

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

**AGENDA
FEBRUARY 20, 2024 AT 4:30p.m.
ARLINGTON CITY HALL
COUNCIL BRIEFING ROOM
3RD 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. January 16, 2024 Meeting
- III. Standing Reports
 - A. Financial Report
 - B. Real Estate Report
 - C. Industry Spotlight Report
- IV. Small Business Program Update
- V. Economic Development Update
- VI. Item for Action
 - A. Resolution – Bell Amendment

Approve a resolution authorizing the President of the Board of Directors to execute an amended Performance Agreement with Bell Textron Inc. relative to the development of a 50,000 square foot facility to house system integration labs and the creation of Primary Jobs. The amendment is to correct the property address for the system integration labs.

- B. Resolution – Water Fund Transfer

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 repair and replacement of water infrastructure along West Main Street.

VII. 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.

VIII. Future Agenda Items

IX. Adjourn

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

**MINUTES OF THE
ARLINGTON ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS
January 16, 2024**

The Board of Directors of the Arlington Economic Development Corporation convened in Regular Session on January 16, 2024, at 4:30 p.m., in Arlington City Hall, 3rd 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
Mojoy Haddad	§	Vice President
Jollyn Mwisongo	§	Secretary
John Whiteley	§	Treasurer
Gerald Alley	§	Board Member
Kate Miller	§	Board Member

Absent:

Carmenza Moreno	§	Board Member
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And

Lyndsay Mitchell	Interim Executive Director
Jennifer Wichmann	Deputy City Manager
Jonathan Moss	Senior Attorney
Jasmine Amo	Specialist
Marcus Young	Economic Development Specialist
Stuart Young	Real Estate Manager
Alicia Winkelblech	Director of Transportation
Trent Ballard	Airport Manager
Raja Saravanan	Business Intelligence and Marketing Analyst
Nathaniel Johnson	MWBE Coordinator
Sarah Stubblefield	Senior Strategic Initiatives Officer
Kevin McGlaun	Real Estate Consultant
Erica Yingling	Coordinator

I. Call to Order

President M. Jacobson called the meeting to order at 4:35 p.m.

II. Consideration of Minutes

A. December 11, 2023 Meeting

Treasurer J. Whiteley made a motion to approve the minutes of the December 11, 2023 Board meeting. Seconded by Vice President M. Haddad, the motion carried with 5 ayes and 0 nays.

APPROVED

III. Standing Reports

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

No questions or comments were stated.

IV. Interim Executive Director's Report

- A. Project updates
- B. Small business initiative update
- C. Sponsorship updates

Lyndsay Mitchell, Interim Executive Director, presented.

Board Member G. Alley arrived at 4:38p.m.

V. UTA Life Sciences Briefing

Dr. Jennifer Cowley, UTA President and Jon Widanz, UTA AVP Research & Innovation, provided information relative to Bioinnovation.

VI. Economic Development Update

This agenda item was postponed to a future meeting.

VII. Items 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.

Jasmine Amo, Specialist, presented the resolution for consideration.

Board Member G. Alley made a motion to approve the resolution. Seconded by Vice President M. Haddad, the motion carried with 6 ayes and 0 nays.

AEDC RESOLUTION NO. 24-001

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.

Jennifer Wichmann, Deputy City Manager, presented the resolution for consideration.

Vice President M. Haddad made a motion to amend the resolution date. Seconded by Board Member G. Alley, the motion carried with 6 ayes and 0 nays.

AEDC RESOLUTION NO. 24-002

VIII. Executive Session

At 5:41 p.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

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.

At 6:33 p.m. Board Member G. Alley left the meeting.

At 6:38 p.m., President M. Jacobson announced the Executive Session was adjourned, and the Board immediately reconvened in Open Session.

IX. Future Agenda Items

X. Adjourn

There being no further business, the meeting was adjourned at 6:40 p.m.

COA Expenditures by Cost Center

Budget Structure Non-Operating Budget
 Amount Type Activity
 Period FY24 - Dec
 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
CC973005 Economic Development Corporation Projects	69,016,963	-	-	23,380	23,380	68,993,583	0.03%
61000:Purchase/Contract	69,016,963	-	-	23,380	23,380	68,993,583	0.03%
CC973010 Economic Development Corporation Operations	3,918,114	118,474	283,431	210,773	494,204	3,423,910	12.61%
50000:Salaries and Wages	674,492	28,306	108,319	-	108,319	566,173	16.06%
55000:Benefits	174,572	6,674	24,495	-	24,495	150,077	14.03%
60000:Supplies	150,000	29,317	30,963	(26,437)	4,526	145,474	3.02%
61000:Purchase/Contract	700,000	13,741	26,552	236,344	262,896	437,104	37.56%
62000:Utilities	20,000	-	-	-	-	20,000	0.00%
63000:Maintenance and Repair	1,000,000	1,961	7,206	190	7,397	992,603	0.74%
65000:Miscellaneous Expense	755,000	37,600	60,555	26	60,581	694,419	8.02%
66000:Travel and Training	438,050	875	25,121	650	25,771	412,279	5.88%
67000:Interdepartmental Expense	6,000	-	220	-	220	5,780	3.67%

SALES TAX REVENUES

TOTAL	6,392,153	Sales Month	Revenue Received
	2,121,335	October 2023	December 2023
	2,016,327	November 2023	January 2024
	2,254,491	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

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CC973005 Economic Development Corporation Projects	69,016,963	-	-	23,380	23,380	68,993,583	0.03%
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%
CC973010 Economic Development Corporation Operations	3,918,114	118,474	283,431	210,773	494,204	3,423,910	12.61%
50000:Salaries and Wages	674,492	28,306	108,319	-	108,319	566,173	16.06%
SC50002 - Salaries: Operations	674,492	28,306	98,450	-	98,450	576,042	14.60%
SC50010 - Salaries: Terminal Pay	-	-	9,869	-	9,869	(9,869)	0.00%
55000:Benefits	174,572	6,674	24,495	-	24,495	150,077	14.03%
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	42	80.00%
SC55000 - Benefits: Worker's Comp	763	43	142	-	142	621	18.60%
SC55001 - Benefits: Employee Retirement	72,626	2,861	10,582	-	10,582	62,044	14.57%
SC55002 - Benefits: Disability Income Plan	1,484	75	240	-	240	1,244	16.19%
SC55003 - Benefits: Employee Insurance	64,022	2,338	7,239	-	7,239	56,783	11.31%
SC55005 - Benefits: Medicare	9,779	407	1,573	-	1,573	8,206	16.09%
SC55008 - Benefits: Thrift Plan	18,096	504	3,217	-	3,217	14,879	17.78%
SC55009 - Benefits: Car Allowance	5,200	400	1,171	-	1,171	4,029	22.53%
SC55010 - Benefits: Phone Allowance	2,392	46	162	-	162	2,230	6.75%
60000:Supplies	150,000	29,317	30,963	(26,437)	4,526	145,474	3.02%
SC0500 - Office Supplies less than \$5,000	10,000	-	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%
SC0675 - Supplies/Computer Software	-	29,317	29,317	(29,317)	-	-	0.00%
61000:Purchase/Contract	700,000	13,741	26,552	236,344	262,896	437,104	37.56%
SC0533 - Special Services	500,000	35	3,360	211,200	214,560	285,440	42.91%
SC0574 - Professional Services	200,000	13,707	23,193	25,144	48,337	151,663	24.17%
62000:Utilities	20,000	-	-	-	-	20,000	0.00%
SC0578 - Electric Service	20,000	-	-	-	-	20,000	0.00%
63000:Maintenance and Repair	1,000,000	1,961	7,206	190	7,397	992,603	0.74%
SC0583 - Maintenance of Buildings	1,000,000	1,961	7,206	190	7,397	992,603	0.74%
65000:Miscellaneous Expense	755,000	37,600	60,555	26	60,581	694,419	8.02%
SC0658 - Advertising	750,000	37,600	60,555	26	60,581	689,419	8.08%
SC0735 - Employee Reimbursement - non travel/training	5,000	-	-	-	-	5,000	0.00%
66000:Travel and Training	438,050	875	25,121	650	25,771	412,279	5.88%
SC0668 - Membership	50,000	-	17,075	-	17,075	32,925	34.15%
SC0669 - Training	10,000	875	1,125	650	1,775	8,225	17.75%
SC0670 - Registration	78,050	-	1,200	-	1,200	76,850	1.54%
SC0671 - Travel	50,000	-	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	5,780	3.67%
SC0633 - General Services Charges	6,000	-	220	-	220	5,780	3.67%

Economic Development Corporation

Pro Forma

Report Date: 02.12.2024

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
Beginning Balance	-	10,853,564	33,352,739	49,183,947	35,721,280	30,721,280	25,721,280	20,721,280	15,721,280	10,721,280	5,721,280
Revenues											
Sales Tax Revenue	11,164,714	24,115,528	23,849,011	23,276,930	23,975,238	24,694,495	25,435,330	26,198,390	26,984,341	27,793,872	28,627,688
Interest	-	137,745	1,161,268	1,967,358	893,032	768,032	643,032	518,032	94,328	64,328	34,328
Miscellaneous Revenue	-	2	24,750	-	-	-	-	-	-	-	-
Reserve for Incr/Decr in FMV of Investments	-	(877,675)	-	-	-	-	-	-	-	-	-
Reserve for Accrued Comp Absences	-	(10,666)	-	-	-	-	-	-	-	-	-
Total Revenues	11,164,714	23,364,934	25,035,029	25,244,288	24,868,270	25,462,527	26,078,362	26,716,422	27,078,669	27,858,199	28,662,016
Interfund Transfers											
Transfer to General Fund	-	(227,363)	(254,250)	(261,878)	(269,734)	(277,826)	(286,161)	(294,745)	(303,588)	(312,695)	(322,076)
Total Transfers	-	(227,363)	(254,250)	(261,878)	(269,734)	(277,826)	(286,161)	(294,745)	(303,588)	(312,695)	(322,076)
Expenditures											
EDC Operations	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
YTD Actuals (see monthly budget report)	(311,151)	(638,396)	(1,318,221)	(494,204)	-	-	-	-	-	-	-
Remaining current year budget for EDC Operations	-	-	-	(3,423,910)	-	-	-	-	-	-	-
Projected future budget	-	-	-	-	(3,035,657)	(3,126,727)	(3,220,529)	(3,317,145)	(3,416,659)	(3,519,159)	(3,624,734)
Total Operations	(311,151)	(638,396)	(1,318,221)	(3,918,114)	(3,035,657)	(3,126,727)	(3,220,529)	(3,317,145)	(3,416,659)	(3,519,159)	(3,624,734)
EDC Capital Expenditures											
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-
Projects - Active Incentive Agreements											
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)
FBO property acquisition / airport development	-	-	-	(9,500,000)	-	-	-	-	-	-	-
Total Active Incentive Projects	-	-	(7,631,350)	(12,100,000)	(3,643,333)	(2,593,333)	(7,345,833)	(4,694,933)	(2,333,333)	(2,333,333)	(1,000,000)
Projects - Proposed and Potential											
* 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	-	-	-	(22,426,964)	(17,919,545)	(19,464,641)	(15,225,839)	(18,409,598)	(21,025,089)	(21,693,012)	(23,715,206)
Total Available for Projects	-	-	-	(22,426,964)	(22,919,545)	(24,464,641)	(20,225,839)	(23,409,598)	(26,025,089)	(26,693,012)	(28,715,206)
TOTAL EXPENDITURES	(311,151)	(638,396)	(8,949,571)	(38,445,078)	(29,598,536)	(30,184,701)	(30,792,201)	(31,421,676)	(31,775,081)	(32,545,504)	(33,339,939)
Ending Balance	10,853,564	33,352,739	49,183,947	35,721,280	30,721,280	25,721,280	20,721,280	15,721,280	10,721,280	5,721,280	721,280

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 General Fund assumptions multiplied by .25 (25%), 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 Industrial Overview

February 2024 Report



ARLINGTON SUBMARKET

The Arlington submarket is a secondary distribution node between Fort Worth and Dallas. While industrial inventory is scattered throughout the submarket, there is a concentration of higher-quality stock built at the intersection of I-20 and State Highway 360, which is roughly 20 miles from Dallas, Fort Worth, and the D/FW International Airport. Most space skews smaller compared to nearby major industrial nodes.

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

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

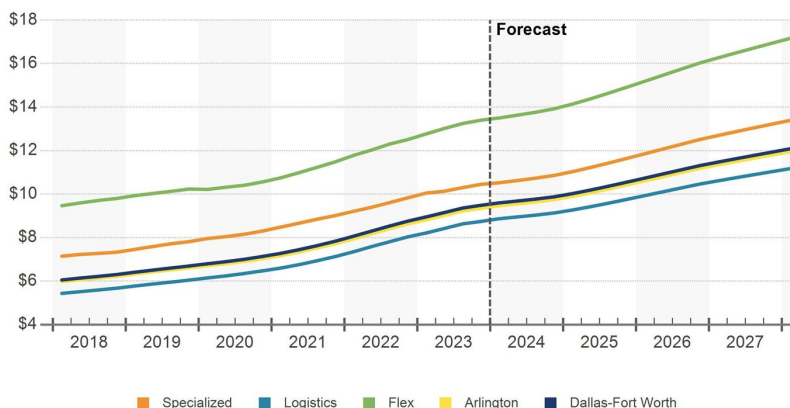
DEMAND	SUBMARKET	MARKET
12 Mo Net Absorption SF	72.7K ↑	3.2M ↓
12 Mo Leased SF	426K ↑	9.3M ↓
6 Mo Leasing Probability	30.3%	30.4%

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 ↓

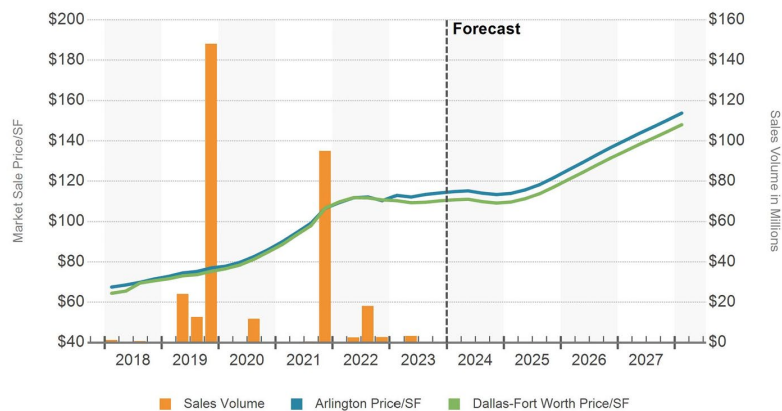
SALES	SUBMARKET	MARKET
12 Mo Transactions	56 ↓	1,479 ↓
Market Sale Price/SF	\$247 ↑	\$275 ↑
Average Market Sale Price	\$3.9M ↑	\$3.6M ↑
12 Mo Sales Volume	\$16.4M ↓	\$489M ↓
Market Cap Rate	6.3% ↓	6.3% ↓

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 Industrial Overview

February 2024 Report

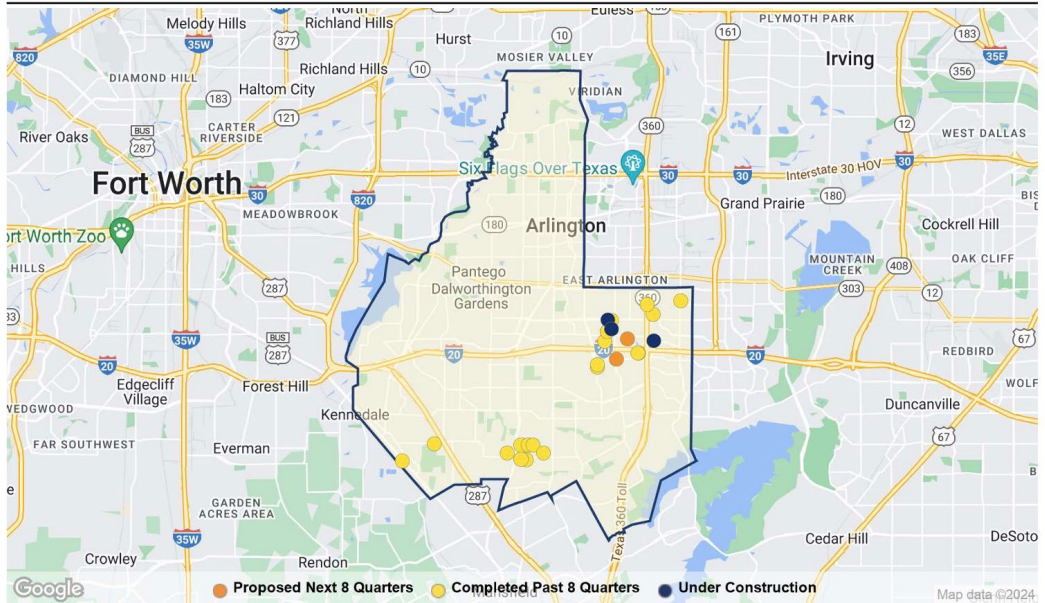


ARLINGTON SUBMARKET

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
632,972	2,580,190	391,146	128,900

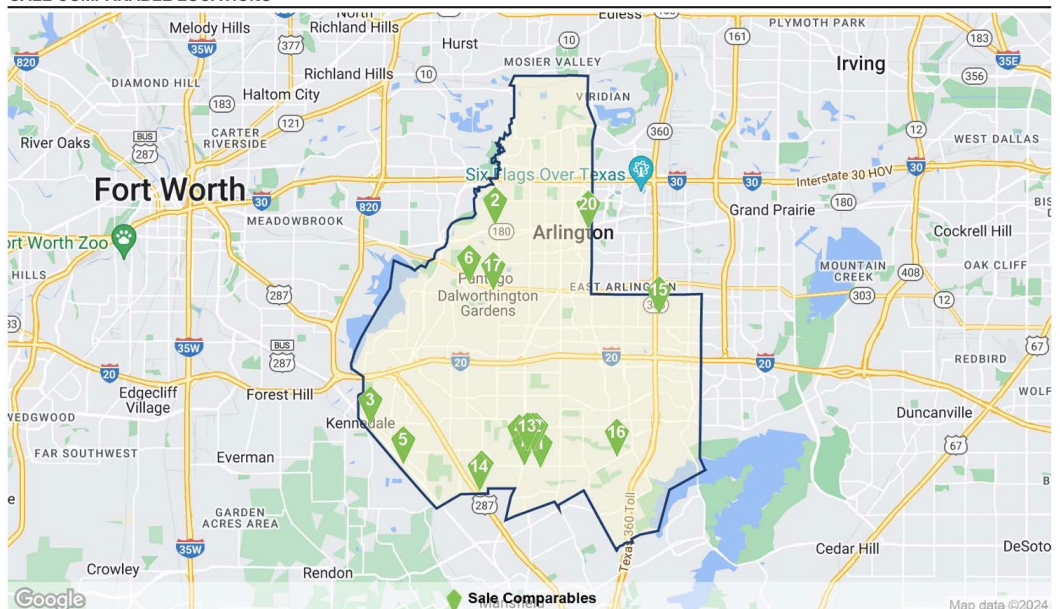
PAST 8 QUARTERS DELIVERIES, UNDER CONSTRUCTION, & PROPOSED



PROPERTIES FOR SALE

Sale Comparables	Avg. Cap Rate	Avg. Price/SF	Avg. Vacancy At Sale
24	-	\$128	0%

SALE COMPARABLE LOCATIONS



City of Arlington Industrial Overview

February 2024 Report



LOWER GREAT SOUTHWEST SUBMARKET

Over 80% of Lower Great Southwest's total inventory was built before 1990. However, what this submarket lacks in modern space, it makes up for with location and proximity to the manufacturing core, which is attractive to many tenants. The submarket provides east/west passage to significant population centers via I20 and I-30 and direct access to the Dallas/Fort Worth International Airport via Highway 360 and the President George Bush Turnpike. The vacancy rate in Lower Great Southwest is hovering at 6.1% compared to the Dallas-Fort Worth average of 9.1%. The area has not seen the same pace of construction as available land is relatively more constrained compared to neighboring peers to the south. Over the last 12 months, 280,000 SF has delivered, and there is currently 280,000 SF under construction.

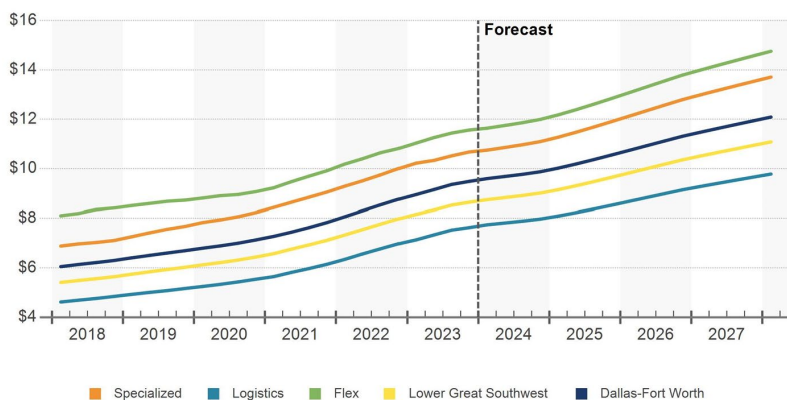
12 Mo Deliveries in SF	12 Mo Net Absorption in SF	Vacancy Rate	12 Mo Asking Rent Growth
283K	(1.1M)	6.1%	7.8%

KEY INDICATORS

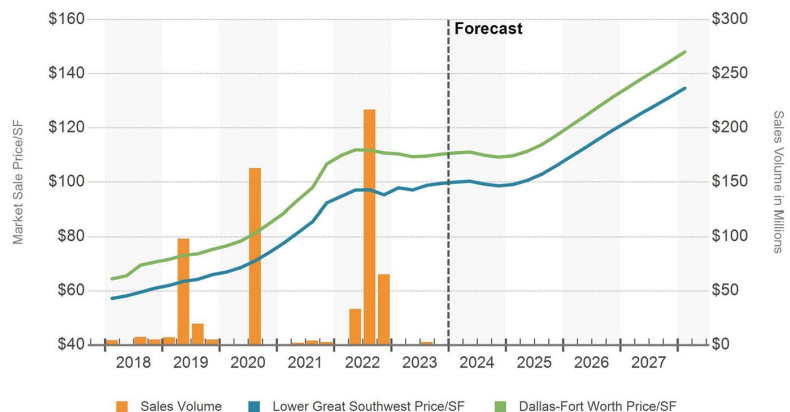
Current Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	29,523,945	7.7%	\$7.69	10.8%	(223,187)	22,798	284,865
Specialized Industrial	10,636,394	1.3%	\$10.70	0.8%	1,450	0	0
Flex	2,959,258	7.2%	\$11.59	6.2%	(106,172)	0	0
Submarket	43,119,597	6.1%	\$8.69	8.0%	(327,909)	22,798	284,865

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	3.1%	6.7%	6.8%	14.8%	2009 Q3	2.3%	2017 Q4
Net Absorption SF	(1.1M)	382,369	(140,142)	2,727,979	2019 Q2	(1,034,619)	2009 Q3
Deliveries SF	283K	412,491	145,801	2,842,422	2020 Q1	0	2022 Q3
Asking Rent Growth	7.8%	3.6%	6.1%	12.1%	2022 Q4	-1.8%	2003 Q4
Sales Volume	\$2.6M	\$48.1M	N/A	\$315.3M	2023 Q1	\$1.9M	2002 Q4

MARKET ASKING RENT PER SF



SALES VOLUME & PRICE PER SF



City of Arlington Industrial Overview

February 2024 Report

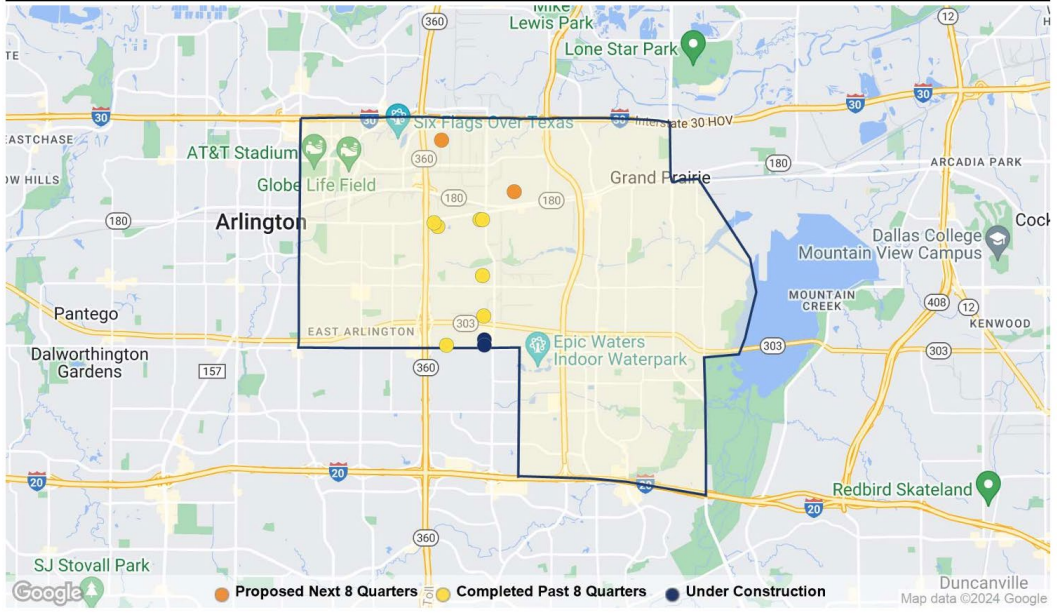


LOWER GREAT SOUTHWEST
SUBMARKET

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
402,876	483,513	284,865	61,560

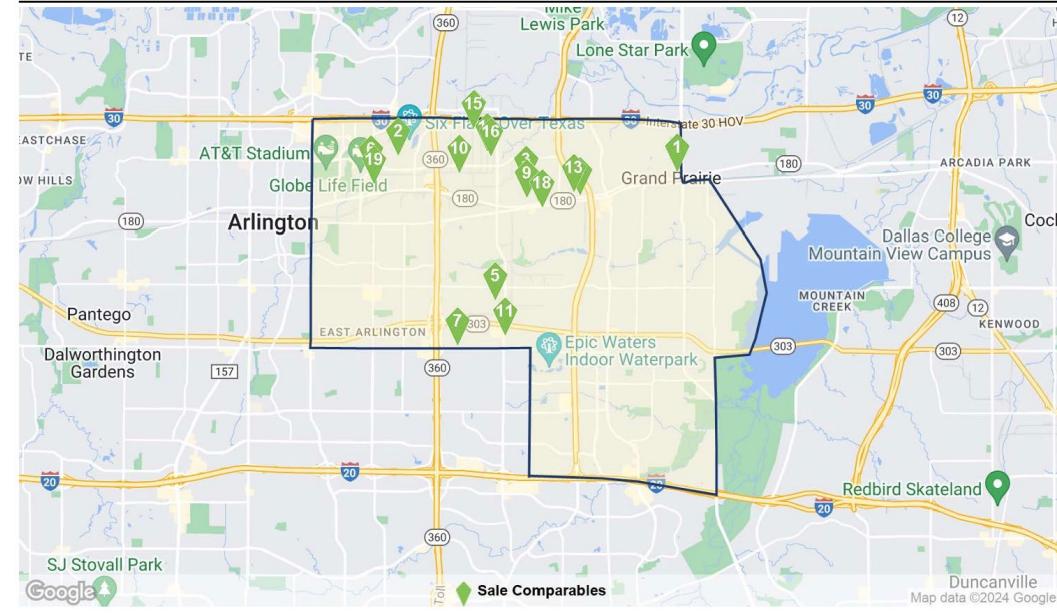
PAST 8 QUARTERS DELIVERIES, UNDER CONSTRUCTION, & PROPOSED



PROPERTIES FOR SALE

Sale Comparables	Avg. Cap Rate	Avg. Price/SF	Avg. Vacancy At Sale
23	-	\$207	3.8%

SALE COMPARABLE LOCATIONS

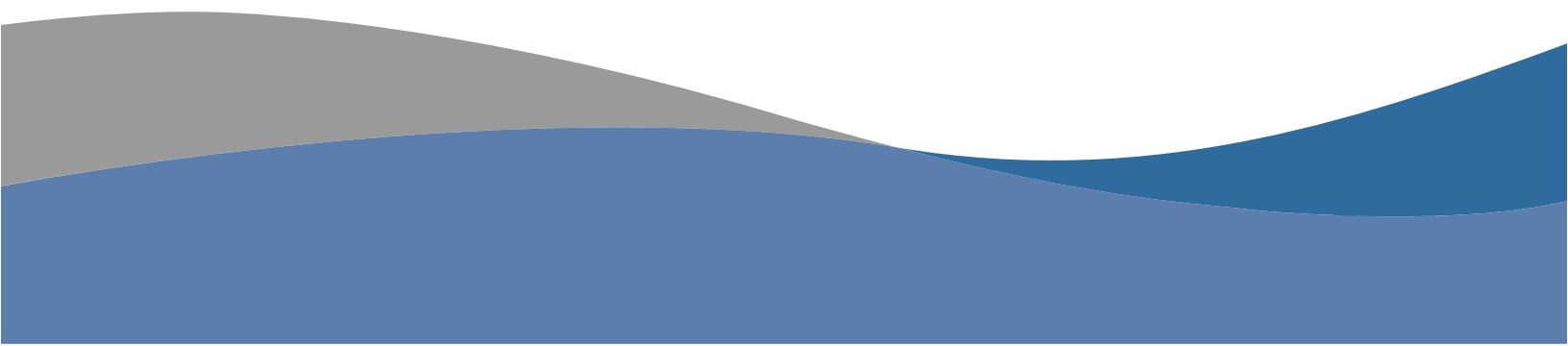




Industry Spotlight

Warehousing and Storage

Arlington, TX



Industry Snapshot..... 4

Staffing Pattern 5

Employment Distribution by Type..... 6

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Postsecondary Programs Linked to Warehousing and Storage 8

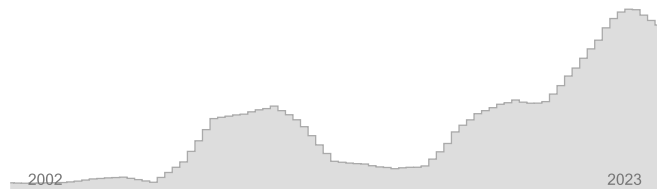
Arlington, TX Regional Map..... 9

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Warehousing and Storage Arlington, TX – 2023Q3

EMPLOYMENT



2,462

Regional employment / **1,863,145** in the nation

15.7% ↑

Avg Ann % Change Last 10 Years / **+10.1%** in the US

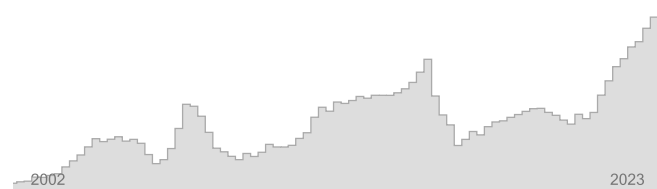


1.4%

% of Total Employment / **1.1%** in the US



WAGES



\$49,211

Avg Wages per Worker / **\$51,553** in the nation

1.7% ↑

Avg Ann % Change Last 10 Years / **+2.0%** in the US

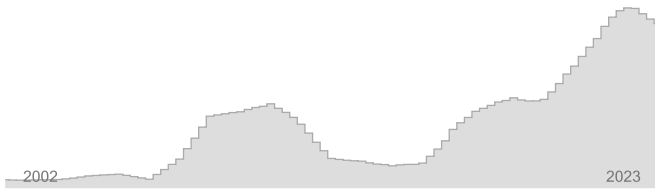


TOP OCCUPATION GROUPS

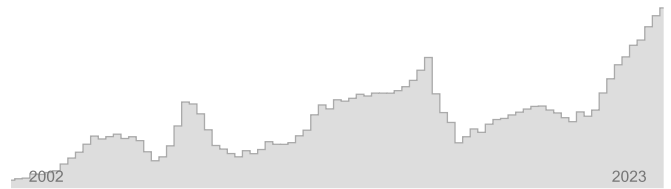


Industry Snapshot

EMPLOYMENT



WAGES



4-Digit Industry	Empl	Avg Ann Wages	LQ	5yr History	Annual Demand	Forecast Ann Growth
Warehousing and Storage	2,462	\$49,211	1.20		353	2.1%


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



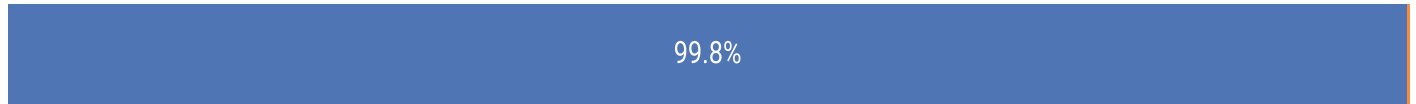
6-digit Occupation	Empl	Avg Ann Wages	Annual Demand
Stockers and Order Fillers	543	\$39,300	100
Industrial Truck and Tractor Operators	488	\$42,300	57
Laborers and Freight, Stock, and Material Movers, Hand	474	\$39,000	78
Heavy and Tractor-Trailer Truck Drivers	110	\$49,800	17
Shipping, Receiving, and Inventory Clerks	109	\$39,900	12
Packers and Packagers, Hand	104	\$36,200	16
First-Line Supervisors of Transportation and Material Moving Workers, Except Aircraft Cargo Handling Supervisors	72	\$63,200	10
First-Line Supervisors of Office and Administrative Support Workers	45	\$70,200	6
Maintenance and Repair Workers, General	40	\$52,300	5
Customer Service Representatives	35	\$41,200	6
Remaining Component Occupations	418	\$64,500	60
Total	2,437		



 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 Warehousing and Storage for the 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).

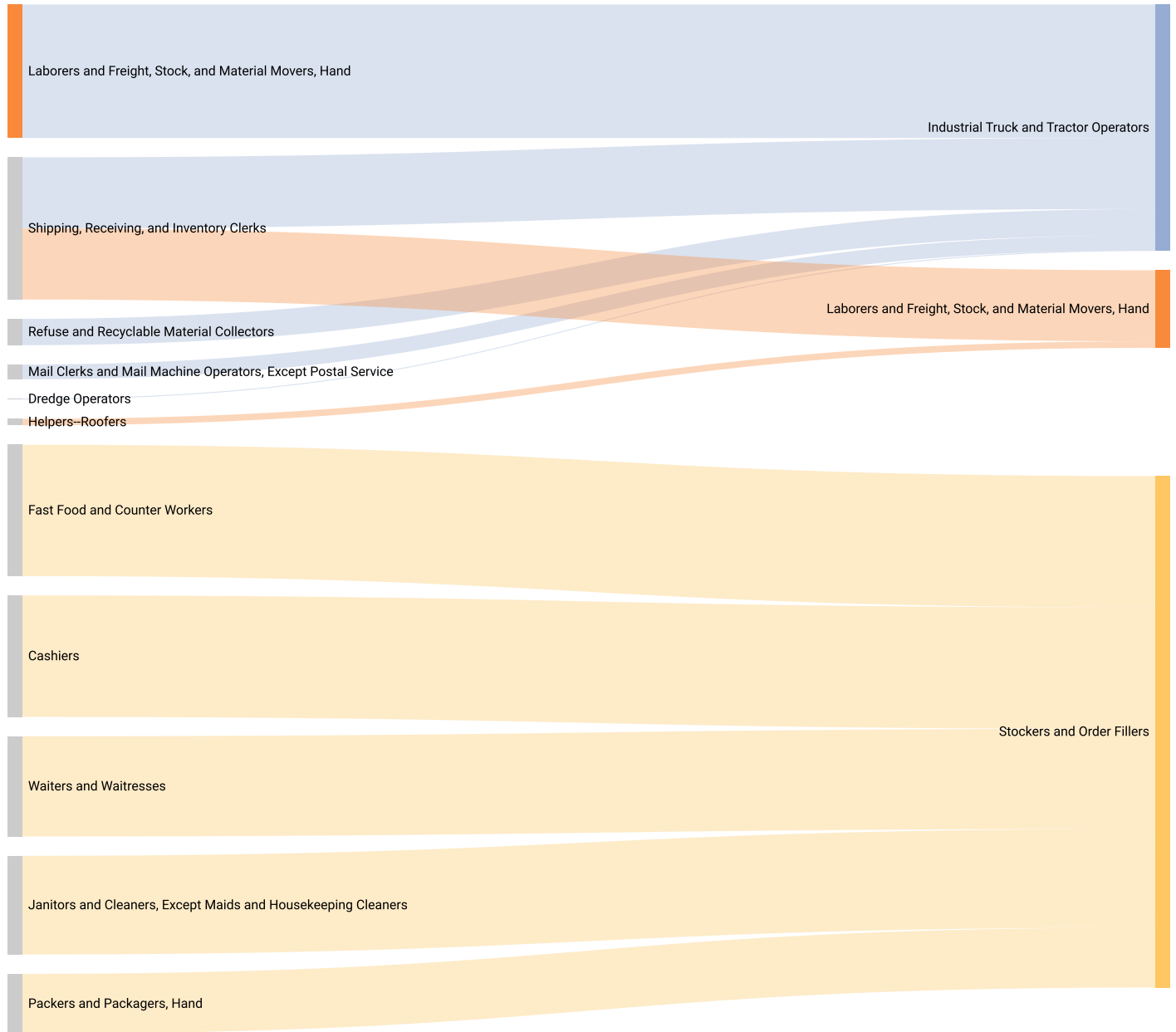



	Empl	%
 Private	2,458	99.8%
 Self-Employment	5	0.2%

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.

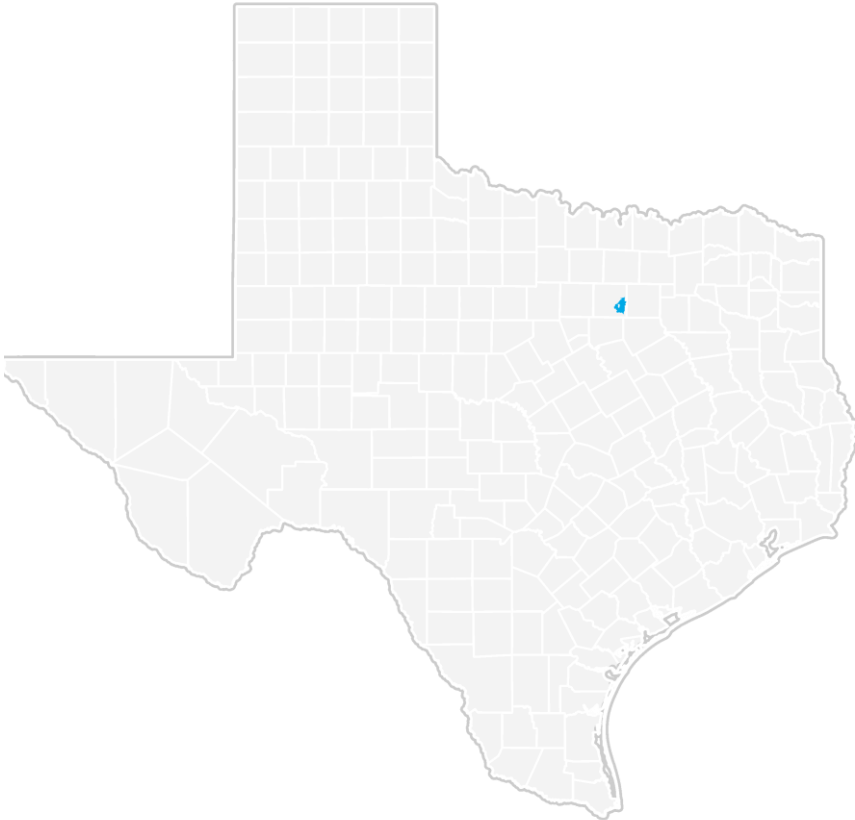
Postsecondary Programs Linked to Warehousing and Storage

Program	Awards
Miller-Motte College-Edge Tech Academy	
Truck and Bus Driver/Commercial Vehicle Operator and Instructor	73
The University of Texas at Arlington	
Business Administration and Management, General	966
Computer and Information Sciences, General	253
Computer Science	235
Human Resources Management/Personnel Administration, General	25
Industrial Engineering	97
Information Science/Studies	258
Logistics, Materials, and Supply Chain Management	20
Marketing/Marketing Management, General	263
Public Administration	163

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 Warehousing and Storage. 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 2023Q3 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 2023Q3 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.

Staff Report



First Amendment to the Arlington Economic Development Corporation Performance Agreement – Bell Textron Inc.	
Arlington Economic Development Corporation Meeting Date: 02-20-2024	Document Being Considered: Resolution

RECOMMENDATION

Approve a resolution authorizing the President of the Board of Directors to execute an amended Performance Agreement with Bell Textron Inc. relative to the development of a 50,000 square foot facility to house system integration labs and the creation of Primary Jobs. The amendment is to correct the property address for the system integration labs.

PRIOR BOARD OR COUNCIL ACTION

On June 22, 2021, following a public hearing, the Arlington Economic Development Corporation Board of Directors approved Resolution No. 21-007 authorizing the President of the Board of Directors to execute a Performance Agreement with Bell Textron Inc. The Board was previously briefed on the proposed Agreement on May 27, 2021.

On June 29, 2021, the City Council approved Resolution No. 21-136 accepting and approving the Arlington Economic Development Corporation Resolution No. 21-007. authorizing the President of the Board of Directors to execute a Performance Agreement with Bell Textron Inc.

ANALYSIS

In June of 2021, the Arlington Economic Development Corporation and City Council approved a Performance Agreement with Bell Textron, Inc. relative to development of a 50,000 square foot facility to house system integration labs and the creation of Primary Jobs for property located adjacent to the Arlington Municipal Airport.

At the time of agreement execution, the property on which the systems integration labs were to be constructed was incorrectly identified as being located at 601 East Bardin Road. The proposed amendment corrects the property address to 600 East Bardin Road, which is the address of record with the Tarrant Appraisal District, and also attaches the legal description of the property for clarity.

FINANCIAL IMPACT

There is no financial impact for this proposed amendment.

ADDITIONAL INFORMATION

Attached:

Resolution with First Amendment to the Performance Agreement attached

Under separate cover:

None

Available in the City Secretary's office:

None

STAFF CONTACTS

Lyndsay Mitchell, AICP, CPM
Office of Strategic Initiatives
817-459-6653

Lyndsay.Mitchell@arlingtontx.gov

ARLINGTON ECONOMIC DEVELOPMENT CORPORATION
Resolution No. _____

A resolution authorizing the President of the Board of Directors to execute a First Amendment to the Performance Agreement with Bell Textron Inc. relative to the development of a 50,000 square foot facility to house systems integration labs and the creation of Primary Jobs

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, On June 22, 2021, the Board of Directors of the AEDC approved a project and authorized execution of a Performance Agreement with Bell Textron Inc. (“Bell”) to develop a fifty thousand (50,000) square foot facility to house systems integration labs (the “Facility”) on land adjacent to Arlington Municipal Airport and to create new jobs in Arlington to staff the Facility (the “Agreement”); and

WHEREAS, the Agreement was executed by the AEDC and Bell on July 7, 2021, and since that time Bell Textron, Inc has constructed the Facility and has otherwise been working diligently in good faith toward the goals of the Agreement; and

WHEREAS, In administering the Agreement, the AEDC and Bell discovered that the site of the Facility was incorrectly identified in the language of the Agreement, and such incorrect language could thwart the goals and purposes of the Agreement; and

WHEREAS, the AEDC and Bell now seek to amend the language of the Agreement to bring it into harmony with the intents and purposes of the Agreement; 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 Board of Directors of the Arlington Economic Development Corporation hereby authorizes the President of the Board of Directors to execute a First Amendment to the Performance Agreement with Bell Textron Inc. relative to the development of a 50,000 square foot systems integration lab and creation of Primary Jobs.

III.

A substantial copy of the First Amendment to the Performance 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:

_____, Secretary

_____, President

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

BY _____

Performance Agreement

THE STATE OF TEXAS §
 § **First Amendment to Performance Agreement**
COUNTY OF TARRANT §

THIS First Amendment to the Performance Agreement (hereafter referred to as “Amendment”) is executed on _____, 2024 (the “Effective Date”), by and between **BELL TEXTRON INC.**, an entity duly authorized to do business in the State of Texas, acting by and through its authorized officer (hereafter referred to as “**OWNER**”), and the **ARLINGTON ECONOMIC DEVELOPMENT CORPORATION**, a Texas non-profit corporation acting by and through its authorized officer (hereafter referred to as “**AEDC**”). Bell Textron, Inc. and the Arlington Economic Development Corporation may be referred to herein collectively as the “Parties.”

RECITALS:

- A.** The Parties entered into that certain Performance Agreement, dated July 7, 2021 (the “Agreement”), in which AEDC agreed to provide incentives to OWNER for, *inter alia*, the construction of systems integration laboratories and the creation and maintenance of Primary Jobs for the systems integration laboratories on land adjacent to the Arlington Municipal Airport;
- B.** OWNER has constructed the systems integration laboratories and created new Primary Jobs on land adjacent to Arlington Municipal Airport;
- C.** The Agreement, as originally drafted, did not correctly identify the specific lot adjacent to Arlington Municipal Airport on which the systems integration laboratories were to be built as it is identified in Tarrant Appraisal District records;
- D.** The Parties desire to amend the Agreement to accurately identify the location of the systems integration laboratories, where OWNER has in all good faith built the laboratories and otherwise substantially complied with the goals of the 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 as follows:

- 1.** Article I, Section E. of the Agreement shall be amended to read as follows:
 - E.** “Premises” are defined as the real property, land and improvements, containing approximately 23.167 acres of land located at 600 E Bardin Road, Arlington, Texas 76018, as depicted by a blue outline and further described in **Exhibit “A”** attached hereto and incorporated herein for all purposes.

2. Exhibit "A" of the Agreement shall be amended to appear and read as follows:

EXHIBIT "A"



Being Lot 3, W.D. Lacy Addition, an addition to the City of Arlington, Tarrant County, Texas, and being a portion of that certain tract of land described as Parcel K, conveyed to Bell Helicopter Textron Inc., a Delaware Corporation, as evidenced by the deed recorded in Volume 7231, Page 1786 of the Deed Records of Tarrant County, Texas.

3. Binding Effect; Governing Law. Except as modified hereby, the Lease shall remain in full effect and this Amendment shall be binding upon OWNER and the AEDC and their respective successors and assigns. If any inconsistency exists or arises between the terms of this Amendment and the terms of the Lease, the terms of this Amendment shall prevail. This Amendment shall be governed by the laws of the State of Texas.
4. Entire Agreement. This Amendment, together with the Lease, embodies the entire agreement and understanding between OWNER and the AEDC regarding the Project. Any and all prior or contemporaneous oral or written representations, agreements, understandings, or statements other than those set forth in the Agreement and this Amendment are of no force and effect.
5. Headings; Capitalized Terms. The headings appearing in this Amendment are for the purpose of easy reference only and cannot be considered a part of this Amendment or in any way to modify, amend, or affect the provisions of this Amendment. Capitalized terms used but not defined herein shall have the same meanings ascribed to such terms in the Agreement.
6. Severability. If any term or provision of this Amendment is found to be invalid, illegal, or unenforceable, the remaining terms and provisions of this Amendment cannot be affected thereby, and each term and provision of this Amendment will be valid and enforceable to the fullest extent permitted by law.
7. Construction. The parties acknowledge that each party and, if it so chooses, its counsel have reviewed this Amendment and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party will not be employed in the interpretation of this Amendment.
8. Ratification of the Agreement. OWNER and the AEDC hereby ratify and confirm the Agreement, as amended by this Amendment.
9. Counterparts. This Amendment may be executed in multiple counterparts, each of which shall constitute an original, but all of which shall constitute one document.
10. City Council Authorization. This Amendment 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.

[Signature Page to Follow]

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

BELL TEXTRON INC.

BY _____
Rudolf C. Lopez
VP - Contracts
Date _____

WITNESS:

**ARLINGTON ECONOMIC
DEVELOPMENT CORPORATION**

BY _____
MICHAEL JACOBSON
President
Date _____

ATTEST:

_____,
AEDC Secretary

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

BY _____

THE STATE OF TEXAS §
§
COUNTY OF _____ §

BELL TEXTRON INC.
Acknowledgment

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared _____, known to me (or proved to me on the oath of _____ or through _____ (*description of identity card or other document*)) to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed same for and as the act and deed of **BELL TEXTRON INC.**, an entity duly authorized to do business in the State of Texas, and as the _____ thereof, and for the purposes and consideration therein expressed, and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the _____ day of _____, 2021.

Notary Public in and for
The State of Texas

My Commission Expires

Notary's Printed Name

THE STATE OF TEXAS §
§
CORPORATION
COUNTY OF TARRANT §

ARLINGTON ECONOMIC DEVELOPMENT

Acknowledgment

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared **MICHAEL JACOBSON**, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed same for and as the act and deed of the **ARLINGTON ECONOMIC DEVELOPMENT CORPORATION**, a non-profit corporation of Tarrant County, Texas, and as the **President** thereof, and for the purposes and consideration therein expressed, and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the _____ day of _____, 2021.

Notary Public in and for
The State of Texas

My Commission Expires

Notary's Printed Name

Staff Report



Arlington Economic Development Corporation- West Main Street Water Infrastructure Project

Arlington Economic Development Corporation
Meeting Date: 2-20-2024

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 repair and replacement of water infrastructure along West Main Street.

PRIOR BOARD OR COUNCIL ACTION

None

ANALYSIS

The City of Arlington intends to construct water and sanitary sewer improvements along West Main Street between Davis Drive and Cooper Street beginning in late 2024. Improvements will include the replacement of 3,800 linear feet of 8-inch water main and 4,100 linear feet of 8-inch sanitary sewer main for a total project cost of \$3.8 million. The project area contains 29 businesses that will benefit from these improvements that will assist with long term retention of business activity in this area. In support of this goal, the Arlington Economic Development Corporation (AEDC) will contribute \$550,000 toward the project.

FINANCIAL IMPACT

The AEDC will provide \$550,000 to the City to assist with repair and replacement of water infrastructure along West Main Street.

ADDITIONAL INFORMATION

Attached:

Resolution with agreement attached
West Main Street Water Project Map

Under separate cover:

None

Available in the City Secretary's Office:

None

STAFF CONTACT(S)

Lyndsay Mitchell, AICP, CPM
Office of Strategic Initiatives
817-459-6653
Lyndsay.Mitchell@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 construction of water utility infrastructure along West Main Street

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 501.103 of the Texas Local Government Code, in pertinent part, defines the term “project” to include expenditures that are found by the board of directors to be required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises including, streets and roads, rail spurs, water and sewer utilities, electric utilities, or gas utilities, drainage, site improvements, and related improvements;

WHEREAS, the AEDC Board finds that expenditures provided in the Funding Agreement are required and suitable for the purpose of promoting and developing new and expended business enterprises 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 President of the Board of Directors of the Arlington Economic Development Corporation is hereby authorized to execute a Funding Agreement with City of Arlington to provide \$550,000 to be used by the City to pay for expenditures necessary to repair and replace water infrastructure along West Main Street and other necessary improvements related thereto.

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

THE STATE OF TEXAS §
 §
COUNTY OF TARRANT §

Funding Agreement

THIS Funding Agreement (hereinafter “Agreement”) is executed on _____, 2024 (hereinafter “Effective Date”), by and between the **ARLINGTON ECONOMIC DEVELOPMENT CORPORATION**, a Texas non-profit corporation (hereinafter “AEDC”), and the **CITY OF ARLINGTON, TEXAS**, a home-rule city and municipal corporation of Tarrant County, Texas, acting by and through its City Manager or his designee, (hereinafter referred to as “City”).

W I T N E S S E T H:

WHEREAS, to assist in development, retention, and expansion of businesses in Arlington, the City wishes to repair and replace water infrastructure along West Main Street; and

WHEREAS, the AEDC intends to contribute funding to the City for expenditures necessary to accomplish this goal; and

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

WHEREAS, Section 501.103 of the Texas Local Government Code, in pertinent part, defines the term “project” to mean “expenditures that are found by the board of directors to be required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises for streets and roads, water and sewer utilities, and related improvements.,” and

WHEREAS, the AEDC Board has found that expenditures provided herein are required and suitable for the development and expansion of the for the purpose of promoting and developing business enterprises in Arlington; NOW THEREFORE;

The AEDC and City, for and in consideration of the mutual premises and promises contained herein, do hereby agree, covenant, and contract as set forth below:

AGREEMENT

1. After April 20, 2024 but before May 31, 2024, the AEDC shall provide the City with Five Hundred Fifty Thousand~~d~~ and 00/100 Dollars (\$550,000), to be used by the City to pay for expenditures necessary to repair and replace water infrastructure along West Main Street and other necessary improvements related thereto.

2. The City shall use all funds provided by the AEDC under this Agreement for expenditures necessary to repair and replace water infrastructure along West Main Street and other necessary improvements related thereto.

3. City acknowledges that this Agreement is an economic development project as defined by Sections 501.103. 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 February 16, 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 _____



Main Street (Cooper Street to Davis Drive) Water and Sanitary Sewer Improvements WUWS22012

- Replace 3,800 LF of 8-inch water main and 4,100 LF of 8-inch sanitary sewer main
- Bid Date: October 2024
- Construction Cost:
 - \$2,000,000 WU
 - \$1,800,000 PW (M)





ECONOMIC DEVELOPMENT UPDATE



ARLINGTON ECONOMIC DEVELOPMENT CORPORATION
FEBRUARY 20, 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.

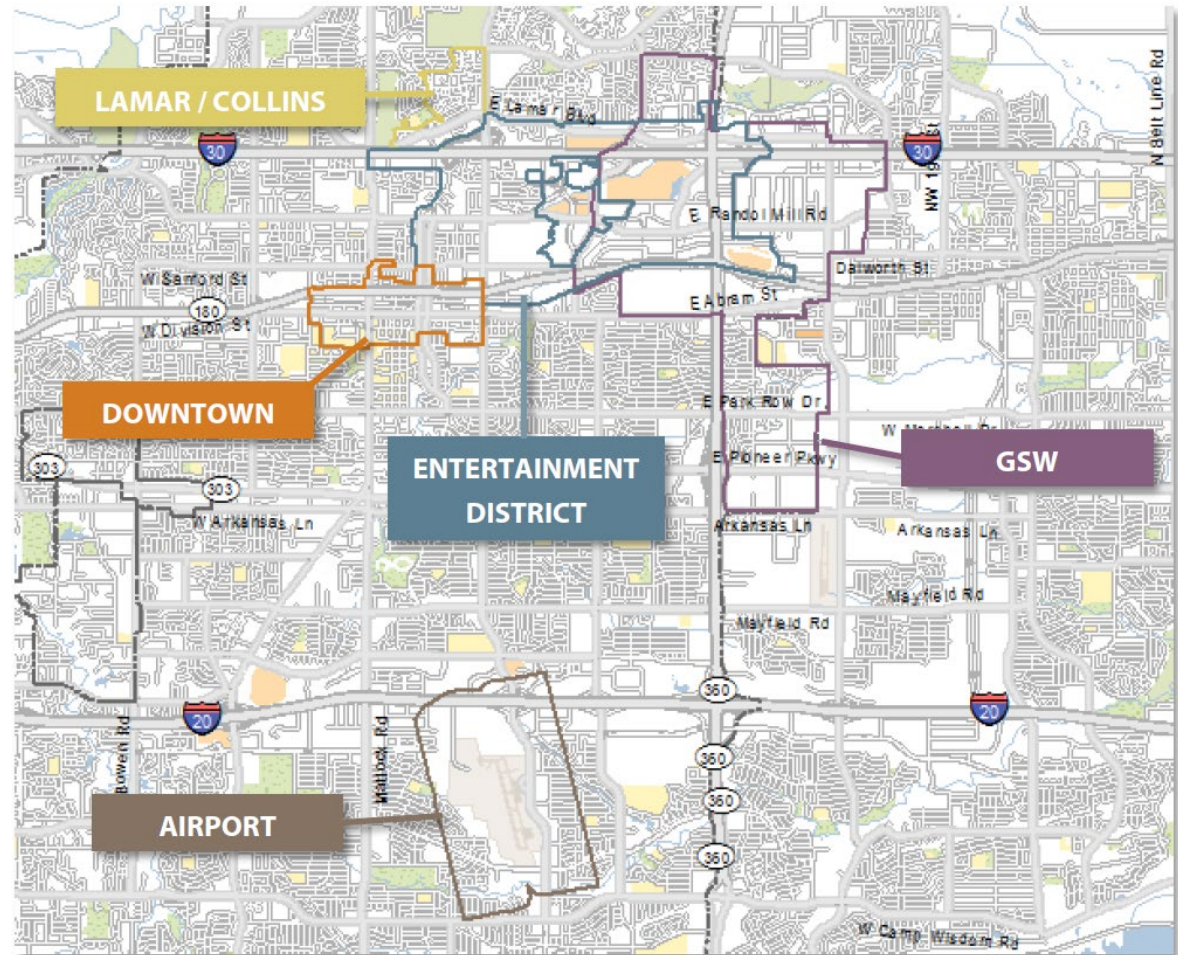
Target Industries

- 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



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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



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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



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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.

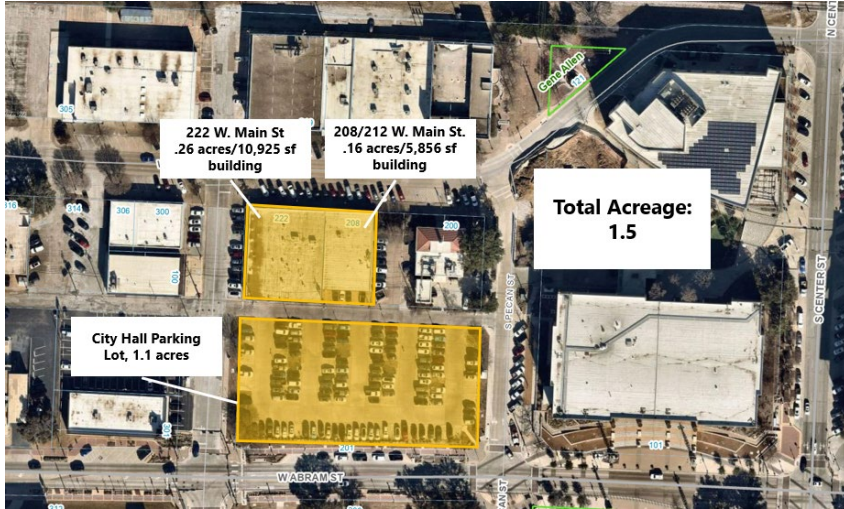
Town North Redevelopment



- 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
- Renewed 8 tenants, have signed 6 new leases
- 6 tenant negotiations ongoing – 4 sit-down restaurants and 2 quick-service restaurants



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

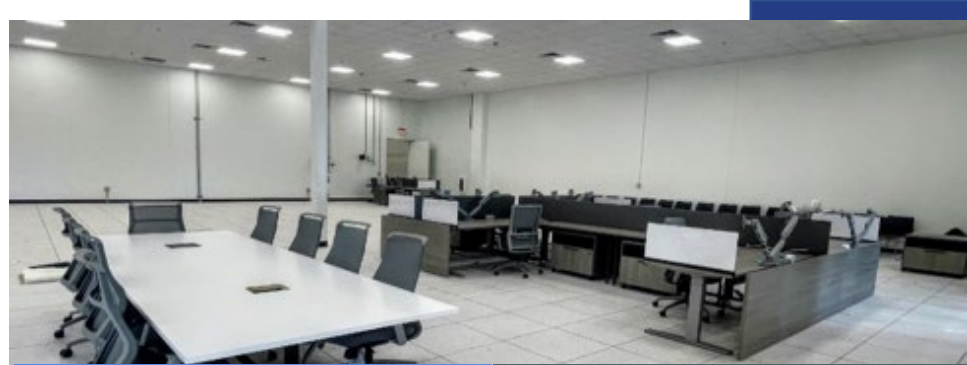
Small Business Initiatives

- 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



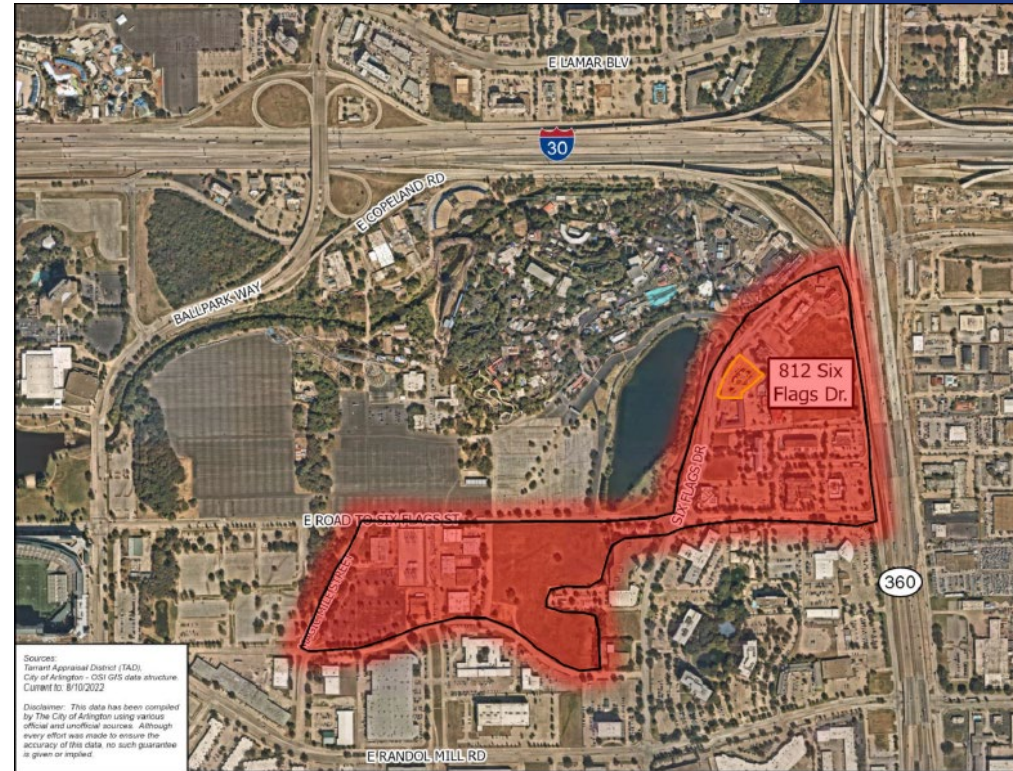
Western Athletic Conference

- 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



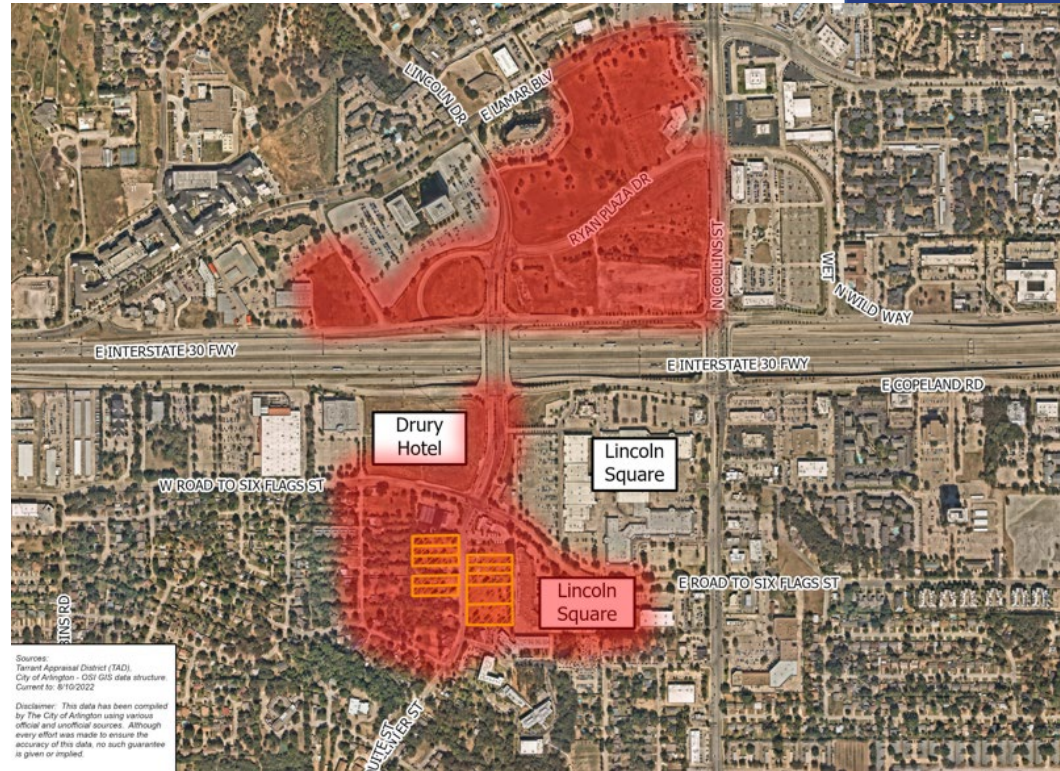
Six Flags Southeast Project

- 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

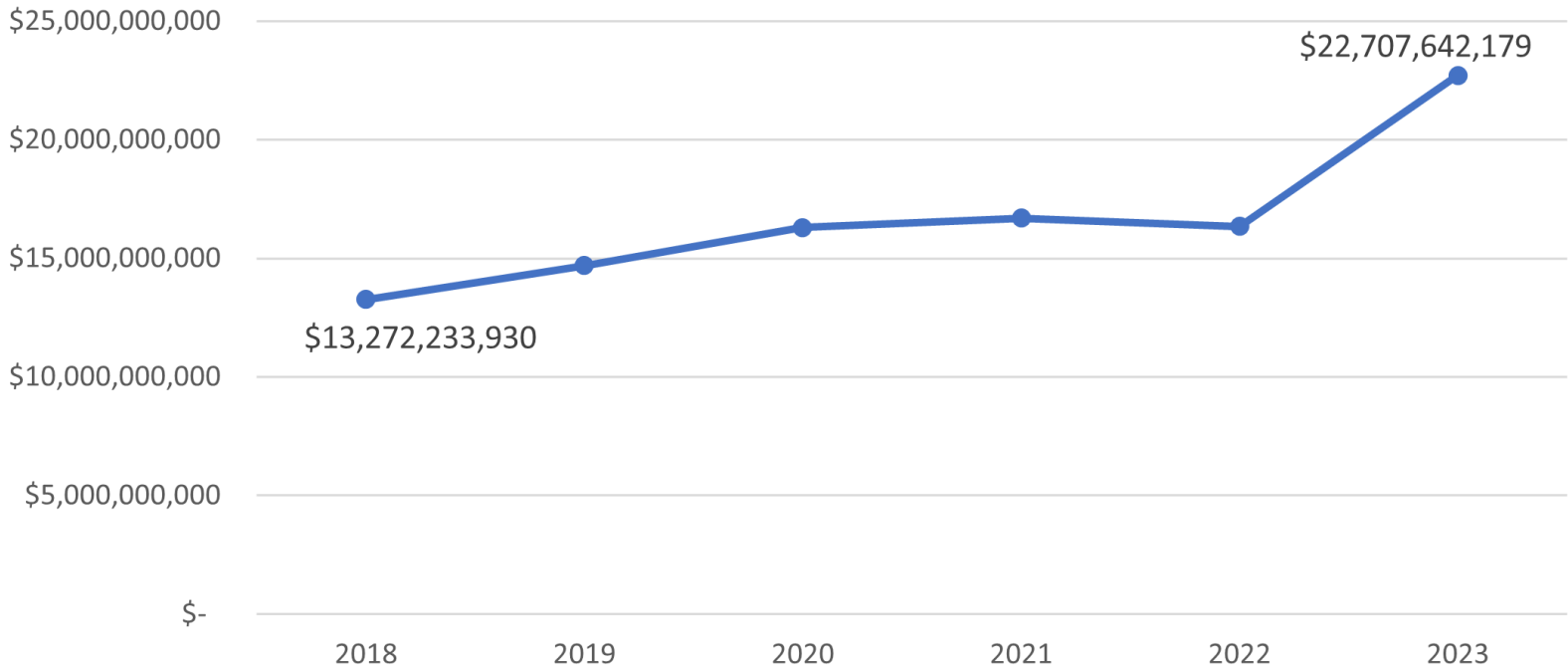
- Property assembly helps to prepare area for development of a research and development facility (or facilities) and/or a regional or national corporate headquarters facility (or facilities) for the creation and retention of primary jobs
- Area has direct interstate access and high re-development potential
- \$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

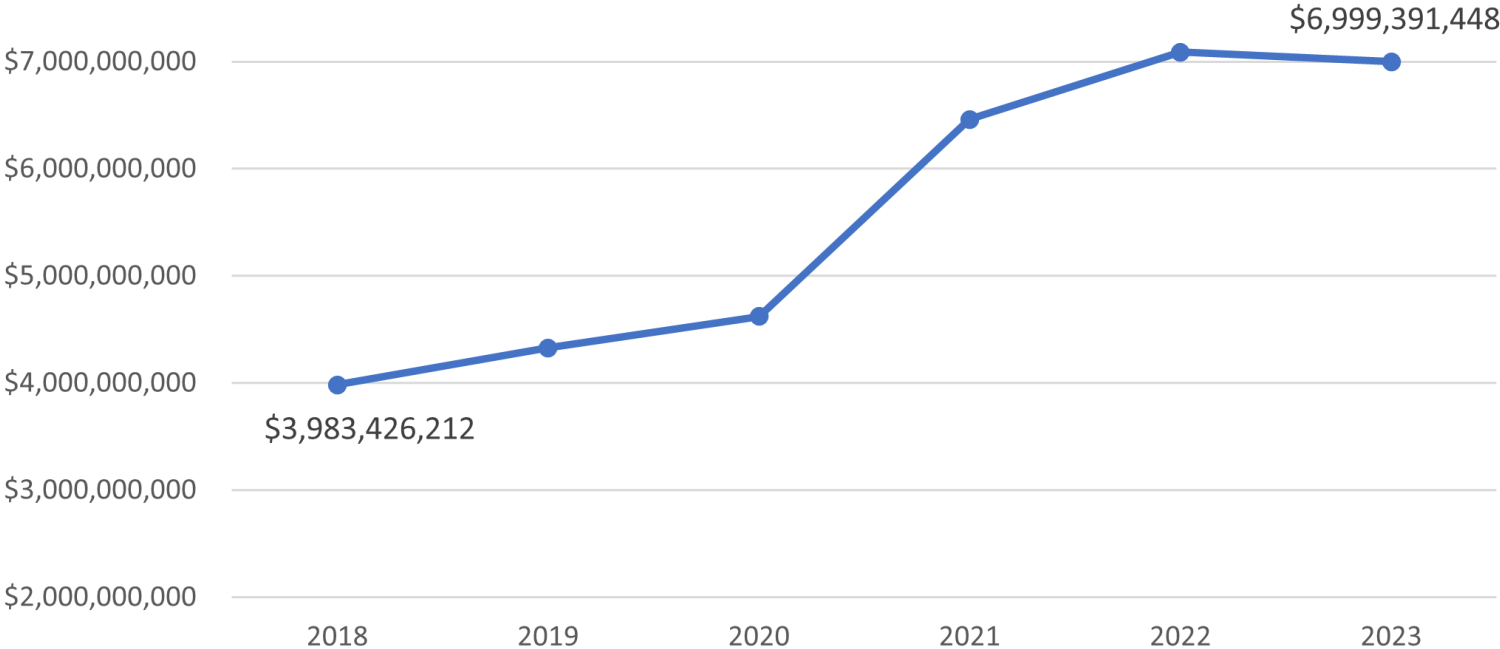
Total Increase in Value: \$9,435,08,249 (+71.1%)



Economic Indicators: Business Personal Property Value

Business Personal Property (BPP) Total Value 2018-2023

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

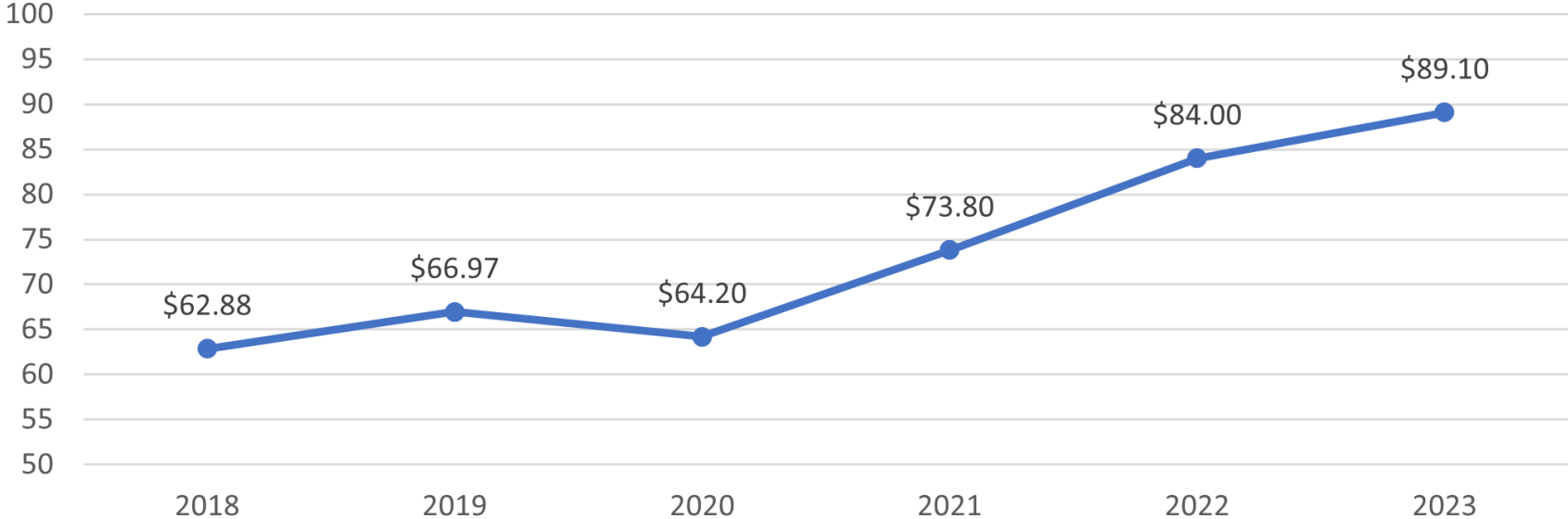


Economic Indicators: Sales Tax

General Fund Sales Tax Revenue 2018-2023

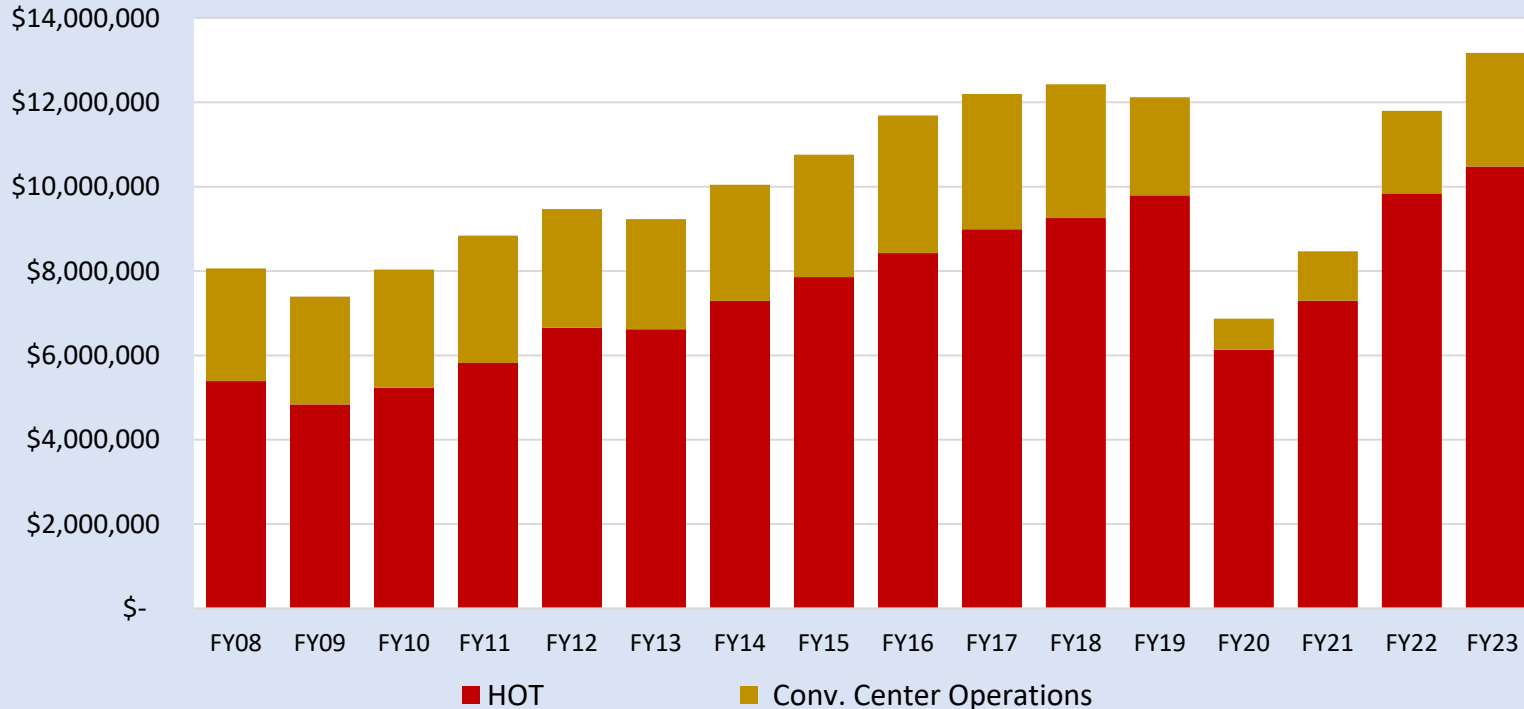
(in \$ Millions)

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

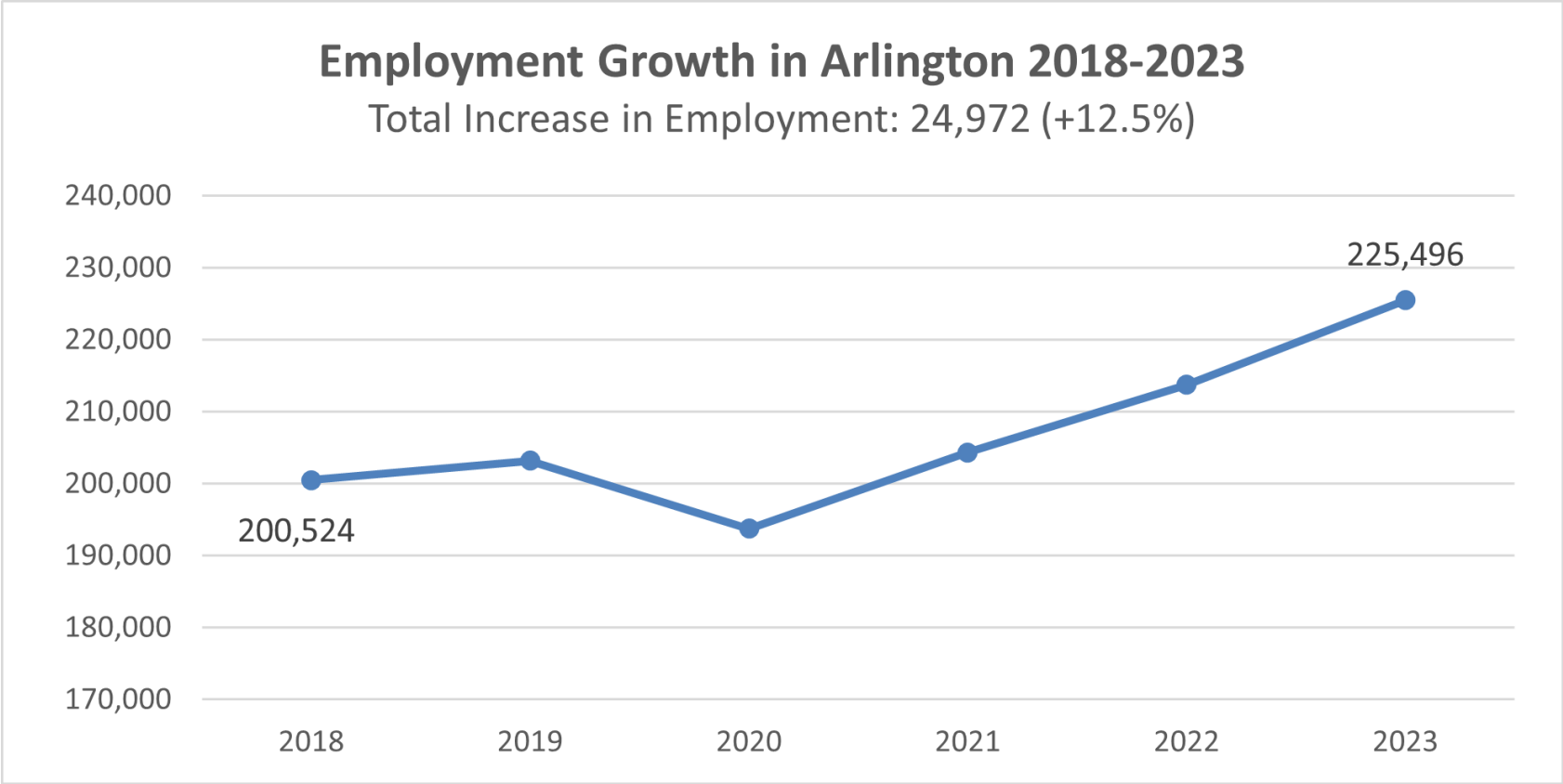


Economic Indicators: Convention and Event Service Fund Revenue History

CES Revenues, FY 2008 - 2023

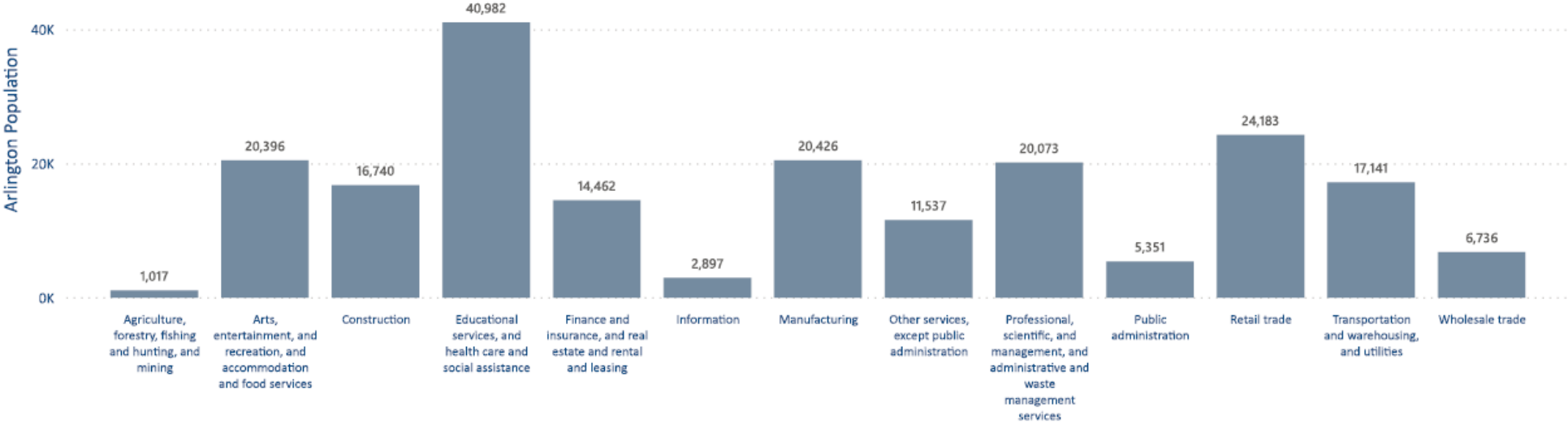


Economic Indicators: Employed Residents

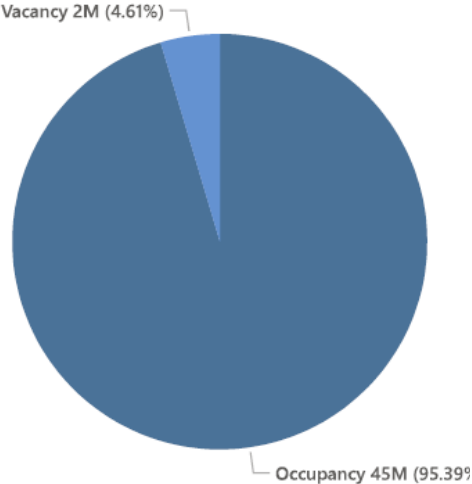


Economic Indicators: Workforce Distribution

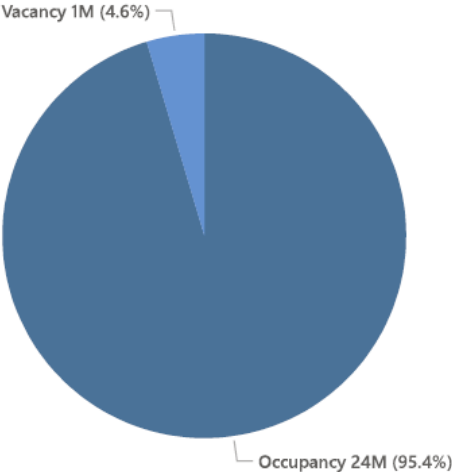
Arlington Population by INDUSTRY



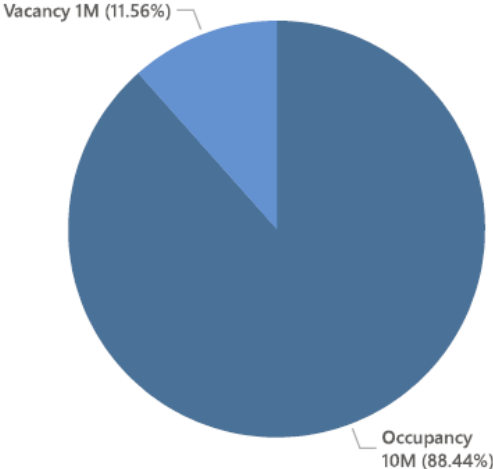
Economic Indicators: Vacancy/Occupancy



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

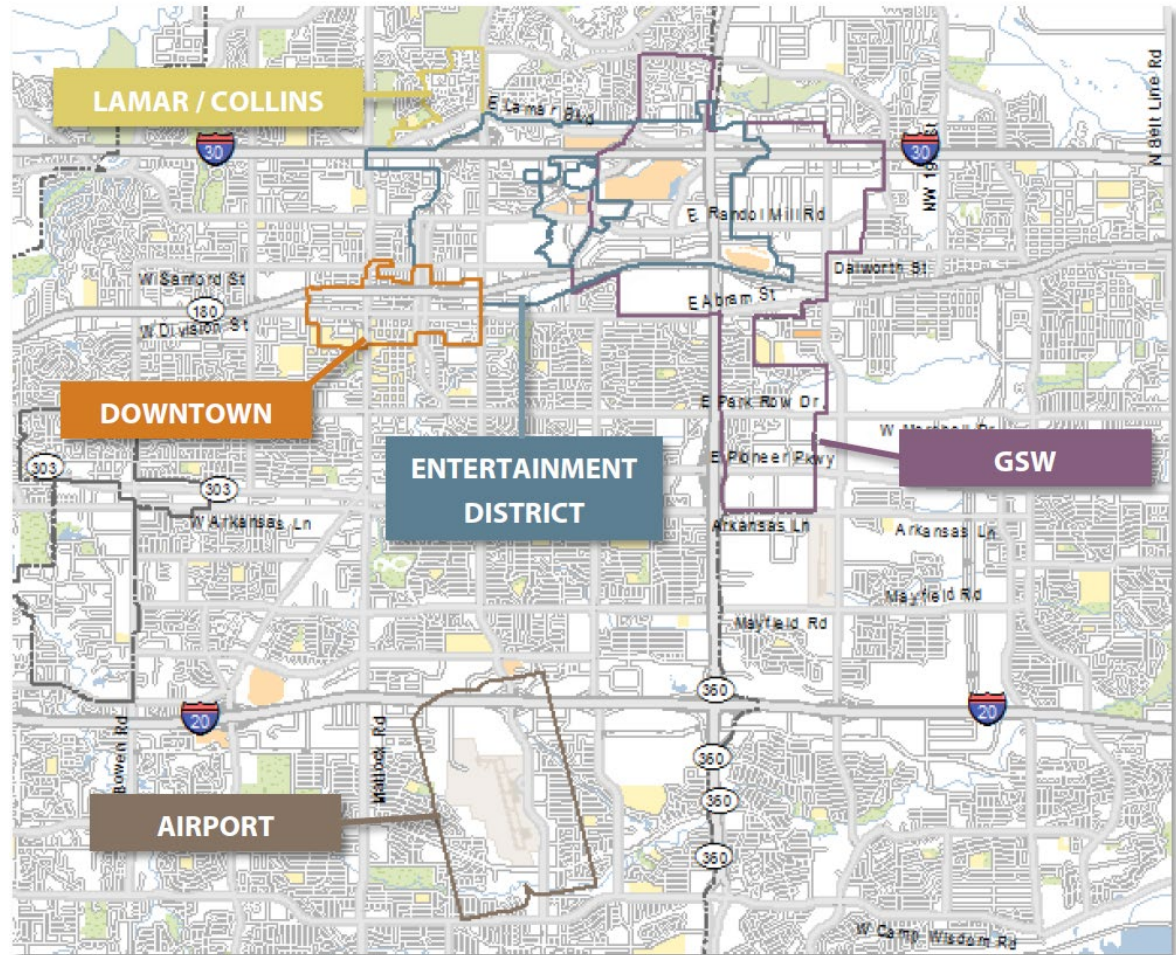
PUBLIC BENEFIT OF JOBS
(ECONOMIC IMPACT OF
WAGES)

JOBS & WAGES IMPACT METRICS

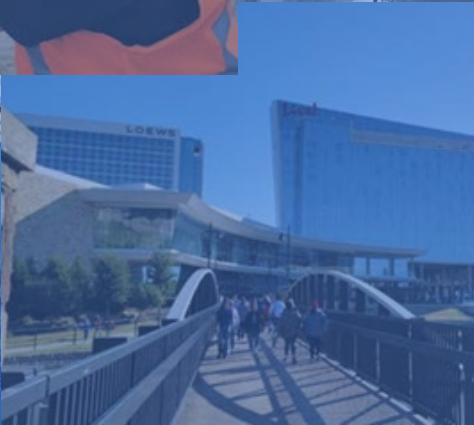




Horizon Projects



Discussion



City of Arlington | SCORE 2024 Cohort Partnership



Arlington Economic Development Corporation
Board of Directors – Open Session
February 20, 2024

ARLINGTON
ECONOMIC DEVELOPMENT CORPORATION

WE CAN.
WE DO.

Supernova

Program Overview

- During the FY24 budget development process, the EDC Board and City Council agreed to fund small business support pilot programs
- The first suggested pilot program is a partnership with SCORE, a volunteer business assistance group
- The suggested City of Arlington | SCORE 2024 Cohort Partnership will consist of the following –
 - Individualized training and mentoring for a small cohort of Arlington business owners
 - 6-month program duration
 - This program's objective is to help provide resources and training to help eligible City of Arlington business owners continue growth and expansion
- Program Cost: \$12,000



Proposed Eligibility Criteria

Eligible Applicants for the City of Arlington | SCORE 2024 Cohort Partnership must -

- 1. Own or co-own a for-profit company based within the city limits of the City of Arlington**
- 2. Have been in business for a minimum of 1-year in the City of Arlington**
- 3. Have a revenue of \$75,000 or more for the past two fiscal years**

Proposed Application and Selection Process

- Application will be available online
- City will review the applications received and seek input from SCORE to select candidates
- SCORE and City will develop promotional announcements of companies selected for the 2024 cohort – including company logos to be posted on both organizations' social media pages and websites
- If applicants are not selected for cohort, SCORE will notify applicants about other resources and still permit unselected applicants to sign up for future cohorts and SCORE's standard services and support
- City will maintain a database of all applicant information

Program Content Overview

SCORE will facilitate a series of workshops on the topics below.

1. Developing a Business Plan for Growth: SCORE will overview a “steps” model with companies on how to structure a business plan, key areas to consider as part of this plan. SCORE will provide “leave behind” visual collateral for attendees to take home with links to sign up for SCORE mentorship coaching, etc.

2. Mastering Social Media to Boost your Visibility: SCORE or delegated representative will review best practices on the variety of Social Media platforms with Q&A for Instagram, TikTok, Facebook Business, and Google Business.

3. Sales, Marketing, Research, and Pricing: SCORE will provide expertise and lead discussion on understanding and building the sales cycle, how to develop a marketing strategy, and the necessary steps to go forward to grow sales.

4. Business Financial Statements: Learn why your balance sheet, income statement, and cash flow statements are critical tools for managing your business and how to use them effectively.

5. Financing Resource Overview: SCORE will provide an overview of funding options available to help you grow your business and strategies to get in front of organizations that hold those funds.

6. Tips for Recruiting Talent: SCORE will develop panel with members from Texas Workforce Commission, (presentation for eligible employee/workforce training), Dan Dipert CTE Center (ways students are working at companies for student credits), UTA (how students are available for internships for companies for student credits), TCC (how students are available for supporting companies for student credits.)

Proposed Program Schedule

1. Date: Thursday, May 16th 2024
 - Location: East Library and Recreation Center
2. Date: Thursday, June 20th 2024
 - Location: Arlington Public Library - George W. Hawkes Downtown Library
3. Date: Thursday, July 18th 2024
 - Location: Spark Arlington
4. Date: Thursday, August 15th 2024
 - Location: Arlington Public Library - George W. Hawkes Downtown Library
5. Date: Thursday, September 19th 2024
 - Location: Spark
6. Date: Thursday, October 17th 2024
 - Location: Arlington Public Library - George W. Hawkes Downtown Library

Discussion



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ECONOMIC DEVELOPMENT CORPORATION

WE CAN.
WE DO.

Supernova

wallbox 

