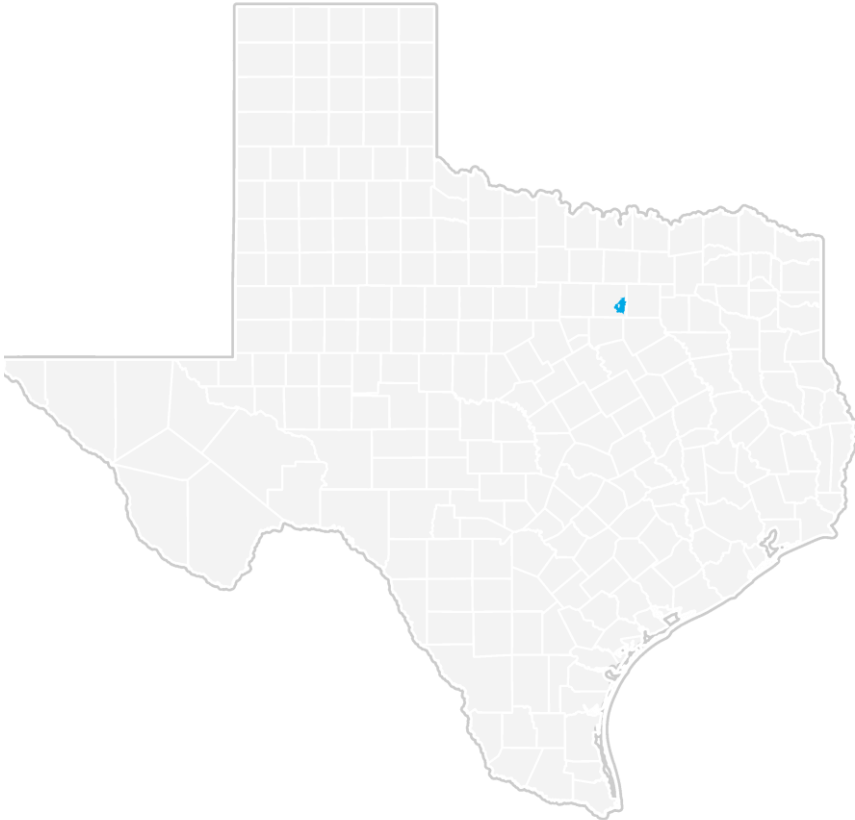
Source: [JobsEQ®](#)

- 

The number of graduates from postsecondary programs in the region identifies the pipeline of future workers as well as the training capacity to support industry demand.
- 

Among postsecondary programs at schools located in the Arlington, TX, the sampling above identifies those most linked to occupations relevant to Motor Vehicle Manufacturing. For a complete list see JobsEQ®, <http://www.chmuraecon.com/jobseq>

# Arlington, TX Regional Map



# Data Notes

- Industry employment and wages (including total regional employment and wages) are as of 2023Q2 and are based upon BLS QCEW data, imputed by Chmura where necessary, and supplemented by additional sources including Census ZBP data. Employment forecasts are modeled by Chmura and are consistent with BLS national-level 10-year forecasts.
- Occupation employment is as of 2023Q2 and is based on industry employment and local staffing patterns calculated by Chmura and utilizing BLS OEWS data. Wages by occupation are as of 2023, utilizing BLS OEWS data and imputed by Chmura.
- GDP is derived from BEA data and imputations by Chmura. Productivity (output per worker) is calculated by Chmura using industry employment and wages as well as GDP and BLS output data. Supply chain modeling including purchases by industry are developed by Chmura.
- Postsecondary awards are per the NCES and are for the 2021-2022 academic year.
- Establishment counts are per the BLS QCEW data.
- Figures may not sum due to rounding.

# FAQ

## **What is (LQ) location quotient?**

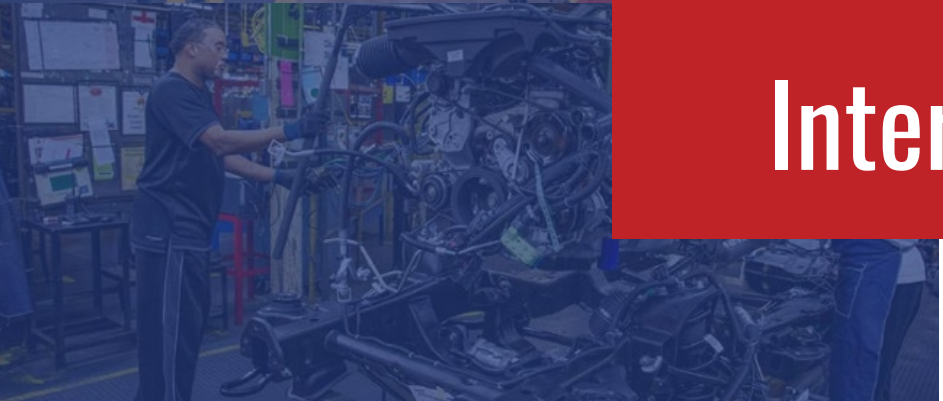
Location quotient is a measurement of concentration in comparison to the nation. An LQ of 1.00 indicates a region has the same concentration of an industry (or occupation) as the nation. An LQ of 2.00 would mean the region has twice the expected employment compared to the nation and an LQ of 0.50 would mean the region has half the expected employment in comparison to the nation.

## **What is annual demand?**

Annual demand is a of the sum of the annual projected growth demand and separation demand. Separation demand is the number of jobs required due to separations—labor force exits (including retirements) and turnover resulting from workers moving from one occupation into another. Note that separation demand does not include all turnover—it does not include when workers stay in the same occupation but switch employers. Growth demand is the increase or decrease of jobs expected due to expansion or contraction of the overall number of jobs.

## **What is the difference between industry wages and occupation wages?**

Industry wages and occupation wages are estimated via separate data sets, often the time periods being reported do not align, and wages are defined slightly differently in the two systems (for example, certain bonuses are included in the industry wages but not the occupation wages). It is therefore common that estimates of the average industry wages and average occupation wages in a region do not match exactly.



# ARLINGTON ECONOMIC DEVELOPMENT CORPORATION

## Interim Executive Director's Report

AEDC Board Meeting  
**JANUARY 16, 2024**



**ARLINGTON**  
ECONOMIC DEVELOPMENT CORPORATION



# Project Updates

BELL TEXTRON INC.

TOWN NORTH REDEVELOPMENT

SIX FLAGS SOUTHEAST PROJECT

CENTER STREET GATEWAY PROJECT

FIRST RATE/FOUNDERS ARENA

SPORTEC SOLUTIONS

SHERATON REDEVELOPMENT

TMAC STRATEGIC SOLUTIONS FUND

SMALL BUSINESS INITIATIVES

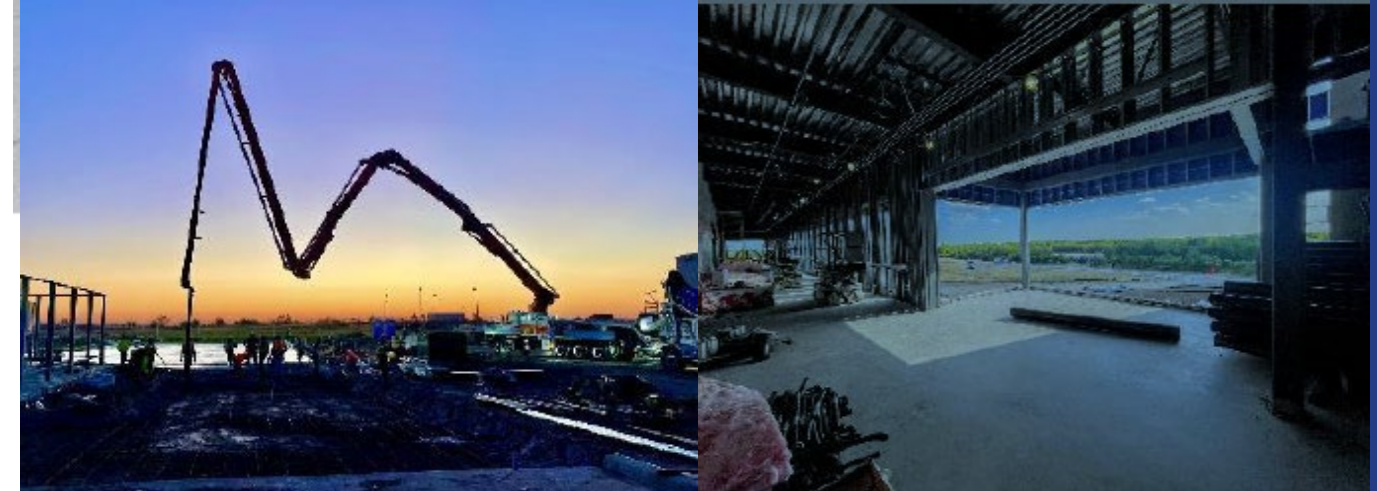
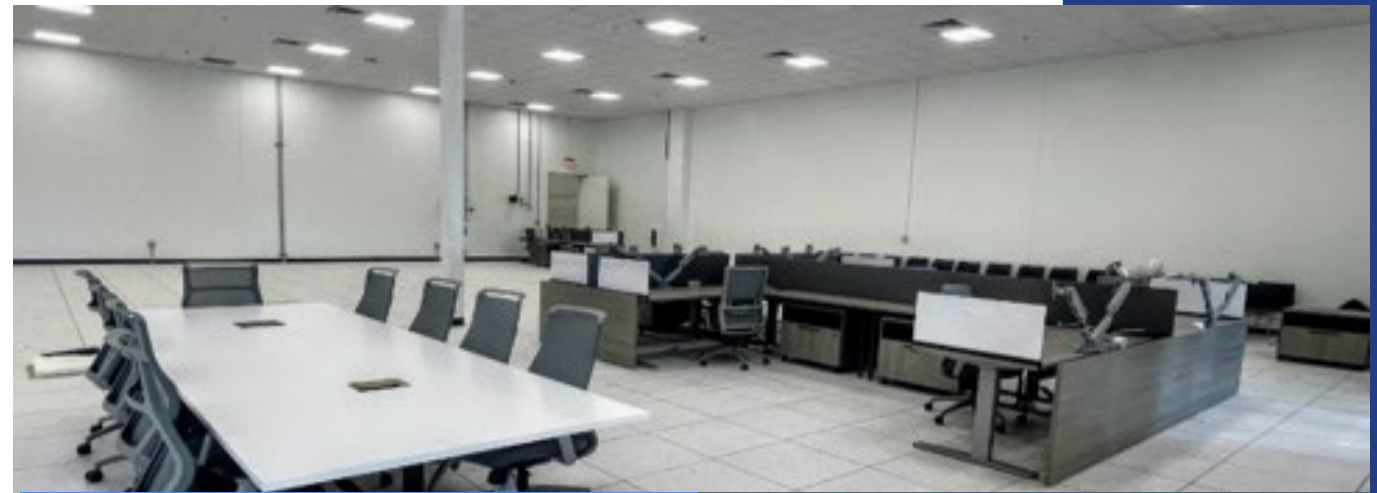
WE CAN.  
WE DO.



ARLINGTON  
THE AMERICAN DREAM CITY

# Bell Textron Inc.

- Constructed a Systems Integration Lab next to Arlington Municipal Airport
- AEDC funded a \$2.5M performance grant to assist with creation of facility
- Bell Textron required to create 175 jobs and invest \$22M in the facility
- Construction is complete and there are 102 employees currently at the site
- Average annual salary at facility is \$105,000



# Town North Redevelopment

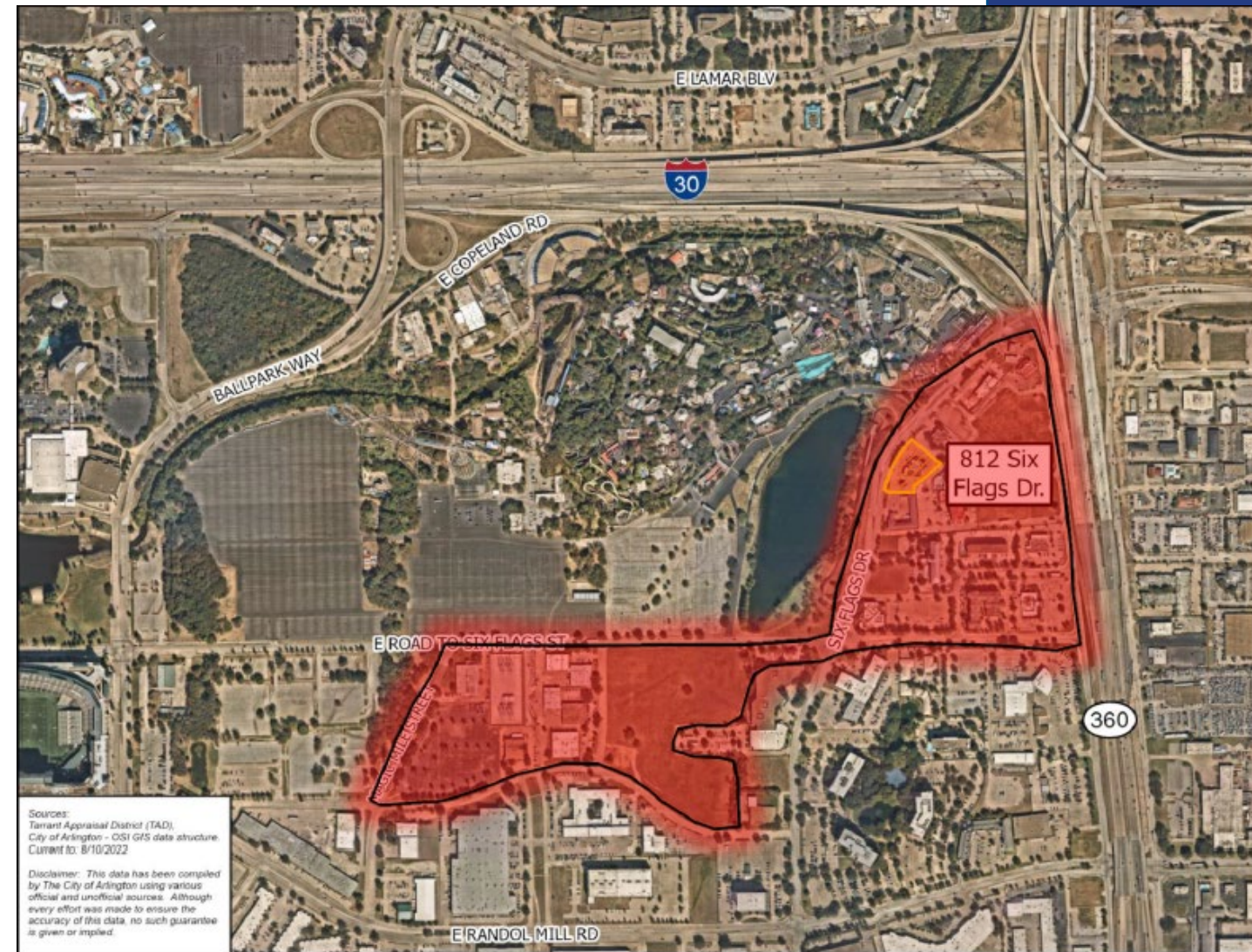


- Redevelopment and market repositioning of second-oldest shopping center in Arlington
- AEDC will provide a \$2.3M reimbursement grant toward eligible redevelopment scope items once complete
- Required minimum capital investment of \$6.14M
- Construction well underway and slated to conclude in late Spring 2024



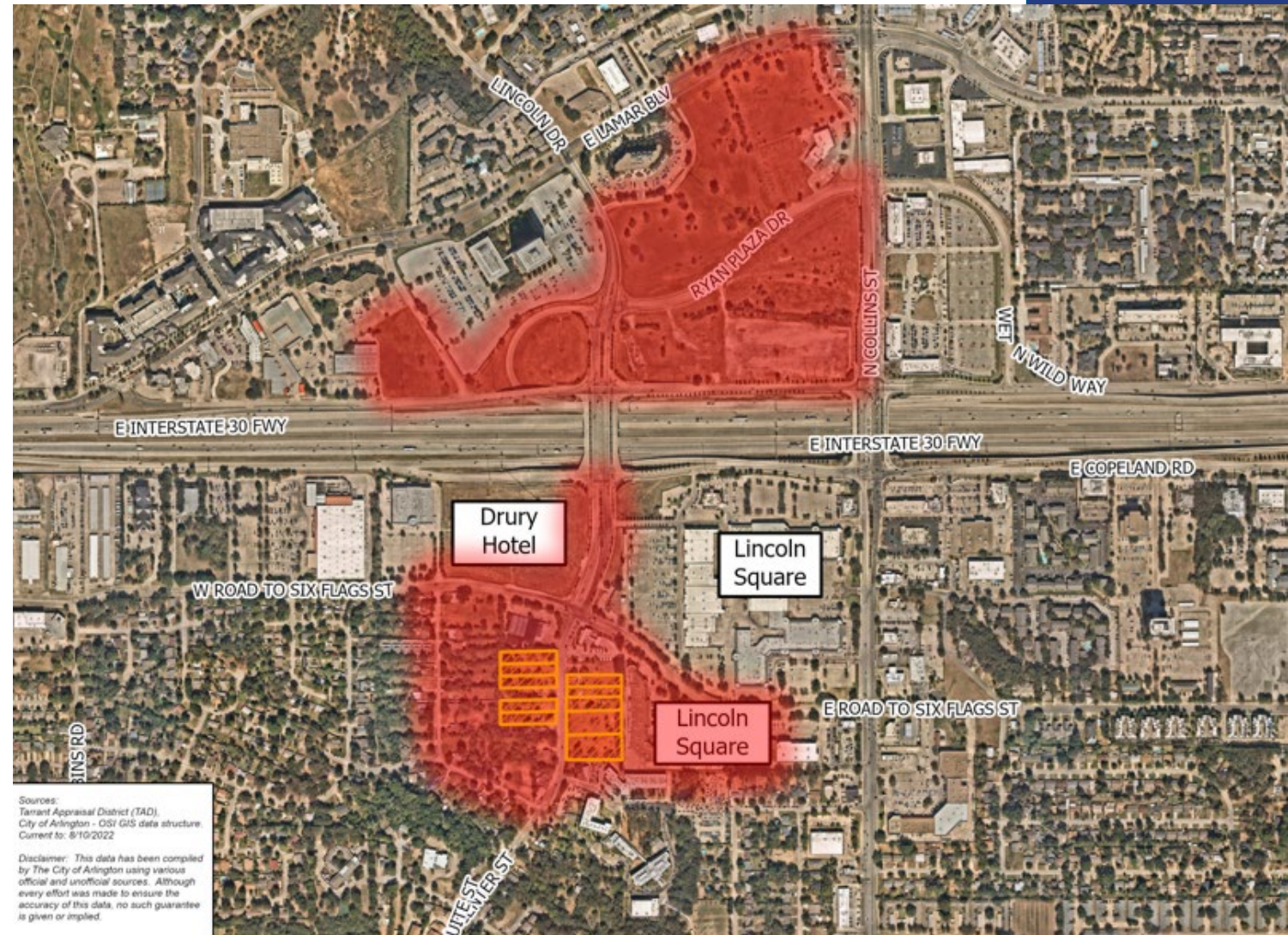
# Six Flags Southeast Project

- Property assembly helps to prepare area for investment in new facilities and infrastructure to support primary jobs
- Area has direct interstate access, density of employment, and high re-development potential
- \$1.2M expended toward purchase and demolition of 812 Six Flags Drive
- Will continue to pursue acquisition opportunities in the area



# Center Street Gateway Project

- Property assembly helps to prepare area for investment in new facilities and infrastructure to support primary jobs
- Area has direct interstate access and high re-development potential
- \$5.8M expended toward purchase and demolition of 15 properties along Center Street (13 purchased by AEDC, 2 purchased by City)
- Substantial progress made on full environmental clearance of I-30/Collins property
- Will continue to pursue acquisition opportunities in the area



# The Founders Arena



- Wealth tech accelerator housed at the First Rate campus in north Arlington
- Focus is on early and growth-stage wealth tech companies that work on business-to-business software solutions
- AEDC will provide \$500,000 per year for 3 years (total of \$1.5M) to support operations
- Required to create minimum of 14 new jobs
- Minimum of two cohorts annually with no less than six companies each
- First cohort had 6 companies
- Wealth tech combine held in Arlington in October
- Spring cohort applications open



# Sportec Solutions

- Sportec Solutions is the official provider for live data and video services for MLS
  - Live Data Collection
  - Video Assistant Referee
  - Medical Review
- Establishing US Headquarters in Arlington at 1701 Lamar Blvd
- AEDC will provide a \$1M reimbursement grant for start-up costs and tenant finish out, and up to \$32,500 in hiring grants for resident Arlington employees
- Approximately 15 full-time daily employees with up to 200 employees present on game days
- Soft open January 18, grand opening in February



**SPORTEC  
SOLUTIONS**



# Sheraton Redevelopment

- Loews Hotels plans to replace current Sheraton with a 500-key, upper-upscale hotel with a minimum 735-stall garage and a minimum of 25,000 sq. ft. of meeting space
- AEDC will reimburse up to \$5M of eligible site improvements and will contribute \$15M over seven years toward the cost of the parking garage
- Project is in partnership with the City and Loews to continue building out hotel and meeting space capacity in the Entertainment District
- Total projected capital investment is \$410M





# TMAC Strategic Solutions Fund



- Established a program in partnership with the Texas Manufacturing Assistance Center, located at UTA, to accelerate growth and sustainability of Arlington manufacturing, distribution, and logistics companies
- TMAC will provide hands-on business management, technology, and operations solutions
- AEDC will reimburse eligible Arlington company for technical assessments, trainings, and services provided by TMAC up to \$10,000 depending on size of the company
- Urban Tree Merchants has been approved for funding, MedHab LLC is scheduled for action today, and another application is in review

# Small Business Initiatives

- Development of small business support programs in partnership with third-party service providers was approved as part of the FY24 budget process
- Discussions underway with SCORE and LiftFund on program guidelines and costs
- SCORE is a volunteer organization comprised of former business executives who provide training for small businesses
- SCORE program would provide a 6-month training and capacity-building program to a cohort of small and MWBE businesses in Arlington
- LiftFund is a 30-year-old organization that provides low- or no-interest loans to businesses through the support of partners who buy down the interest rates, expanding access to capital for small businesses

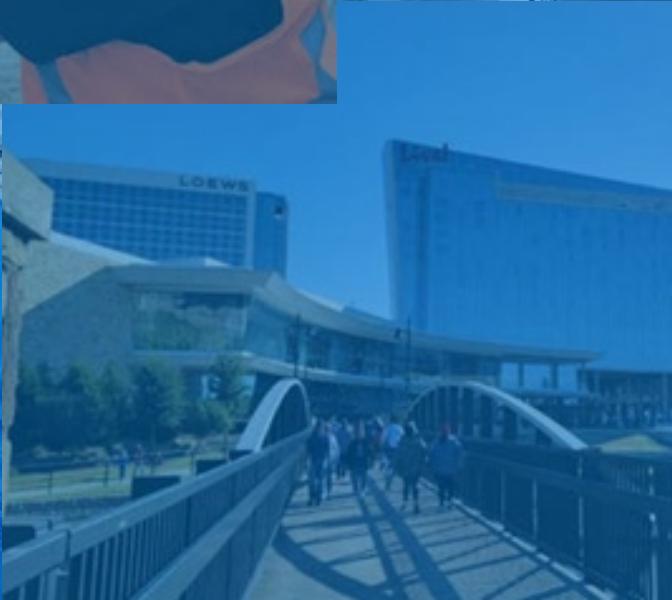


# Sponsorship/Event Updates

- AEDC will be the Presenting Sponsor of the 2024 BioNTX iC<sup>3</sup> Life Science Summit
- iC<sup>3</sup> = Innovation x Capital x Collaboration x Commercialization
- Summit will be held at Loews Arlington Hotel and Convention Center
- Expecting 500-600 attendees
- iC<sup>3</sup> serves as the forum where bioscience and healthcare innovation leaders come together to discuss strategy, exhibit the broad spectrum of North Texas bioscience research, and where the latest innovation, products and services can be seen
- AEDC is also the Presenting Sponsor of the 5<sup>th</sup> Annual UTA Mavs 100 Celebration on May 3, 2024



# Discussion



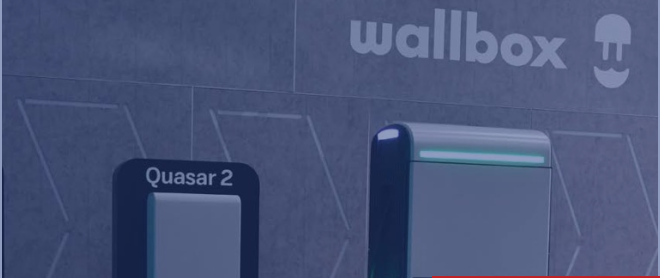
**ARLINGTON**  
ECONOMIC DEVELOPMENT CORPORATION

**WE CAN.  
WE DO.**

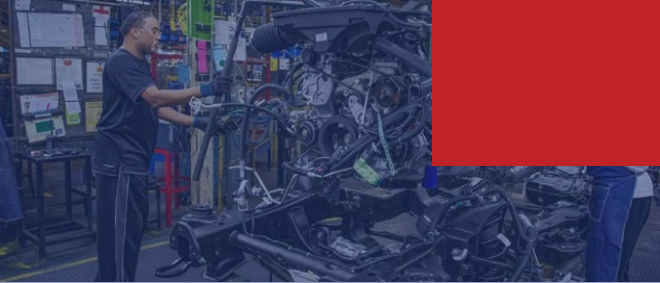
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Quasar 2

Supernova



# ECONOMIC DEVELOPMENT UPDATE



**ARLINGTON ECONOMIC DEVELOPMENT CORPORATION**  
**JANUARY 16, 2024**



# Purpose of Economic Development

- Expansion of the local economy
- Primary job creation
- Enhancement of local tax base
- Local sales tax generation
- Supports local housing values
- Supports local businesses
- Ultimately reduces burden on residential property taxpayers



# CITY OF ARLINGTON

## ECONOMIC DEVELOPMENT ORGANIZATIONAL COMPONENTS



### ● City Manager's Office

Organizational leadership and strategic direction.

### ● Office of Economic Development

Project coordination, incentive development, business retention, economic indicator reporting and tracking.

### ● Economic Development Corporation

Recruit new employers and jobs to the city, as well as help local companies grow to generate quality job opportunities for the City of Arlington.

### ● City Attorney's Office

Provide legal guidance on projects and deal structures and draft contracts and other documents to support economic development activities.

### ● Events Trust Fund Coordination

Coordination of applications to the State Events Trust Fund and management of reimbursements.

### ● Office of Strategic Initiatives

Special project management, data & analytics, policy and strategy development, and project communication.

### ● Finance

Administration of public funds and economic development reporting and compliance activities.

# Economic Development Strategic Plan



## GUIDING PRINCIPLES:

- ***GLOBALLY CONNECTED***: Arlington's employment centers are premier locations for companies who are engaged in the global marketplace and who represent the next generation of innovation in their industries.
- ***VIBRANT***: Arlington's amenities create a quality of place that attracts companies, retains UTA graduates, and entices visitors to linger.
- ***INNOVATIVE***: Arlington is a hotbed of innovation in the Metroplex in multiple facets: its economic development practices, the research taking place at UTA, and the research and development taking place at local companies.
- ***EQUITABLE GROWTH***: Arlington will benefit from addressing the needs of disadvantaged communities within the city by delivering strategies that achieve equitable growth for all.





# Strategic Plan Goals



ARLINGTON  
ECONOMIC DEVELOPMENT CORPORATION

## Goal 1 Competitive Positioning

*The elevation of Arlington's competitive positioning in the region to capture a larger share of high-wage, high-impact growth.*

## Goal 2 Transformational Redevelopment

*The rejuvenation and transformation of key economic centers into vibrant destinations. Special attention must be paid to disadvantaged populations.*

## Goal 3 High-Impact Community Development

*The creation of the amenities and assets that will secure Arlington's position as a major activity hub in the Metroplex.*

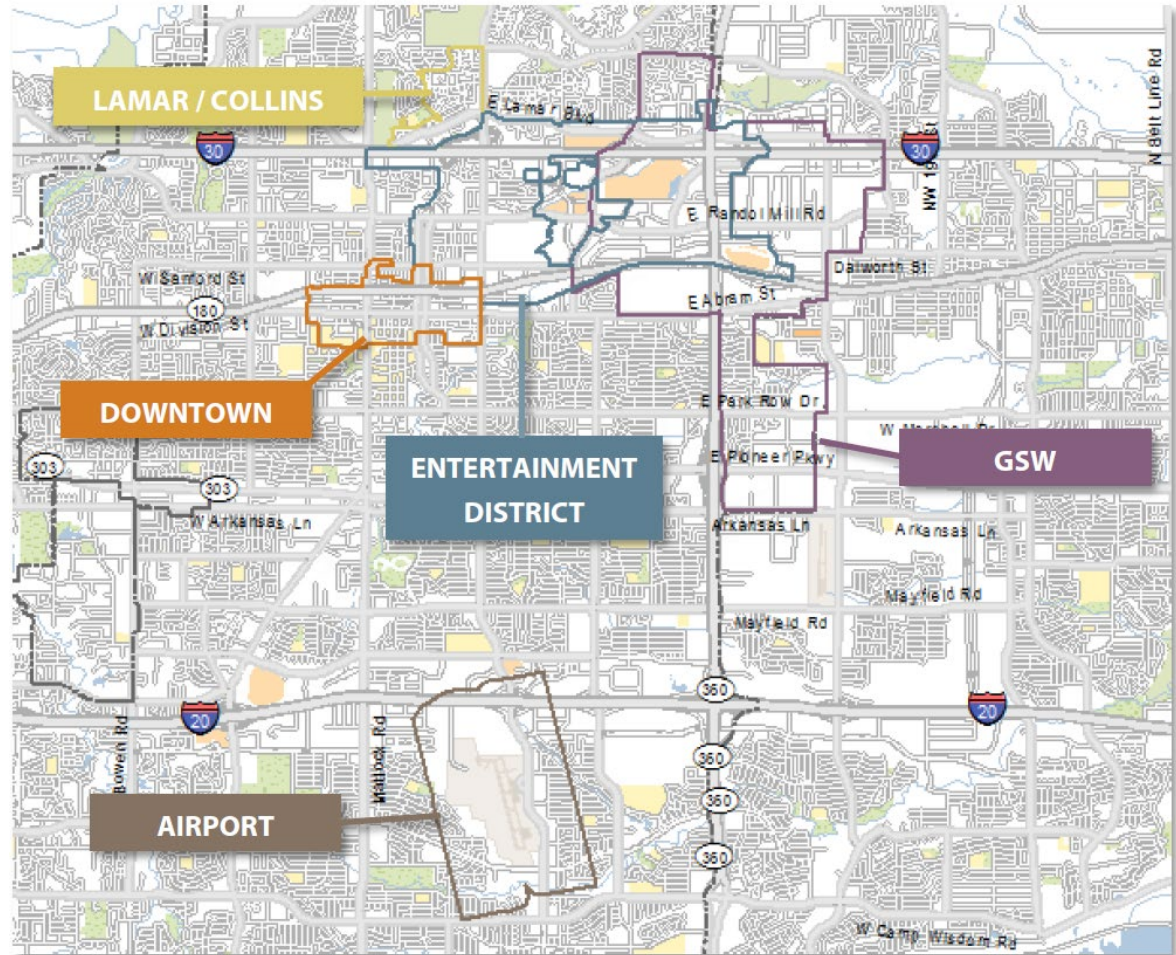
# Target Industries

- Aerospace Products and Manufacturing
- Automotive Manufacturing
- Medical Equipment & Supplies
- Industrial Machinery
- Professional & Business Services





# Targeted Redevelopment Areas



# Arlington EDC Background



- The Arlington City Council formed the Arlington Economic Development Corporation, a Type 4B EDC, in 2015
- A .25% additional sales and use tax approved by voters in November 2020
- Provides dedicated funding for projects as authorized by Chapter 501-5 of the Texas Local Government Code
- Seven-member AEDC Board appointed December 2020

# Primary Jobs



**ARLINGTON**  
ECONOMIC DEVELOPMENT CORPORATION

A **primary job** is a job at a company for which a majority of the products or services of that company are exported to regional, statewide, national, or international markets and are included in specific sectors of the North American Industrial Classification System (NAICS).

- 111: Crop Production
- 112: Animal Production
- 113: Forestry and Logging
- 11411: Commercial Fishing
- 115: Support Activities for Agriculture and Forestry
- 211 – 213: Mining
- 221: Utilities
- 311-339: Manufacturing
- 42: Wholesale Trade
- 48-49: Transportation and Warehousing
- 51: (excluding 512131 and 512132) Information (excluding motion picture theaters and drive-in motion picture theaters)
- 523-525: Securities, Commodity Contracts, and Other Financial Investments and Related Activities; Insurance Carriers and Related Activities; Funds, Trusts, and Other Financial Vehicles
- 5413, 5414, 5416, 5417, and 5419: Architectural, Engineering, and Related Services; Computer System Design and Related Services; Management, Scientific, and Technical Consulting Services; Scientific Research and Development Services; Other Professional, Scientific, and Technical Services
- 551: Management of Companies and Enterprises
- 56142: Telephone Call Centers
- 922140: Correctional Institutions

# AEDC Eligibility – Primary Jobs Required



**ARLINGTON**  
ECONOMIC DEVELOPMENT CORPORATION

Projects with a primary jobs requirement are defined as land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements that create or retain **primary jobs** and develop, retain, or expand:

- manufacturing and industrial facilities
- research and development facilities
- military facilities
- transportation facilities, including airports, and parking facilities
- sewage or solid waste disposal facilities
- recycling facilities
- air or water pollution control facilities
- facilities for furnishing water to the public
- distribution centers
- primary job training facilities for use by institutions of higher education
- regional or national corporate headquarters facilities
- public safety facilities
- municipal infrastructure
- demolition of existing structures

# AEDC Eligibility – Primary Jobs Not Required



**ARLINGTON**  
ECONOMIC DEVELOPMENT CORPORATION

Projects that do not have a primary jobs requirement include:

- Job training
- Infrastructure necessary to promote or develop new or expanded business enterprises, limited to: roads, rail spurs, water and sewer utilities, electric utilities, gas utilities, drainage, site improvements, telecommunications and internet improvements
- Facilities relating to the operation of commuter rail, light rail, or motor buses
- Recreational and community facilities; including youth sports facilities, conventions, open space, parks, museums, auditoriums, amphitheaters
- Affordable housing
- Airport facilities
- Water supply/conservation facilities (special election required)
- Professional sports venues (special election required)

# 2021-2023 Economic Development Metrics

Metric	AEDC Performance	ED Performance	Total
Events Sponsored	20	5	25
Business Retention Visits	32	50	82
Projects Approved	9	14	23
Request for Information Responses	N/A	29	29
Total Funding Committed to Projects	\$34,528,540	\$93,821,097	\$128,349,637
Projected Capital Investment Leveraged	\$118,242,564	\$904,147,436	\$1,022,390,000
Current Prospects	15	34	43 (6 overlap)



# 2021-23 Economic Development Projects

## AEDC PROJECTS

BELL TEXTRON INC.

TOWN NORTH REDEVELOPMENT

SIX FLAGS SOUTHEAST PROJECT

CENTER STREET GATEWAY PROJECT

FIRST RATE/FOUNDERS ARENA

SPORTEC SOLUTIONS

SHERATON REDEVELOPMENT (Joint Project with City)

TMAC STRATEGIC SOLUTIONS FUND

SMALL BUSINESS INITIATIVES

## CITY PROJECTS

URBAN UNION PHASE III

CAMCAL, LLC

WALLBOX USA

CANALES FURNITURE

BOSS OFFICE

BOWERY FARMS

LINCOLN SQUARE MASTER AGREEMENT

WESTERN ATHLETIC CONFERENCE

XFL (UFL)

FRONT STREET REDEVELOPMENT\*

SUTTON FROST CARY\*

PARKS MALL REDEVELOPMENT

MAIN STREET REDEVELOPMENT\*

SHERATON REDEVELOPMENT  
(Joint Project with AEDC)

\*TIRZ Projects

# Sheraton Redevelopment

- Loews Hotels plans to replace current Sheraton with a 500-key, upper-upscale hotel with a minimum 735-stall garage and a minimum of 25,000 sq. ft. of meeting space
- City will provide annual grants totaling \$57.5M over 25 years and will contribute \$20M over seven years toward the cost of the parking garage
- AEDC will reimburse up to \$5M of eligible site improvements and will contribute \$15M over seven years toward the cost of the parking garage
- Rebates of hotel occupancy, mixed beverage, property, and sales taxes generated at the hotel site for 30 years
- Project is a partnership with the City, the AEDC, and Loews to continue building out hotel and meeting space capacity in the Entertainment District
- Total projected capital investment is \$410M



# Lincoln Square Master Agreement



- The Lincoln Square shopping center was developed in 1983 and contains approximately 500,000 square feet of retail space on approximately 46 acres of land
- Once a shopping hub for north Arlington, in recent years Lincoln Square has seen a decline in both vibrancy as well as occupancy rate
- In March of 2022 Trademark Property Company acquired Lincoln Square
- Trademark's vision for Lincoln Square is a vibrant, high-quality mixed-use environment that includes a mix of office, multi-family, and upgraded retail
- The Master Development Agreement provides for a total of \$14,750,000 in grants to support acquisition and redevelopment, as well as provides the framework for subsequent agreements once the final scope of the project has been determined



# Parks Mall Redevelopment

- Multi-phased plan for redevelopment of Parks Mall
- First phase includes a new Dick's House of Sport moving into the vacant Sears space
- Second phase includes redevelopment of the old Dick's Sporting Goods space into a repositioned, multi-tenant area
- Mall owner required to submit master redevelopment plan for entire mall by 2026 and invest \$45 million total for both phases by 2030
- City will grant equivalent of 70% of sales taxes generated from new sales increment for up to 15 years for each phase, with a cap of \$10M total



# Canales Furniture

- Canales Furniture located its national headquarters and distribution facility in the former Fry's Electronics store at Matlock and I-20
- Facility is 200,000 square feet and will house over 100 employees within ten years
- Capital investment of \$3,000,000 to renovate building
- Provided a \$1,500,000 reimbursement grant to assist with renovation costs, along with hiring grants of \$1,000 per Arlington resident hired at the location (up to \$100,000)
- City also purchased surplus property and provided option to Canales to purchase within 5 years; otherwise, City will develop with a public purpose



# Front Street Redevelopment



- The Nehemiah, LLC is planning to redevelop an area of downtown Arlington located north of Front Street and east of West Street through construction of a mixed-use development
- The mixed-use development would include a minimum of 150 units of multi-family housing, a minimum of 14,500 square feet of commercial space to include office, retail, restaurant, and personal services, as well as a minimum 320 space parking garage of which at least 160 spaces would be dedicated for public parking
- Grant of \$1,175,000 provided for the acquisition costs and up to \$430,000 for appraisals, surveys, and demolition costs
- If the Developer does not commence construction of the mixed-use development within 36 months after closing then the Developer is obligated to give the Property, at no cost, to the City.

# Town North Redevelopment



- Redevelopment and market repositioning of second-oldest shopping center in Arlington
- AEDC will provide a \$2.3M reimbursement grant toward eligible redevelopment scope items once complete
- Required minimum capital investment of \$6.14M
- Construction well underway and slated to conclude in late Spring 2024



# Main Street Redevelopment



- Mixed-use project developed by The Nehemiah Company directly west of City Hall, including a parking garage
- TIRZ 1 380 agreement for development grants for acquisition, remediation, and demolition not to exceed \$3.4 million
- Both private properties have been acquired
- Developer has annual progress requirements through 2030, when project must be completed



# Urban Union Phase III

- Further development of Urban Union on the north side of Division
- Grant amount of up to \$400,000 to assist with demolition and abatement
- \$168,187 of grant funding used
- Demolition and abatement are complete



# Boss Office



- Boss Office intends to demolish two older office buildings at Lamar and I-30 and construct a new four-story, 32,000 square-foot office building to accommodate an estimated 200 companies in shared/co-working space with some private suites
- Provided a 10-year, 75% tax abatement on real property value along with fee waivers
- Project is currently paused as developer seeks financing

# The Founders Arena



- Wealth tech accelerator housed at the First Rate campus in north Arlington
- Focus is on early and growth-stage wealth tech companies that work on business-to-business software solutions
- AEDC will provide \$500,000 per year for 3 years (total of \$1.5M) to support operations
- Required to create minimum of 14 new jobs
- Minimum of two cohorts annually with no less than six companies each
- First cohort had 6 companies
- Wealth tech combine held in Arlington in October



# Sportec Solutions

- Sportec Solutions is the official provider for live data and video services for MLS
  - Live Data Collection
  - Video Assistant Referee
  - Medical Review
- Establishing US Headquarters in Arlington at 1701 Lamar Blvd
- AEDC will provide a \$1M reimbursement grant for start-up costs and tenant finish out, and up to \$32,500 in hiring grants for resident Arlington employees
- Approximately 15 full-time daily employees with up to 200 employees present on game days
- Will begin operations January 2024
- High-growth potential enterprise



**SPORTEC  
SOLUTIONS**



# CamCal, LLC

- CamCal, LLC, better known as Innovative Beauty Products, is a family-owned business
- Expansion required new 29,000 square feet of warehouse space, which they constructed in the GSW Industrial District
- Capital investment of \$3 million
- Reimbursement grant of up to \$15,000 for development fees



**Enhancing the World with  
Innovative Beauty Products from  
Arlington**

# TMAC Strategic Solutions Fund



- Established a program in partnership with the Texas Manufacturing Assistance Center, located at UTA, to accelerate growth and sustainability of Arlington manufacturing, distribution, and logistics companies
- TMAC will provide hands-on business management, technology, and operations solutions
- AEDC will reimburse eligible Arlington company for technical assessments, trainings, and services provided by TMAC up to \$10,000 depending on size of the company
- One applicant has been approved for funding and two others have applications under review now

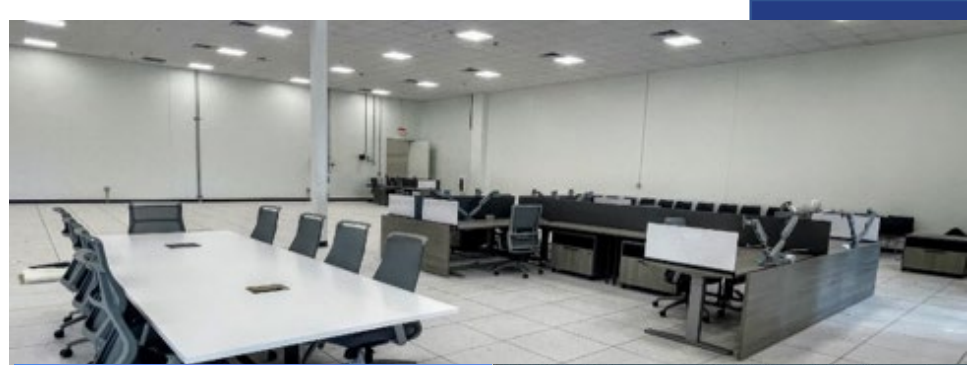
# Small Business Initiatives

- As part of the FY24 Budget process, Council approved development of small business support programs in partnership with third-party service providers
- Discussions underway with SCORE and LiftFund on program guidelines and costs
- SCORE is a volunteer organization comprised of former business executives who provide training for small businesses
- SCORE program would provide a 6-month training and capacity-building program to a cohort of small and MWBE businesses in Arlington
- LiftFund is a 30-year-old organization that provides low- or no-interest loans to businesses through the support of partners who buy down the interest rates, expanding access to capital for small businesses



# Bell Textron Inc.

- Constructed a Systems Integration Lab next to Arlington Municipal Airport
- AEDC funded a \$2.5M performance grant to assist with creation of facility
- Bell Textron required to create 175 jobs and invest \$22M in the facility
- Construction is complete and there are 102 employees currently at the site
- Average annual salary at facility is \$105,000





# Wallbox USA



- Wallbox USA, Inc., is a global company that designs, develops and manufactures intelligent charging stations for electric vehicles
- Occupied a 129,000 sq. ft. facility in the GSW Industrial District to locate their first North American manufacturing operation
- Expect to grow to 250 employees over the next decade
- Estimated capital investment of \$70 million
- 380 agreement for equivalent of seven-year, 80% abatement on BPP taxes, plus fee waivers



# Sutton Frost Cary

- Sutton Frost Cary LLP is a regional full-service accounting firm with locations in Fort Worth and Arlington
- SFC constructed a new 25,000 square foot office building to consolidate its offices at the corner of Front and Mesquite Streets
- City will provide a waiver of development fees as well as grant payments of \$122,000
- SFC is required to make efforts to hire Arlington residents, conduct a minimum of 6 financial literacy courses per year during the term of the agreement, and donate \$50,000 annually to charitable organizations in the City



# Bowery Farms

- In early 2022, Bowery Farming, Inc., secured a fifteen-year lease to occupy approximately 205,033 square feet of new industrial space located at 7101 South Cooper Street
- Executed a Chapter 380 Agreement with the City for rebate of 35% for 7 years on City taxes paid on Business Personal Property taxes and a waiver of permit fees
- At that time, Bowery Farming estimated completion of the indoor farm by the end of 2023
- After encountering market and financing challenges, Bowery elected to pause the project to redesign the project and make more inroads into the Texas market
- As such, the City and Bowery Farms elected to mutually terminate the 380 agreement in late 2023 with the intent to resume discussions when Bowery is ready to complete the project



# XFL (UFL)

- In April 2023, Council approved a \$623,246 incentive agreement with the XFL to locate their headquarters in Arlington, provide at least 25 full-time jobs, and require league teams to stay in Arlington during training
- XFL fulfilled requirements for the 2023 season
- In December 2023, XFL and USFL merged to become UFL
- UFL Headquarters and 2024 training camp will remain in Arlington



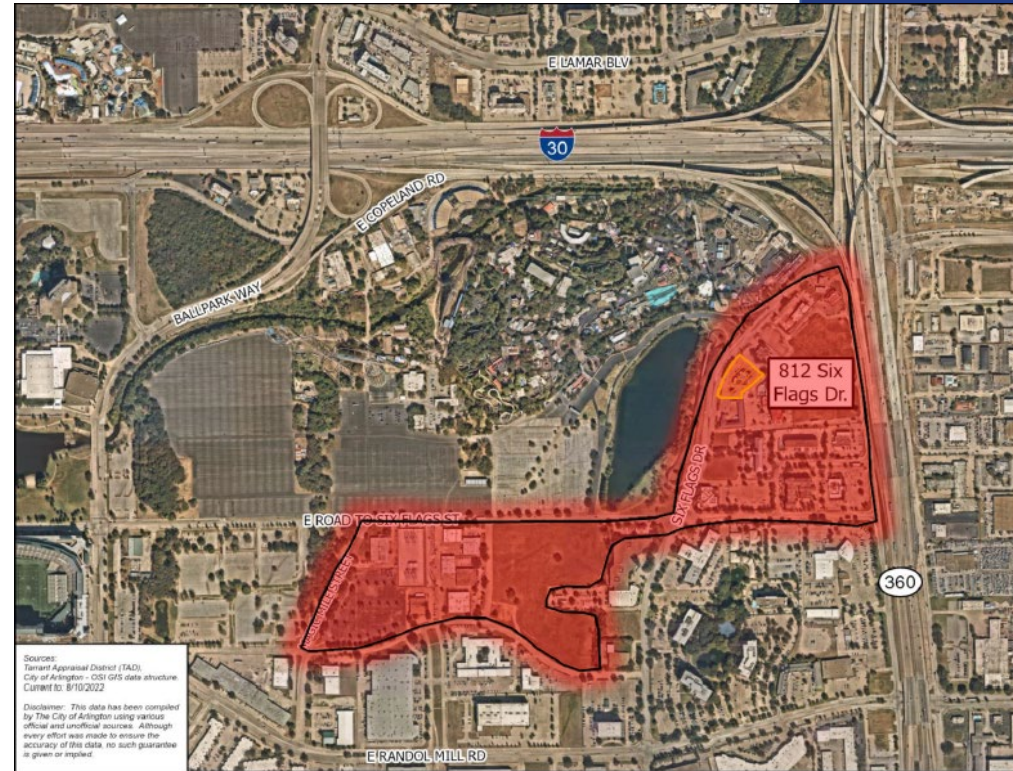
# Western Athletic Conference

- The Western Athletic Conference relocated their headquarters from Denver, CO to Arlington
- Leased 5,000 square feet of office space at 524 E. Lamar
- Provided a \$300,000 grant for relocation assistance, along with an annual grant of \$100,000 for a period of four years in consideration of efforts to bring events to Arlington
- Additional grant of \$16,000 for each conference championship event held in the City, up to 5 grant awards



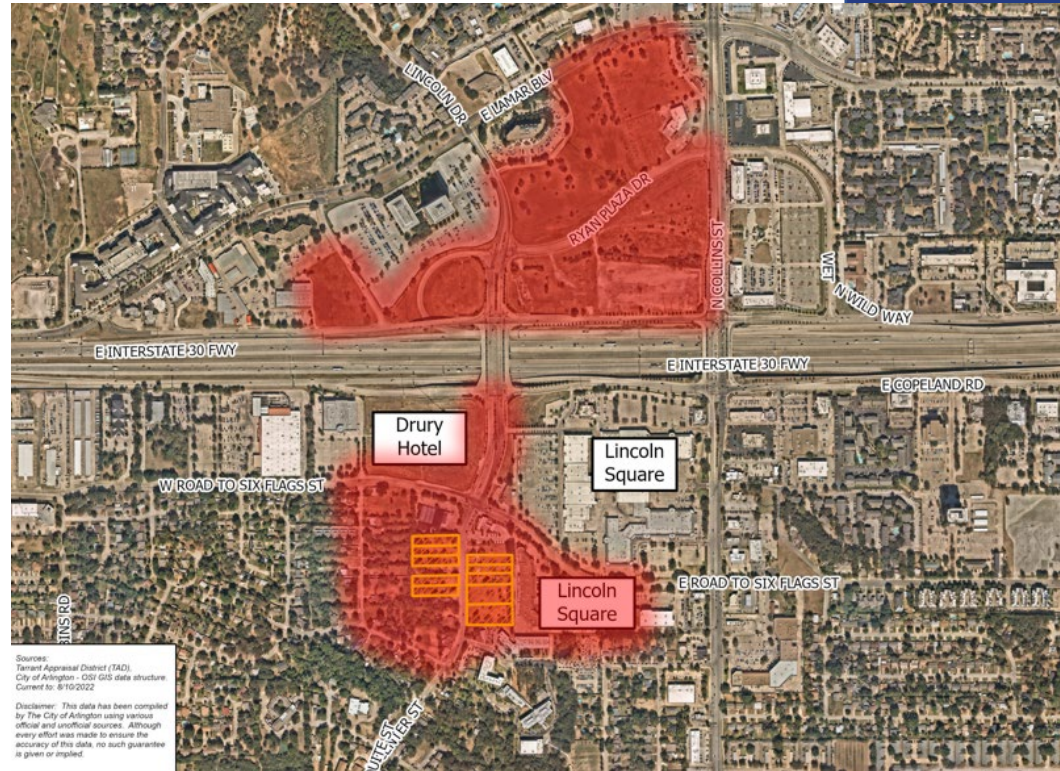
# Six Flags Southeast Project

- Property assembly helps to prepare area for investment in new facilities and infrastructure to support primary jobs
- Area has direct interstate access, density of employment, and high re-development potential
- \$1.2M expended toward purchase and demolition of 812 Six Flags Drive
- Will continue to pursue acquisition opportunities in the area



# Center Street Gateway Project

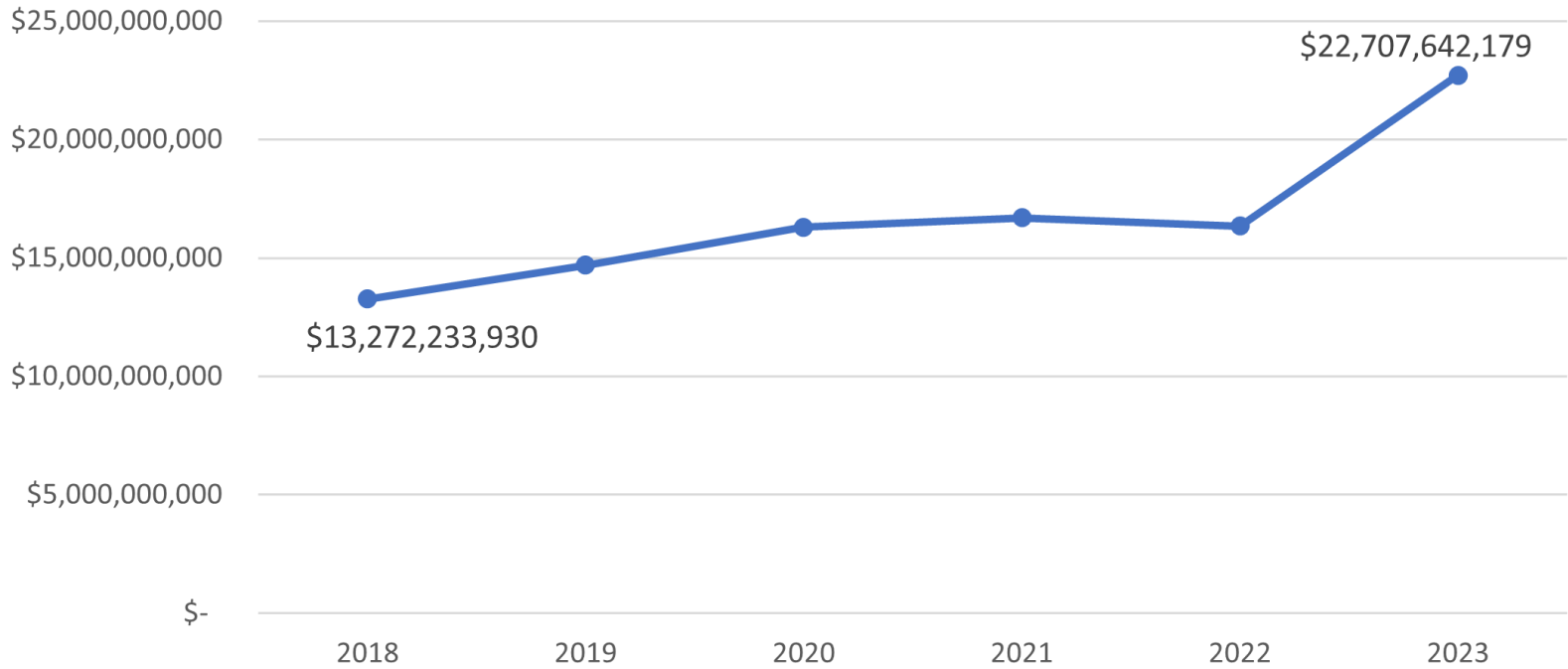
- Property assembly helps to prepare area for development of a research and development facility (or facilities) and/or a regional or national corporate headquarters facility (or facilities) for the creation and retention of primary jobs
- Area has direct interstate access and high re-development potential
- \$5.8M expended toward purchase and demolition of 15 properties along Center Street (13 purchased by AEDC, 2 purchased by City)
- Substantial progress made on full environmental clearance of I-30/Collins property
- Will continue to pursue acquisition opportunities in the area



# Economic Indicators: Commercial Property Value

## Commercial Property Total Value 2021-2023

Total Increase in Value: \$9,435,08,249 (+71.1%)

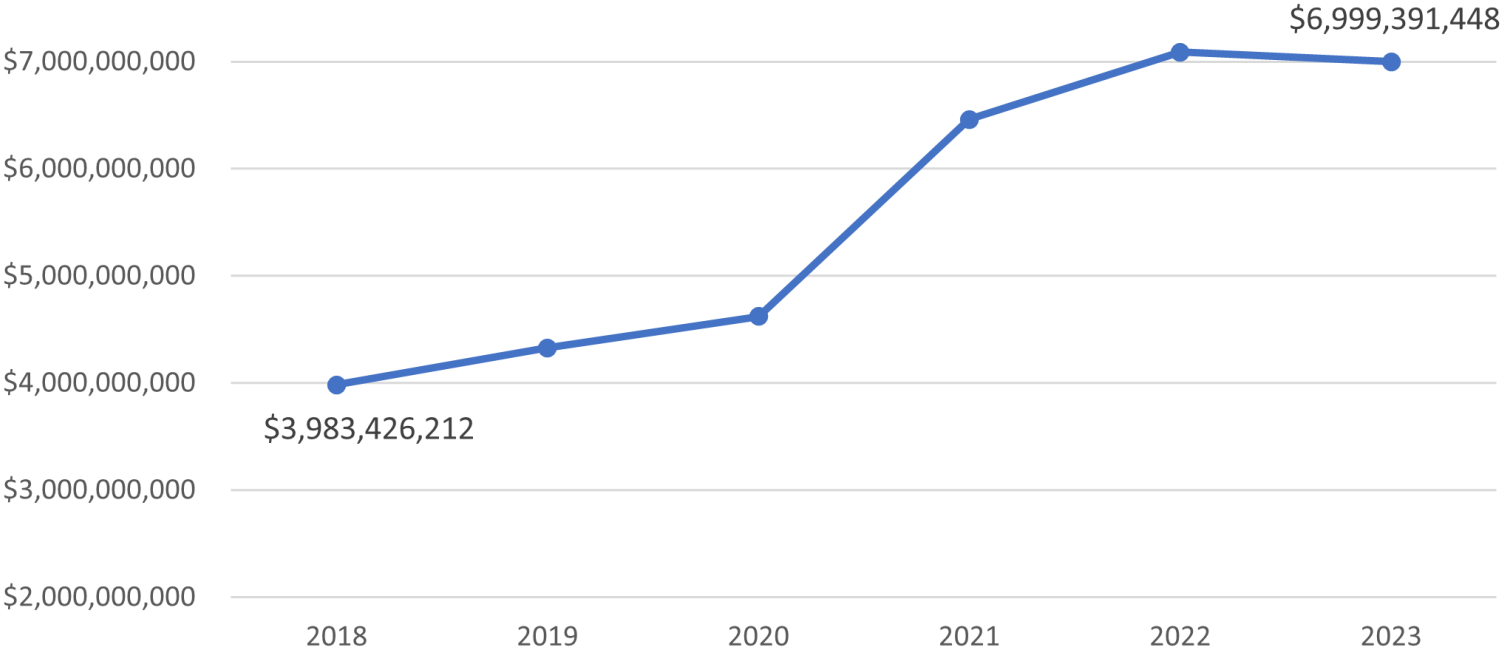




# Economic Indicators: Business Personal Property Value

### Business Personal Property (BPP) Total Value 2018-2023

Total Increase in Value: \$3,015,965,236 (+75.7%)

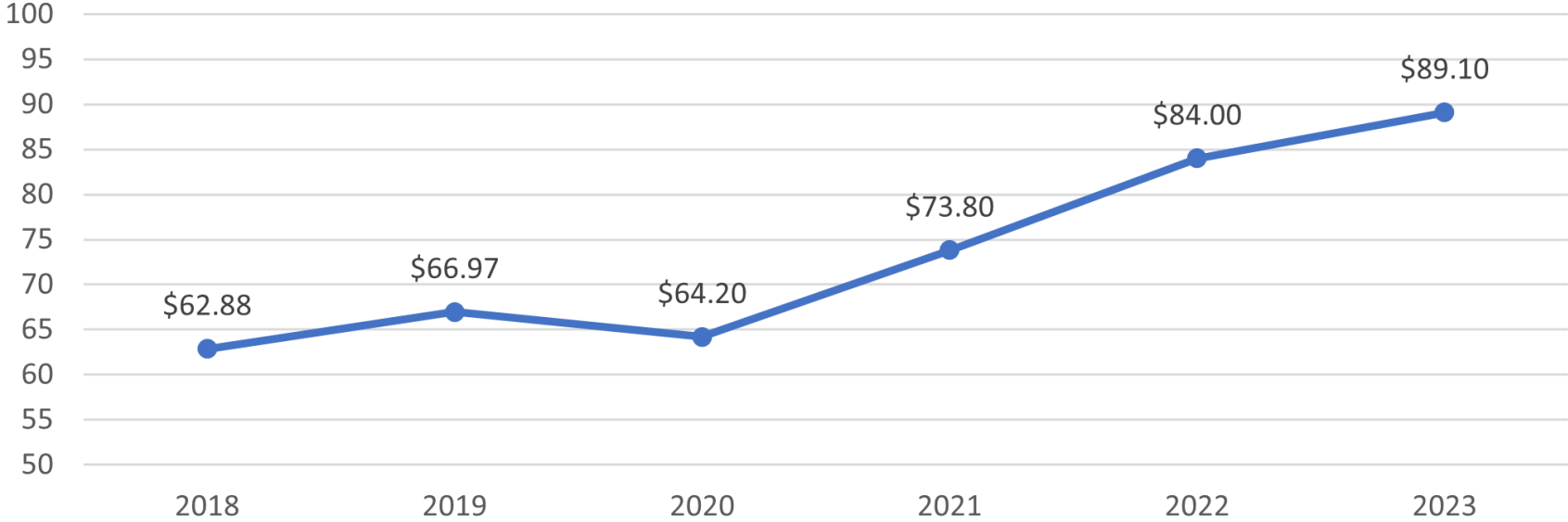


# Economic Indicators: Sales Tax

## General Fund Sales Tax Revenue 2018-2023

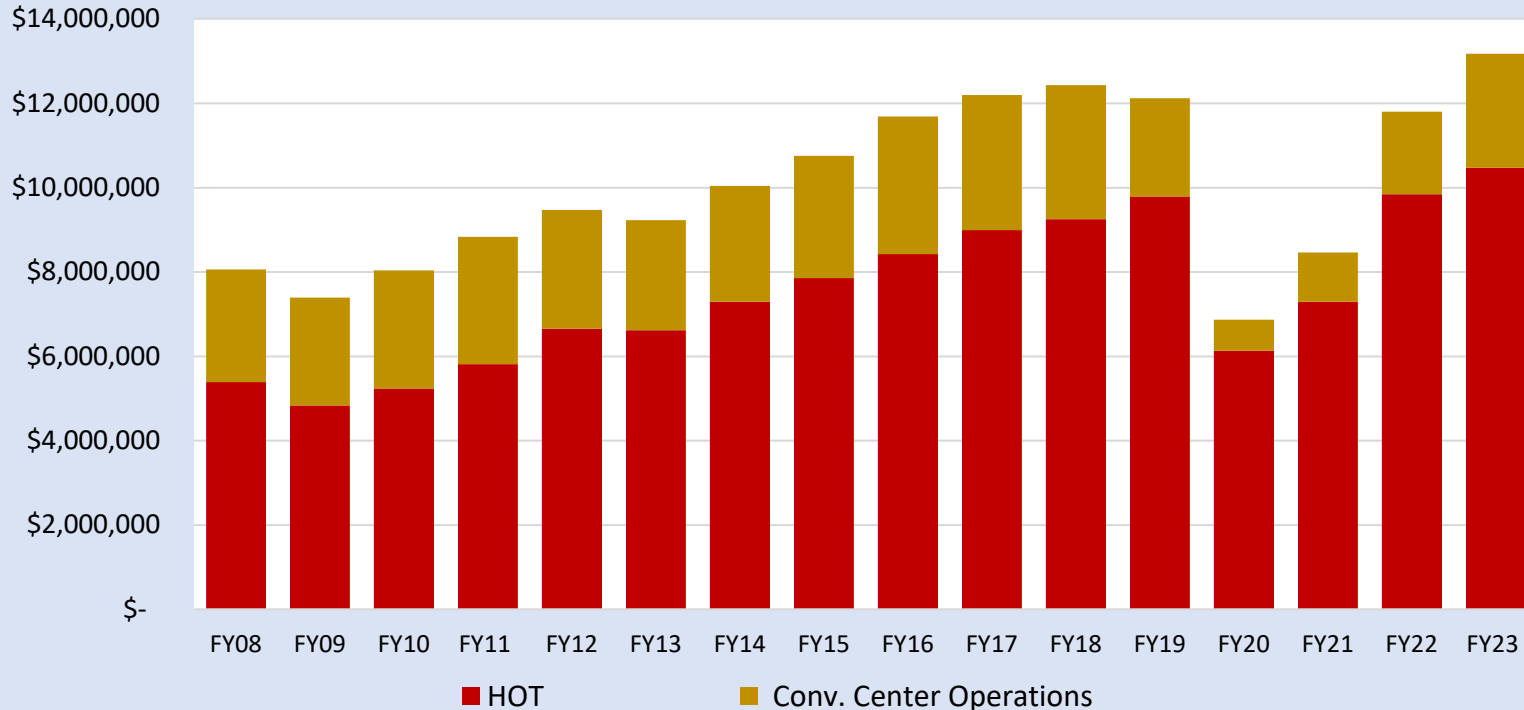
(in \$ Millions)

Total Increase in Revenue: \$26.2 million (+41.7%)

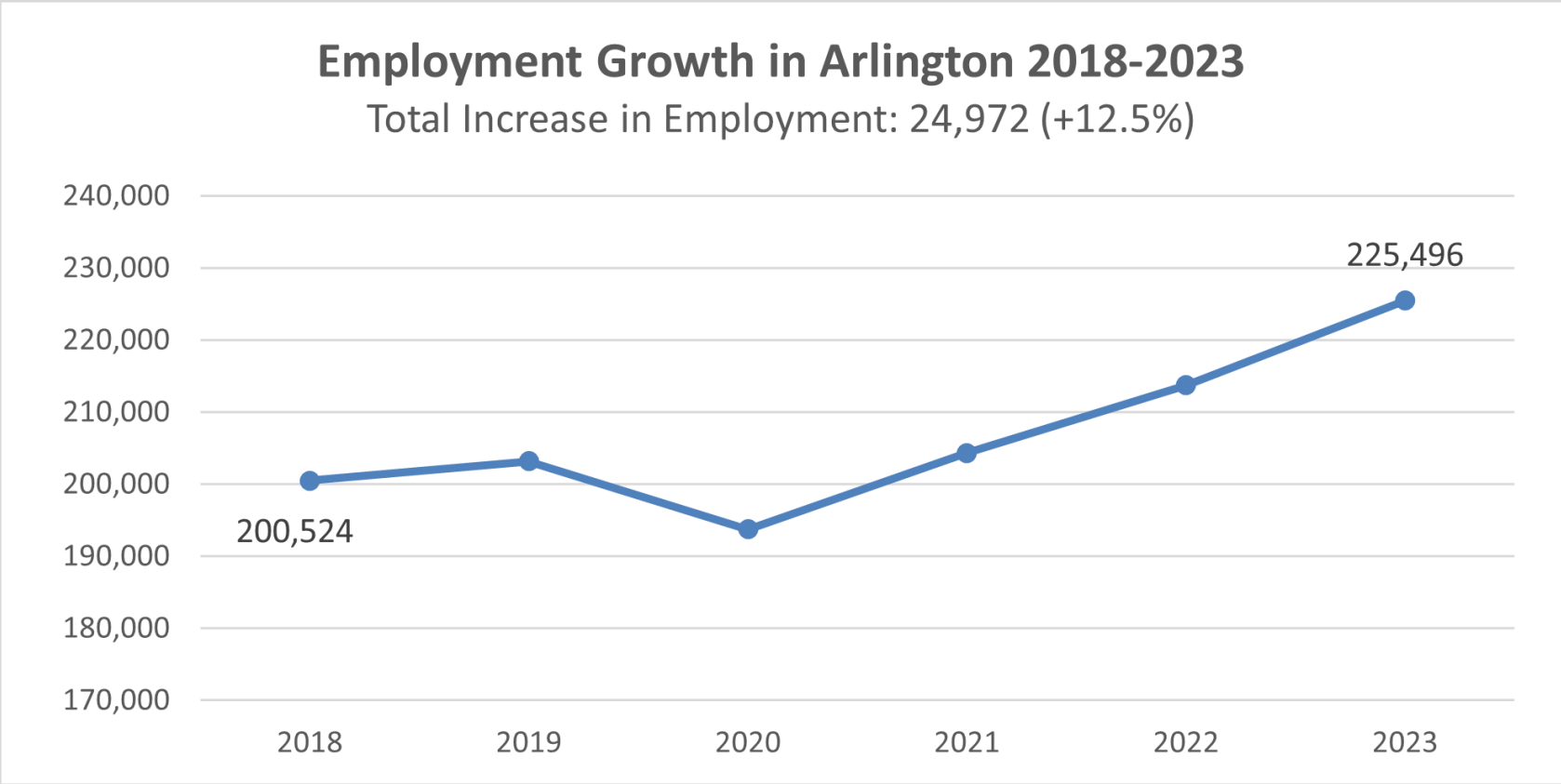


# Economic Indicators: Convention and Event Service Fund Revenue History

CES Revenues, FY 2008 - 2023

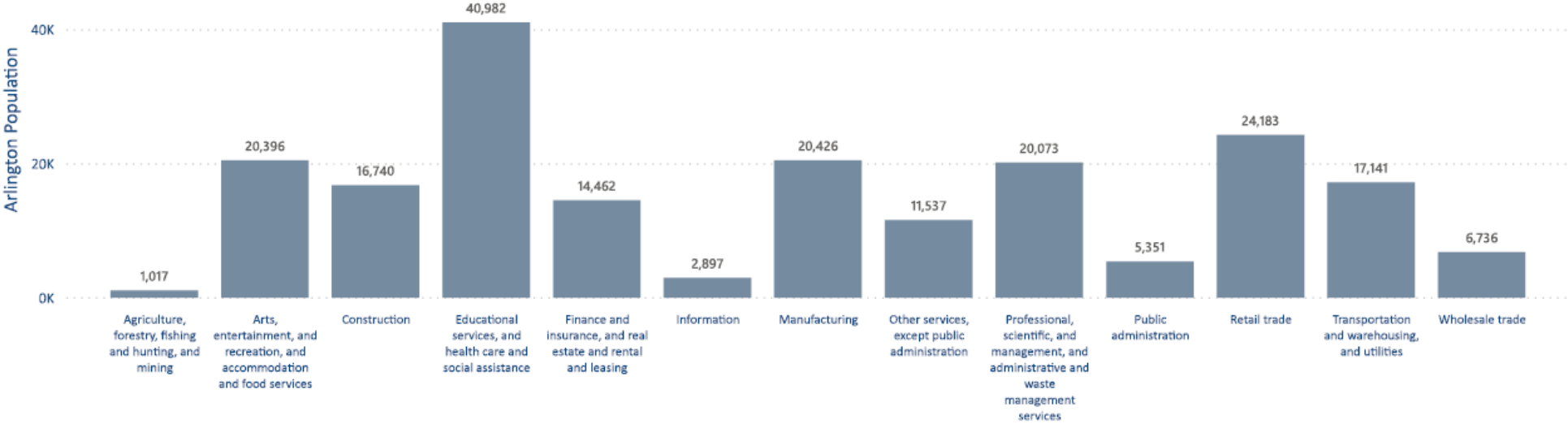


# Economic Indicators: Employed Residents

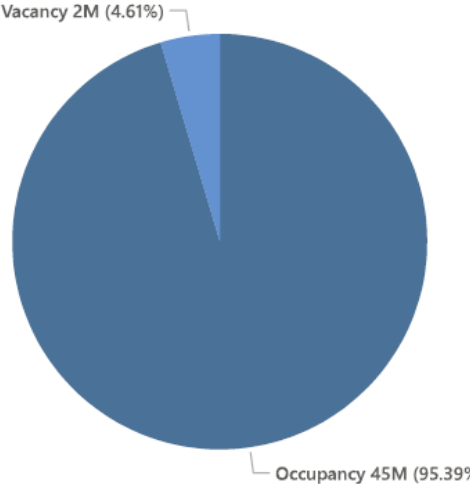


# Economic Indicators: Workforce Distribution

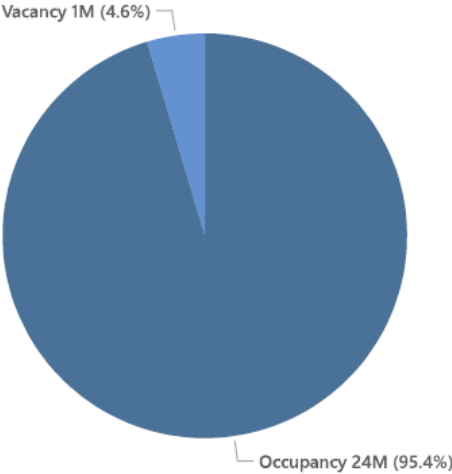
Arlington Population by INDUSTRY



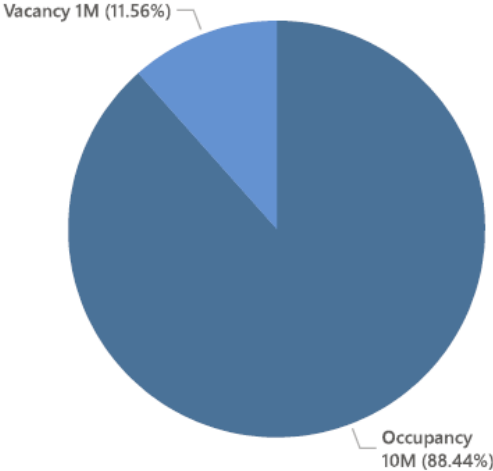
# Economic Indicators: Vacancy/Occupancy



Industrial Vacancy/Occupancy



Retail Vacancy/Occupancy



Office Vacancy/Occupancy



# ECONOMIC DEVELOPMENT PROJECT PORTFOLIO

## SUMMARY HIGHLIGHTS, PROJECTS COMPLETED 2006-2021

13,796,975

COMMERCIAL SQUARE  
FOOTAGE ADDED



\$3,263,662,500

VALUE OF PRIVATE CAPITAL  
INVESTMENT IN ARLINGTON  
THROUGH PROJECTS  
SUPPORTED BY ECONOMIC  
DEVELOPMENT INCENTIVES,  
2006-2021

\$62,125,069

TOTAL VALUE OF INCENTIVES  
PROVIDED THROUGH  
ECONOMIC DEVELOPMENT  
AGREEMENTS FOR PROJECTS  
COMPLETED  
2006-2021



\$44,706,064

TOTAL PROPERTY TAX  
LEVIES PAID TO CITY BY  
ECONOMIC DEVELOPMENT  
PROJECTS SINCE 2006

\$1,540,274,544

NET INCREASE IN PROPERTY  
VALUE DUE TO ECONOMIC  
DEVELOPMENT PROJECTS

\$1 : \$53

EACH \$1 IN INCENTIVES  
LEVERAGED \$53 IN PRIVATE  
CAPITAL INVESTMENT

2.4 YEARS

AVERAGE TIME TO RETURN  
ON INVESTMENT

### ECONOMIC IMPACT METRICS

### FISCAL IMPACT METRICS



12,903

JOBS ADDED OR RETAINED

\$645,150,000

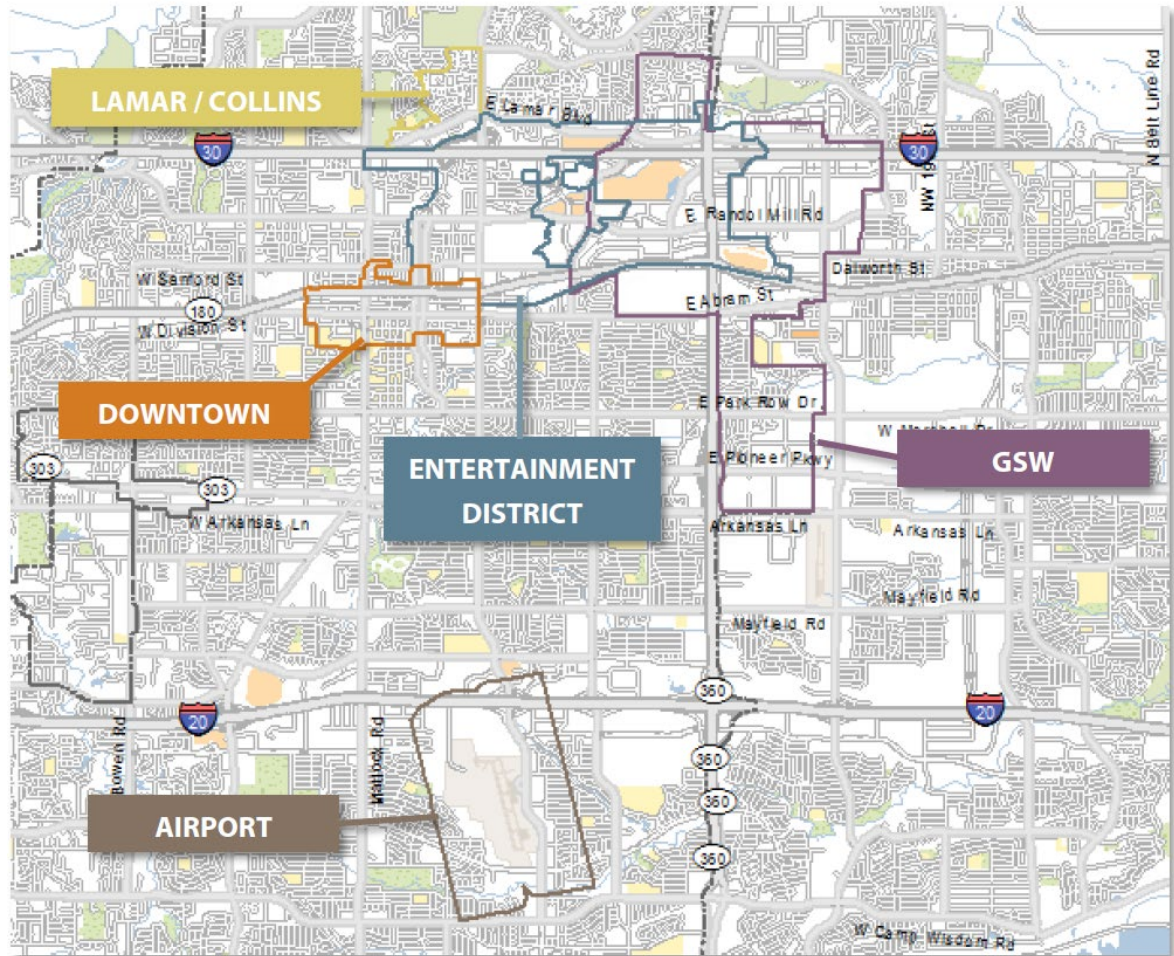
PUBLIC BENEFIT OF JOBS  
(ECONOMIC IMPACT OF  
WAGES)

### JOBS & WAGES IMPACT METRICS





# Horizon Projects



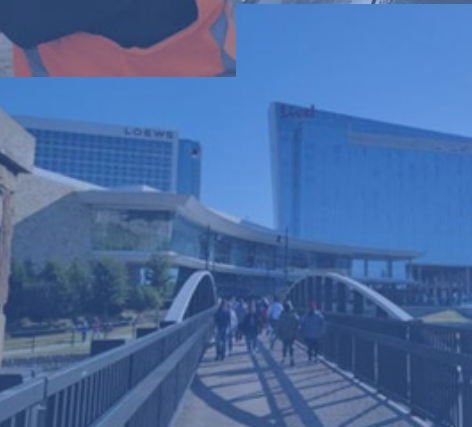




**Contact:**  
**Lyndsay Mitchell, AICP, CPM**  
**Interim Executive Director**  
**Arlington Economic Development Corporation**



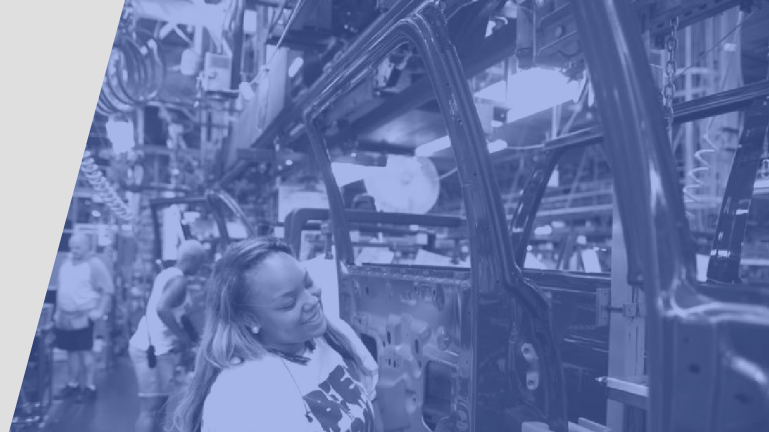
# Discussion



wallbox 



# 2021-2023 ECONOMIC DEVELOPMENT UPDATE



## 2021-2023 Performance Metrics

- **Over \$1 billion** in projected capital investment in Arlington was leveraged by economic development incentives in 2021-2023
- **\$128 million** in total economic development funding committed to projects in 2021-2023
- **23** projects approved in 2021-2023
- **40** current prospects



## Project Highlight: Sutton Frost Cary

- Sutton Frost Cary LLP is a regional full-service accounting firm with locations in Fort Worth and Arlington
- SFC constructed a new 25,000 square foot office building to consolidate its offices at the corner of Front and Mesquite Streets
- City will provide a waiver of development fees as well as grant payments of \$122,000
- SFC is required to make efforts to hire Arlington residents, conduct a minimum of 6 financial literacy courses per year during the term of the agreement, and donate \$50,000 annually to charitable organizations in the City

## Project Highlight: Sheraton Redevelopment

- Loews Hotels plans to replace current Sheraton with a 500-key, upper-upscale hotel with a minimum 735-stall garage and a minimum of 25,000 sq. ft. of meeting space
- City will provide annual grants totaling \$57.5M over 25 years and will contribute \$20M over seven years toward the cost of the parking garage
- Project is in partnership with the AEDC and Loews to continue building out hotel and meeting space capacity in the Entertainment District
- Total projected capital investment is \$410M



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- Multi-phased plan for redevelopment of Parks Mall
- The first phase includes a new Dick's House of Sport moving into the vacant Sears space, and the second phase includes redevelopment of the old Dick's Sporting Goods space into a repositioned, multi-tenant area
- Mall owner required to submit master redevelopment plan for entire mall by 2026 and invest \$45 million total for both phases by 2030
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# 2021-2023 ECONOMIC DEVELOPMENT UPDATE



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- Sportec Solutions is the official provider for live data and video services for MLS
- Establishing US Headquarters in Arlington at 1701 Lamar Blvd
- AEDC will provide a \$1M reimbursement grant for start-up costs and tenant finish out, and up to \$32,500 in hiring grants for resident Arlington employees
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- Will begin operations January 2024

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- Wealth tech accelerator housed at the First Rate campus in north Arlington
- Focus is on early and growth-stage wealth tech companies that work on business-to-business software solutions
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- Wealth tech combine held in Arlington in October



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- Redevelopment and market repositioning of second-oldest shopping center in Arlington
- AEDC will provide a \$2.3M reimbursement grant toward eligible redevelopment scope items once complete
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- Bell Textron required to create 175 jobs and invest \$22M in the facility
- Construction is complete and there are 102 employees currently at the site
- Average annual salary at facility is \$105,000



For more information, email [EcoDev@arlingtontx.gov](mailto:EcoDev@arlingtontx.gov) or call 817-459-6155  
[www.arlingtontx.gov/city\\_hall/departments/economic\\_development](http://www.arlingtontx.gov/city_hall/departments/economic_development)



# Staff Report



<b>Arlington Economic Development Corporation Performance Agreement – MedHab LLC</b>	
Arlington Economic Development Corporation Meeting Date: 01-16-2024	Document Being Considered: Resolution

## **RECOMMENDATION**

Approve a resolution authorizing the Interim Executive Director or her designee to execute a Performance Agreement with MedHab LLC relative to the creation and retention of primary jobs as part of the Texas Manufacturing Assistance Center Incentive Project.

## **PRIOR BOARD OR COUNCIL ACTION**

On May 30, 2023, The Texas Manufacturing Assistance Center Incentive Project was approved by the Economic Development Corporation Board after a public hearing.

## **ANALYSIS**

MedHab LLC is a medical device company specializing in the design, manufacturing, distribution, and servicing of electrostimulation devices. These wearable devices employ remote technology and have applications in the health care, wellness, and sports performance markets.

MedHab LLC has requested funding from the Arlington Economic Development Corporation to execute an agreement with the Texas Manufacturing Assistance Center (TMAC) to perform an internal audit in support of the company's annual internal audit schedule and Federal Drug Administration (FDA) requirements.

Under the proposed Performance Agreement, MedHab LLC would be required to use the information provided by the internal audit to improve company management systems, maintain FDA registration, and retain five existing jobs throughout the term of the Agreement.

The Arlington Economic Development Corporation would provide a performance grant of up to \$5,000 as reimbursement for the scope of work TMAC has provided to MedHab LLC and will be completed by February 19, 2024.

## **FINANCIAL IMPACT**

The total financial impact of this agreement is \$5,000.  
Funding is available in the AEDC account no. CC973005.

## **ADDITIONAL INFORMATION**

Attached:	Resolution with Performance Agreement attached
Under separate cover:	None
Available in the City Secretary's office:	None

## **STAFF CONTACTS**

Jasmine Amo  
Economic Development Specialist  
Arlington EDC  
817-459-6450  
[Jasmine.Amo@arlingtontx.gov](mailto:Jasmine.Amo@arlingtontx.gov)

Lyndsay Mitchell, AICP, CPM  
Interim Executive Director  
Arlington EDC  
817-459-6653  
[Lyndsay.Mitchell@arlingtontx.gov](mailto:Lyndsay.Mitchell@arlingtontx.gov)

**ARLINGTON ECONOMIC DEVELOPMENT CORPORATION**  
**Resolution No. \_\_\_\_\_**

**A resolution approving a performance agreement with MedHab, LLC an Arlington business, as part of the Texas Manufacturing Assistance Center Incentive Project, a project found by the Board of Directors to be necessary for the creation or retention of primary jobs.**

WHEREAS, the Arlington Economic Development Corporation is a Type B economic development corporation, created pursuant to Chapter 505 of the Texas Local Government Code, as amended; and

WHEREAS, Section 501.101 of the Texas Local Government Code, in pertinent part, defines the term “project” to include “land, buildings, equipment, facilities, expenditures, targeted infrastructure and improvements that are: (1) for the creation and retention of primary jobs; and (2) found by the board to be required or suitable for the development, retention, or expansion of: (A) manufacturing and industrial facilities.”; and

WHEREAS, the Texas Manufacturing Assistance Center (TMAC) provides a wide array of business management, technology, and operational services, designed to accelerate the growth, retention, and competitiveness for primary job creators; and

WHEREAS, the Arlington Economic Development Corporation approved the TMAC Incentive Project to fund the provision of TMAC trainings and services for eligible Arlington firms with the following NAICS Codes: 311-339, 42, 48-49, 5413, and 5417, after a public hearing on May 30, 2023; and

WHEREAS, MedHab, LLC (“MedHab”) is an Arlington-based business with a qualifying NAICS Code that is seeking to expand its operations and desires to use TMAC services to aid in its growth;

WHEREAS MedHab has requested assistance as part of the TMAC Incentive Project to engage TMAC services to further the growth of its business in Arlington;

WHEREAS, the Board of Directors for the Arlington Economic Development Corporation have determined that entering into a performance agreement with MedHab is consistent with the purposes and goals of the TMAC Incentive Project and will result in the retention and creation of primary jobs in Arlington; NOW THEREFORE

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ARLINGTON ECONOMIC DEVELOPMENT CORPORATION:

I.

That all of the recitals contained in the preamble of this resolution are found to be true and are adopted as findings of fact by this body and as part of its official record.

II.

That the Executive Director of the Arlington Economic Development Corporation and his designees are hereby authorized to execute a Performance Agreement with MedHab as part of the TMAC Incentive Project.

III.

A substantial copy of the Performance Agreement is attached hereto and incorporated herein for all intents and purposes.

PRESENTED AND PASSED on this the 16th day of January 2024, by a vote of \_\_\_\_\_ ayes and \_\_\_\_\_ nays at a regular meeting of the Board of Directors of the Arlington Economic Development Corporation.

\_\_\_\_\_  
Michael Jacobson, President

ATTEST:

\_\_\_\_\_  
Alex Busken, Assistant Secretary

APPROVED AS TO FORM:  
MOLLY SHORTALL, Counsel for the  
Arlington Economic Development  
Corporation

BY \_\_\_\_\_

**Exhibit "A"**  
**Performance Agreement**





NOW THEREFORE, for and in consideration of the mutual premises and promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the AEDC and OWNER do hereby agree, covenant, and contract as set forth below:

**I.**  
**Definitions**

- A. “Business Operations” is defined as headquarters and primary facilities for OWNER.
- B. “Job” is defined as a permanent, full-time employment position that results in actual paid employment of an employee, not independent contractor, at the Premises of at least 1,820 hours per position in a year. It shall not include part time employees.
- C. “Premises” are defined as the real property, land and improvements, located at 1161 W. Corporate Drive, Arlington TX 76006.
- D. “TMAC Services” are defined as industrial engineering consulting services to be provided by TMAC, including all reasonable labor and material costs associated with the services.

**II.**  
**Term**

This Agreement shall be effective on the date of execution and shall expire on April 1, 2024 (the “Term”), unless otherwise sooner terminated in accordance with the terms of this Agreement.

**III.**  
**Conditions and Requirements**

- A. OWNER shall engage the TMAC services by no later than February 19, 2024.
- B. OWNER shall maintain its Business Operations at the Premises for the Term of this Agreement.
- C. OWNER shall retain no less than five (5) existing Jobs throughout the Term of this Agreement. Any new jobs created during the term will be retained throughout the remaining Term of this Agreement. All Jobs created and retained shall be salaried exempt positions with average annual wage that exceeds the median wage for Tarrant County (determined by the Median Earnings for Workers as reported by the most recent American Community Survey).

- E. During the Term of the Agreement, OWNER agrees to use diligent efforts to purchase goods and services from Arlington businesses whenever such goods and services are comparable in availability, terms, quality, and price. Should OWNER improve or expand the existing facilities located at the Premises OWNER also agrees to develop a policy that establishes a goal of thirty percent (30%) use by OWNER of qualified contractors, subcontractors, and suppliers where at least fifty-one percent (51%) of the ownership of such contractors, subcontractors, or suppliers is vested in racial or ethnic minorities or women for design and construction of any such improvements or expansions.
- F. Throughout the Term, OWNER shall not fail to render for taxation any property owned by OWNER and located within the City of Arlington.
- G. Throughout the Term, OWNER shall not allow the ad valorem taxes owed on any property owned by OWNER and located within the City of Arlington to become delinquent beyond the last day they can be paid without assessment of penalty, as such date is generally extended to allow for any appeal.

**IV.**  
**AEDC Funding**

- A. In exchange for OWNER's timely satisfaction of the Conditions and Requirements set forth in Article III, AEDC agrees to provide the following funding:
  - 1. Provided OWNER is not in breach of the Agreement, AEDC shall provide a grant to OWNER in the amount equal to that invoiced by TMAC to OWNER for the TMAC Services within thirty (30) days of the AEDC receiving proof of said invoices.
  - 2. Under no circumstances will the total amount of grant payments made by AEDC to OWNER exceed Five Thousand and 00/100 Dollars (\$5,000.00).
- B. At the end of the term of this agreement OWNER shall certify, on a form provided by the AEDC, compliance with all Conditions and Requirements set forth in Article III by no later than April 30, 2024. Failure to timely submit the certification after notice and opportunity to cure as provided in Article VII below may waive OWNER's right to the grants.

**V.**  
**Records, Audits, and Inspections**

- A. Additional Records and Information – Throughout the Term of this Agreement, OWNER shall furnish AEDC any additional records and information

reasonably requested to support compliance with the Conditions and Requirements set forth in Article III of this Agreement.

- B. Right to Audit Books and Records – AEDC shall have the right to audit the books and records of OWNER related to the Conditions and Requirements. AEDC shall notify OWNER in advance in writing of their intent to audit to allow OWNER adequate time to make such books and records available.
- C. Inspection – At all times throughout the Term of this Agreement, AEDC shall have reasonable access to the Premises for the purpose of inspecting the Premises to ensure compliance with the Conditions and Requirements. All inspections shall be conducted in a manner as to not unreasonably interfere with the operation of the Premises. The inspections shall be conducted within a reasonable time after notice by AEDC.

## **VI.** **Use of Premises**

The Premises shall always be used in a manner that is consistent with City of Arlington's Unified Development Code and all other applicable federal, state, and local laws.

## **VII.** **Breach and Recapture**

- A. Breach – Subject to Section VII.B. below, a breach of this Agreement by OWNER may result in termination or modification of this Agreement and recapture by AEDC of grant payments made as set forth in Section VII.C below. OWNER's failure to satisfy any of the Conditions and Requirements as specified in Article III or OWNER's failure to provide records and information necessary to support the Improvement Conditions and Requirements, as specified in Article V, shall constitute a breach of this Agreement.
- B. Notice of Breach – If AEDC makes a reasonable determination that OWNER has breached this Agreement, then AEDC shall give OWNER written notice of such. OWNER has 60 days following receipt of said written notice to cure such breach or this Agreement may be terminated by AEDC, and recapture of grant payments made may occur pursuant to Section VII.C. below. Notice of breach and opportunity to cure shall be in writing and shall be delivered by personal delivery or certified mail to OWNER at its address provided in Article X of this Agreement.
- C. Recapture – During the Term of this Agreement, should OWNER fail to timely cure a breach of this Agreement, AEDC may terminate this Agreement, cease any further payments to OWNER and recapture all grant payments made under this Agreement. It shall be the duty of AEDC to determine whether to require

recapture and to demand payment of such. Repayment of grant payments shall become due 60 days following receipt of such demand. The rights of AEDC to require recapture and demand repayment of grants made and the obligation of OWNER to pay such, shall survive termination of this Agreement. The City Attorney has the authority, on behalf of the AEDC, to initiate any litigation necessary to pursue payment of recaptured grants pursuant to this Agreement.

**VIII.**  
**Undocumented Workers**

OWNER covenants and certifies that OWNER does not and will not knowingly employ an undocumented worker at the Project as that term is defined by section 2264.001(4) of the Texas Government Code. In accordance with section 2264.052 of the Texas Government Code, if OWNER is convicted of a violation under 8 U.S.D. Section 132a(f), OWNER shall repay to the AEDC all grant payments provided under this Agreement, plus 10% per annum from the date such grant payments were made. Repayment shall be paid within 120 days after the date following such conviction that OWNER receives notice of violation from the AEDC as provided by 2264.101© of the Texas Government Code.

**IX.**  
**Effect of Sale or Lease of Property**

The incentive program authorized by this Agreement shall not be assignable to any new owner or lessee of all or a portion of the Premises unless such assignment is approved in writing by the AEDC with approval of the AEDC Board of Directors and Arlington City Council, which approval shall not be unreasonably withheld.

**X.**  
**Notice**

All notices called for or required by this Agreement shall be addressed to the following, or such other party or address as either party designates in writing, by certified mail postage prepaid or by hand delivery:

OWNER: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

AEDC: Arlington Economic Development Corporation  
Attention: Executive Director  
Post Office Box 90231  
Arlington, Texas 76004-3231

cc: Arlington Economic Development Corporation

Attention: City Attorney's Office  
Post Office Box 90231  
Arlington, Texas 76004-3231

**XI.**  
**City Council Authorization**

This Agreement was authorized by resolution of the AEDC Board of Directors and Arlington City Council authorizing the President of the AEDC to execute this Agreement on behalf of the AEDC.

**XII.**  
**Severability**

In the event any section, subsection, paragraph, sentence, phrase, or word is held invalid, illegal, or unconstitutional, the balance of this Agreement shall stand, shall be enforceable, and shall be read as if the parties intended at all times to delete said invalid section, subsection, paragraph, sentence, phrase, or word.

**XIII.**  
**Estoppel Certificate**

Any party hereto may request an estoppel certificate from another party hereto, so long as the certificate is requested in connection with a bona fide business purpose. The certificate, which if requested will be addressed to a subsequent purchaser or assignee of OWNER, shall include, but not necessarily be limited to statements that this Agreement is in full force and effect without default (or if default exists the nature of same), the remaining term of this Agreement, the levels and remaining term of the grant payments in effect, and such other matters reasonably requested by the party(ies) to receive the certificates.

**XIV.**  
**Owner's Standing**

OWNER, as a party to this Agreement, shall be deemed a proper and necessary party in any litigation questioning or challenging the validity of this Agreement or any of the underlying ordinances, resolutions, AEDC Board of Directors or City Council actions authorizing same, and OWNER shall be entitled to intervene in said litigation.

**XV.**  
**Applicable Law**

This Agreement shall be construed under the laws of the State of Texas. Venue for any action under this Agreement shall be the State's District Court of Tarrant County, Texas. This Agreement is performable in Tarrant County, Texas.

**XVI.**  
**Indemnification**

It is understood and agreed between the parties that the OWNER, in performing its obligations hereunder, is acting independently, and AEDC assumes no responsibility or liability to third parties in connection therewith, and OWNER agrees to indemnify and hold harmless AEDC from any such responsibility or liability. It is further understood and agreed among the parties that AEDC, in performing its obligations hereunder, is acting independently, and the OWNER assumes no responsibility or liability to third parties in connection therewith.

**XVII.**  
**Force Majeure**

It is expressly understood and agreed by the parties to this Agreement that if the performance of any obligations hereunder is delayed by reason of war, civil commotion, acts of God, inclement weather, fire or other casualty, court injunction, necessary condemnation proceedings, acts of the other party, its affiliates/related entities and/or their contractors, or any actions or inactions of third parties or other circumstances which are reasonably beyond the control of the party obligated or permitted under the terms of this Agreement to do or perform the same, regardless of whether any such circumstance is similar to any of those enumerated or not, the party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such design or construction requirement shall be extended for a period of time equal to the period such party was delayed.

**XVIII.**  
**No Other Agreement**

This Agreement embodies all of the agreements of the parties relating to its subject matter as specifically set out herein, supersedes all prior understandings and agreements regarding such subject matter, and may be amended, modified, or supplemented only by an instrument or instruments in writing executed by the parties.

**XIX.**  
**Headings**

The headings of this Agreement are for the convenience of reference only and shall not affect in any manner any of the terms and conditions hereof.

**XX.**  
**Successors and Assigns**

The parties to this Agreement each bind themselves and their successors, executors, administrators, and assigns to the other party of this Agreement and to the successors, executors, administrators, and assigns of such other party in respect to all covenants of this

Agreement. No successor, executor, administrator, or assign is valid in the place of the OWNER without the written consent of AEDC and such consent shall not be unreasonably withheld.

[Signature Page to Follow]



IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year written above.

**OWNER.**

BY \_\_\_\_\_  
[Name]  
President  
Date \_\_\_\_\_

WITNESS:

\_\_\_\_\_

**ARLINGTON ECONOMIC  
DEVELOPMENT CORPORATION**

BY \_\_\_\_\_  
LYNDSAY MITCHELL  
Interim Executive Director  
Date \_\_\_\_\_

ATTEST:

\_\_\_\_\_, AEDC Secretary

APPROVED AS TO FORM:  
MOLLY SHORTALL, Counsel for the  
Arlington Economic Development  
Corporation

BY \_\_\_\_\_



# Staff Report



## Arlington Economic Development Corporation- Fixed Base Operator Acquisition

Arlington Economic Development Corporation  
Meeting Date: 1-16-2024

Document Being Considered: Resolution

### **RECOMMENDATION**

Approve a resolution authorizing the President of the Board of Directors to execute a Funding Agreement by and between the Arlington Economic Development Corporation and the City of Arlington relative to the acquisition of real and business personal property interest to allow for operation by the City of the Fixed Base Operator at Arlington Municipal Airport.

### **PRIOR BOARD OR COUNCIL ACTION**

None

### **ANALYSIS**

The City of Arlington intends to purchase real and business personal property interest to allow for operation by the City of the Fixed Base Operator (FBO) at Arlington Municipal Airport to enhance the airport's economic impact and provide increased support for future airport development and expansion. The acquisition will include interest in a 90,000 square feet of aircraft hangar space, 24,000 square feet of pilot lounge and office space, and additional supporting infrastructure including aircraft parking aprons and vehicular parking. The City will also acquire the business personal property of the current FBO, to include aircraft ground service equipment, fixtures, and furnishings. The acquisition aligns with various public policy objectives of the City, including the Economic Development Strategic Plan, and the Airport Master Plan.

The total acquisition cost is \$17 million. The City of Arlington will contribute \$7.5M towards the acquisition cost as part of a larger \$68.5 million economic development initiative around the Airport. It is requested that the Arlington Economic Development Corporation (AEDC) contribute \$9.5M to the acquisition.

The City will own and operate the FBO, providing aviation services to both based and transient customers. The acquisition is expected to produce an additional \$78 million in net benefits for the City over 20 years, on top of the current \$236 million airport economic impact. Additionally, revenues realized from the FBO will support future airport infrastructure development and expansion on the west side of the airport. If approved the City is expected to begin operation of the FBO on April 1, 2024.

### **FINANCIAL IMPACT**

The AEDC will provide \$9.5 million dollars to the City to acquire real and business personal property interest to allow for operation by the City of the Fixed Base Operator at Arlington Municipal Airport.

### **ADDITIONAL INFORMATION**

Attached:	Resolution with agreement attached
Under separate cover:	None
Available in the City Secretary's Office:	None

**STAFF CONTACT(S)**

Jennifer Wichmann  
Deputy City Manager  
817-459-6408  
[jennifer.wichmann@arlingtontx.gov](mailto:jennifer.wichmann@arlingtontx.gov)

Trent Ballard  
Airport Manager  
817-459-5990  
[trent.ballard@arlingtontx.gov](mailto:trent.ballard@arlingtontx.gov)

Alicia Winkelblech, AICP  
Director of Transportation  
817-459-6686  
[alicia.winkelblech@arlingtontx.gov](mailto:alicia.winkelblech@arlingtontx.gov)

**ARLINGTON ECONOMIC DEVELOPMENT CORPORATION**  
**Resolution No. \_\_\_\_\_**

**A resolution of the Board of Directors authorizing the President of the Board of Directors to execute a Funding Agreement with the City of Arlington relative to the acquisition of real and business personal property interest to allow for operation by the City of Arlington of the Fixed Base Operator at the Arlington Municipal Airport**

WHEREAS, the Arlington Economic Development Corporation (“AEDC”) is a Type B economic development corporation, created pursuant to Chapter 505 of the Texas Local Government Code, as amended; and

WHEREAS, Section 501.101 of the Texas Local Government Code, in pertinent part, defines the term “project” to mean “land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements that are (1) for the creation or retention of primary jobs; . . .;” and

WHEREAS, Section 505.155 of the Texas Local Government Code, in pertinent parts, defines “project” to include “land, buildings, equipment, facilities, and improvements found by the board of directors to promote new or expanded business enterprises that create or retain primary jobs. . .;” and

WHEREAS, the AEDC Board finds that expenditures provided in the Funding Agreement are required for the development and expansion of the Arlington Municipal Airport for the purpose of promoting and developing business enterprises that create or retain primary jobs; NOW THEREFORE

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ARLINGTON ECONOMIC DEVELOPMENT CORPORATION:

I.

That all of the recitals contained in the preamble of this resolution are found to be true and are adopted as findings of fact by this body and as part of its official record.

II.

That the President of the Board of Directors of the Arlington Economic Development Corporation is hereby authorized to execute a Funding Agreement with the City of Arlington to provide \$9,500,000 for acquisition of real and business personal

property interest to allow for operation by the City of Arlington of the Fixed Base Operator at the Arlington Municipal Airport.

III.

A substantial copy of the Funding Agreement is attached hereto and incorporated herein for all intents and purposes.

PRESENTED AND PASSED on this the \_\_\_\_ day of \_\_\_\_\_, 2024, by a vote of \_\_\_\_ ayes and \_\_\_\_ nays at a regular meeting of the Board of Directors of the Arlington Economic Development Corporation.

ATTEST:

\_\_\_\_\_  
Michael Jacobson, President

\_\_\_\_\_  
Alex Busken, Assistant Secretary

APPROVED AS TO FORM:  
MOLLY SHORTALL, Counsel for the  
Arlington Economic Development  
Corporation

BY \_\_\_\_\_

## **Funding Agreement**





**AGREEMENT**

1. After March 18, 2024 but before April 1, 2024, the AEDC shall provide the City with Nine Million Five Hundred Thousand and 00/100 Dollars (\$9,500,000.00), to be used by the City to pay for expenditures necessary to acquire interest in real and business personal property that will allow the City to operate the FBO at the Arlington Municipal Airport.
2. The City shall use all funds provided by the AEDC under this Agreement for acquisition of interest in real and business personal property necessary to operate the FBO at the Arlington Municipal Airport.
3. City acknowledges that this Agreement is an economic development project as defined by Sections 501.103 and 505.155 of the Texas Local Government Code. Pursuant to Section 505.160 of the Texas Local Government Code, if a petition from more than ten (10) percent of the registered voters in the City of Arlington is filed within sixty (60) days of the publication notice of this project, which was published on January 12, 2024, an election shall be held before this project is undertaken or any expenditures are made. If an election is held the AEDC shall have no obligation to make the expenditures provided for in this Agreement unless and until the project has been successful approved by the voters. If a valid petition is filed, City may request that this Agreement be terminated prior to any such election.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year written above.

**ARLINGTON ECONOMIC DEVELOPMENT CORPORATION**

BY \_\_\_\_\_  
[NAME]  
[TITLE]  
Date \_\_\_\_\_

WITNESS:

\_\_\_\_\_

**CITY OF ARLINGTON, TEXAS**

BY \_\_\_\_\_  
[NAME]  
[TITLE]  
Date \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
ALEX BUSKEN, City Secretary

APPROVED AS TO FORM:  
MOLLY SHORTALL, City Attorney

BY \_\_\_\_\_



# Fixed Base Operator (FBO) Acquisition

Arlington Economic Development Corporation Board Meeting  
January 16, 2024

# ..... FBO Acquisition Overview



- Acquisition Structure
  - Acquiring the Arlington Airport's Fixed Base Operator (FBO) formerly operated by Harrison Aviation for \$17m
  - Requesting \$9.5m from the Economic Development Corporation towards the purchase of the FBO
  - Requesting \$7.5M of airport gas revenue and Arlington Tomorrow Foundation dollars from City Council toward purchase of FBO
- Purpose of Acquisition
  - Revenue source to fund development of 34 acres of land on west side of airport (total potential public investment in future development of Airport is \$68.5M)
  - Development on west side of airport estimated to create over \$2 billion in total economic impact over 20 years, with over 300 jobs with average wage of \$78,000

# ..... Economic Development Strategy



## AIRPORT

*A premier reliever airport and innovative employment center for the DFW region*

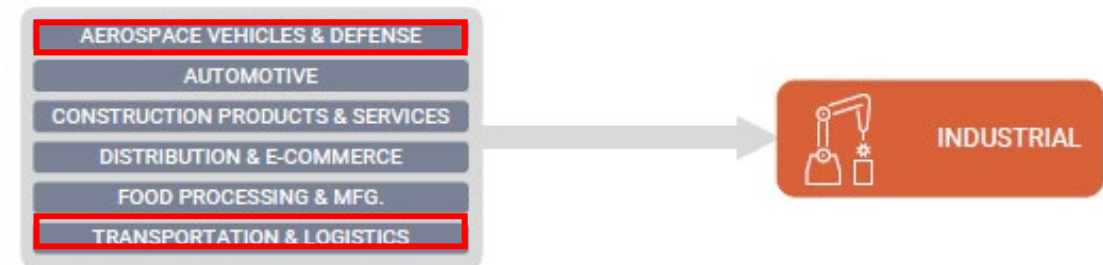
## THE VISION

The airport is already home to a large aviation/aerospace presence and a strong mix of tenants. In addition, Bell Helicopter and Agusta Westland have research and development divisions nearby. With new acreage opening up for development, the airport will strengthen its position as the premier reliever airport in the Metroplex and become a destination of aerospace research and development.

## STRATEGIC CONSIDERATIONS

- ▶ Assist the airport in marketing the airport's facilities and land as destinations for innovative aviation-related businesses. Work in partnership with airport management to identify strategic prospects for the 100 acres that will become available with the Center Street extension.

## Target Sector



# ..... Airport Master Plan



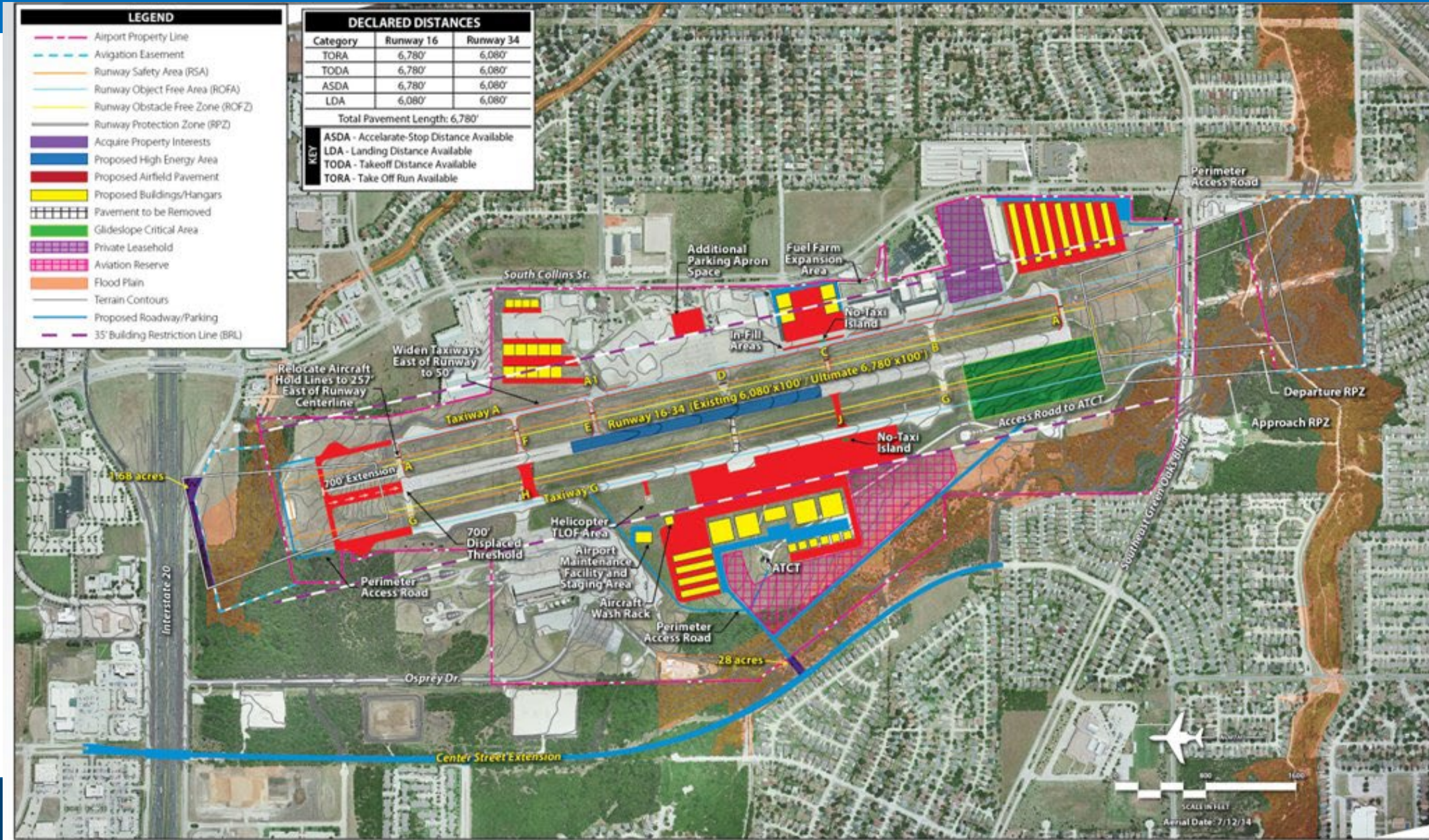
## West Side of Airport

Construction of a mix of hangar types to include conventional, executive, and T-hangars/ linear box hangars. These facilities would likely meet the long-range demands of the Airport beyond the planning horizon of this Development Plan and are dependent on other support facilities to include aircraft parking apron space, access taxi lanes, and vehicle access.

## AIRCRAFT PARKING

Analysis in Chapter Three indicated that additional aircraft parking apron space is needed to accommodate aircraft activities through the planning period of this study, especially during special events at the AT&T Stadium located a relatively short distance north of Arlington Municipal Airport. Historically, certain taxiways on the airfield have been closed to help accommodate aircraft parking that overflows from existing apron space during these special events.

# Airport Master Plan

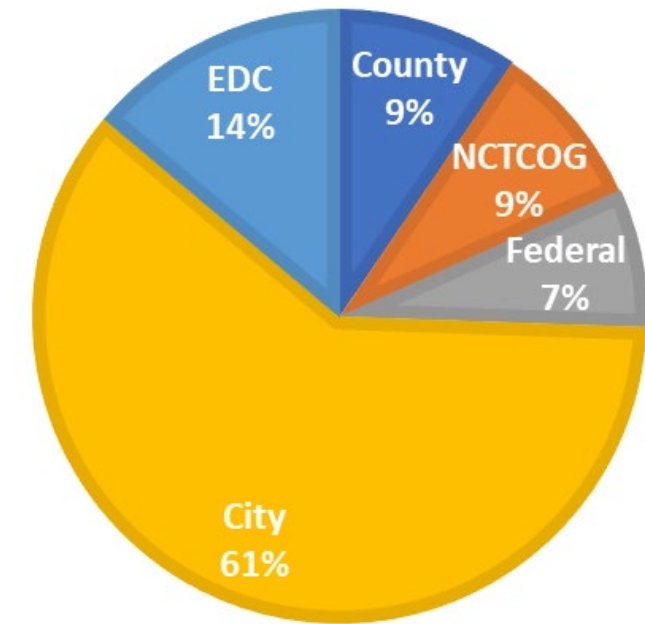


**Total  
Developable  
Acres: 43**

# Potential Public Airport Investments



Public Investment	Total Estimated Cost	County Share	NCTCOG Share	Federal Share (estimated)	City Share	EDC Share
Build out of MLK Drive	\$14,000,000	\$6,505,000	\$6,000,000	\$0	\$1,495,000	\$0
Purchase of FBO	\$17,000,000	\$0	\$0	\$0	\$7,500,000	\$9,500,000
Airport Access Road	\$3,500,000	\$0	\$0	\$0	\$3,500,000	\$0
Aircraft Parking Apron	\$16,000,000	\$0	\$0	\$5,000,000	\$11,000,000	\$0
EVTOL Terminal/Hangar	\$18,000,000	\$0	\$0	\$0	\$18,000,000	\$0
<b>TOTALS</b>	<b>\$68,500,000</b>	<b>\$6,505,000</b>	<b>\$6,000,000</b>	<b>\$5,000,000</b>	<b>\$41,495,000</b>	<b>\$9,500,000</b>





.....

# Current Economic Impact



- \$236 Million economic impact
- Over 900 jobs
- \$52.1 Million in payroll
- Reclassified to National Airport
- Over 137,000 annual operations in 2022 - increase of 40,000 operations from 2021
- 14 based Jet aircraft
- 198 total based aircraft
- Current based Commercial Operators: Bell, ATP, Van Bortel, TRA, and MRO facilities

# ..... Future Potential Economic Impact



## The developable area at the airport could support:

- 720,000 sq. ft. parking apron
- 40,000 sq. ft. corporate hangar
- 135,000 sq. ft. maintenance repair and operations facility
- 200,000 sq. ft. executive box hangars
- 80,000 sq. ft. charter operator
- 200,000 sq. ft. of light industrial/manufacturing
- 80,000 sq. ft. EVTOL terminal and hangar
- 309 jobs with an average salary of \$78,000

## Total Economic Impact (over 20 years)\*:

Benefit	Projected Amount
Direct and Indirect Jobs	829
Total salaries to direct and indirect workers	\$1,637,000,000
Taxable sales within the City	\$443,178,000
Business Personal Property added to tax rolls	\$30,100,000
Net benefit to City	\$78,253,000
Net benefit to all taxing jurisdictions	\$85,357,000
Annual rate of return on FBO purchase	23%
Payback period on FBO purchase	6 years

\*Economic Impact Statement provided by Impact Data Source

# ..... Timeline



- **May 9, 2023 City Council Meeting-** Initial FBO Acquisition discussion
- **May 23, 2023 City Council Meeting-** FBO Acquisition Update
- **June 13, 2023 City Council Meeting-** FBO Acquisition Business Valuation Update
- **June 20, 2023 EDC Meeting-** FBO Acquisition discussion
- **July 18, 2023 EDC Meeting-** FBO Acquisition discussion and funding request
- **August 1, 2023 City Council Meeting-** FBO update regarding EDC discussion
- **December 11, 2023 EDC Meeting**– Update EDC on FBO Acquisition Master agreement and funding
- **December 12, 2023 City Council Meeting**– Update Council on FBO Acquisition Master agreement and funding
- **January 16, 2024 EDC Meeting**– request EDC approval of \$9.5m grant
- **January, 23, 2024 City Council Meeting** – request Council approval of FBO Acquisition agreement and funding
- **April 1, 2024** - Estimated full transition of FBO to City operation



# Questions