

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

**AGENDA
APRIL 16, 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. 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.

- III. Consideration of Minutes
 - A. March 19, 2024 Meeting

- IV. Standing Reports
 - A. Financial Report
 - B. Real Estate Report
 - C. Industry Spotlight Report

- V. Executive Director's Report
 - A. Staffing Update
 - B. May Board Meeting Date

VI. Items for Action

Following a public hearing held in accordance with Section 505.159 of the Texas Local Government Code, consider a resolution authorizing a Performance Agreement with Eden Cooper LP.

- A. A resolution authorizing the Executive Director of the Arlington Economic Development Corporation to execute a Performance Agreement with Eden Cooper LP relative to developing land on South Cooper Street in Arlington, Texas into commercial properties.

Following a public hearing held in accordance with Section 505.159 of the Texas Local Government Code, consider a resolution authorizing a Master Agreement with espace Inc.

- B. A resolution authorizing the Executive Director of the Arlington Economic Development Corporation to execute a Master Agreement with espace Inc. and the City of Arlington relative to the establishment of a North American headquarters and manufacturing facility at the Arlington Municipal Airport.

VII. Future Agenda Items

VIII. Adjourn

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

**MINUTES OF THE
ARLINGTON ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS
March 19, 2024**

The Board of Directors of the Arlington Economic Development Corporation convened in Regular Session on March 19, 2024, at 4:30p.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
Mojy Haddad	§	Vice President
Jollyn Mwisongo	§	Secretary
John Whiteley	§	Treasurer
Gerald Alley	§	Board Member
Carmenza Moreno	§	Board Member

Absent:		
Kate Miller	§	Board Member

And

Marty Wieder	Executive Director
Trey Yelverton	City Manager
Lyndsay Mitchell	Interim Executive Director
Jasmine Amo	Specialist
Raja Saravanan	Business Intelligence and Marketing Analyst
Jonathan Moss	Senior Attorney
Erin Clark	Public Funds Administrator
Stephanie Dimas	Senior Public Funds Analyst
Erica Thompson	MWBE Manager
Gus Garcia	Director of Economic Development
Marcus Young	Economic Development Specialist
Sarah Stubblefield	Strategic Initiatives Manager
Kevin McGlaun	Real Estate Consultant
Erica Yingling	Coordinator

I. Call to Order

President M. Jacobson called the meeting to order at 4:36p.m.

II. Consideration of Minutes

A. February 20, 2024 Meeting

Treasurer J. Whiteley made a motion to approve the minutes of the February 20, 2024 Board meeting. Seconded by Board Member G. Alley, the motion carried with 6 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. Executive Director's Report

A. Organizational Chart & Staffing

Marty Wieder, Executive Director, presented.

V. Executive Session

At 4:58p.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

Board Member G. Alley left at 6:41p.m.

At 7:04p.m., President M. Jacobson announced the Executive Session was adjourned, and the Board immediately reconvened in Open Session.

VI. Future Agenda Items

VII. Adjourn

There being no further business, the meeting was adjourned at 7:04p.m.

COA Expenditures by Cost Center

Budget Structure Non-Operating Budget
Amount Type Activity
Period FY24 - Feb
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 + Obligations	Unexpended Balance	%Exp
CC973005 Economic Development Corporation Projects	69,016,963	750,000	1,751,500	23,380	1,774,880	67,242,083	2.57%
61000:Purchase/Contract	69,016,963	750,000	1,751,500	23,380	1,774,880	67,242,083	2.57%
CC973010 Economic Development Corporation Operations	3,918,114	114,410	579,971	140,616	720,588	3,197,526	18.39%
50000:Salaries and Wages	674,492	28,306	164,930	-	164,930	509,562	24.45%
55000:Benefits	174,572	7,689	39,873	-	39,873	134,699	22.84%
60000:Supplies	150,000	3,858	71,837	-	71,837	78,163	47.89%
61000:Purchase/Contract	700,000	62,132	181,607	129,700	311,307	388,693	44.47%
62000:Utilities	20,000	-	-	-	-	20,000	0.00%
63000:Maintenance and Repair	1,000,000	1,935	11,076	216	11,292	988,708	1.13%
65000:Miscellaneous Expense	755,000	8,769	79,087	10,050	89,138	665,862	11.81%
66000:Travel and Training	438,050	1,143	30,762	650	31,412	406,638	7.17%
67000:Interdepartmental Expense	6,000	578	798	-	798	5,202	13.30%

SALES TAX REVENUES

TOTAL	9,760,399	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
	1,635,459	January 2024	March 2024
	1,732,787	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
 Amount Type
 Period
 Cost Center Hierarchy
 From Budget Date
 To Budget Date

Non-Operating Budget
 Activity
 FY24 - Feb
 Economic Development Corporation
 10/1/2023
 9/30/2024

Cost Center	Budget Appropriation	Current Monthly Expenditures	Expenditures to Date	Encumbrances	Actuals + Obligations	Unexpended Balance	%Exp
CC973005 Economic Development Corporation Projects	69,016,963	750,000	1,751,500	23,380	1,774,880	67,242,083	2.57%
61000:Purchase/Contract	69,016,963	750,000	1,751,500	23,380	1,774,880	67,242,083	2.57%
SC0533 - Special Services	-	750,000	1,750,000	-	1,750,000	(1,750,000)	0.00%
SC0574 - Professional Services	69,016,963	-	1,500	23,380	24,880	68,992,083	0.04%
CC973010 Economic Development Corporation Operations	3,918,114	114,410	579,971	140,616	720,588	3,197,526	18.39%
50000:Salaries and Wages	674,492	28,306	164,930	-	164,930	509,562	24.45%
SC50002 - Salaries: Operations	674,492	28,306	155,061	-	155,061	519,431	22.99%
SC50010 - Salaries: Terminal Pay	-	-	9,869	-	9,869	(9,869)	0.00%
55000:Benefits	174,572	7,689	39,873	-	39,873	134,699	22.84%
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	227	-	227	536	29.74%
SC55001 - Benefits: Employee Retirement	72,626	3,174	16,931	-	16,931	55,695	23.31%
SC55002 - Benefits: Disability Income Plan	1,484	70	379	-	379	1,105	25.56%
SC55003 - Benefits: Employee Insurance	64,022	2,342	11,923	-	11,923	52,099	18.62%
SC55005 - Benefits: Medicare	9,779	413	2,399	-	2,399	7,380	24.53%
SC55008 - Benefits: Thrift Plan	18,096	1,202	5,621	-	5,621	12,475	31.06%
SC55009 - Benefits: Car Allowance	5,200	400	1,971	-	1,971	3,229	37.91%
SC55010 - Benefits: Phone Allowance	2,392	46	254	-	254	2,138	10.61%
60000:Supplies	150,000	3,858	71,837	-	71,837	78,163	47.89%
SC0500 - Office Supplies less than \$5,000	10,000	-	611	-	611	9,389	6.11%
SC0514 - Other Supplies	3,000	-	-	-	-	3,000	0.00%
SC0516 - Supplies/Computer Hardware	22,000	2,850	6,901	-	6,901	15,099	31.37%
SC0517 - Office Furniture less than \$5,000	60,000	-	-	-	-	60,000	0.00%
SC0521 - Cost Of Food & Beverage	25,000	1,008	1,008	-	1,008	23,992	4.03%
SC0531 - Rental	30,000	-	-	-	-	30,000	0.00%
SC0675 - Supplies/Computer Software	-	-	63,317	-	63,317	(63,317)	0.00%
61000:Purchase/Contract	700,000	62,132	181,607	129,700	311,307	388,693	44.47%
SC0533 - Special Services	500,000	43,630	124,932	123,200	248,132	251,868	49.63%
SC0574 - Professional Services	200,000	18,502	56,674	6,500	63,174	136,826	31.59%
62000:Utilities	20,000	-	-	-	-	20,000	0.00%
SC0578 - Electric Service	20,000	-	-	-	-	20,000	0.00%
63000:Maintenance and Repair	1,000,000	1,935	11,076	216	11,292	988,708	1.13%
SC0583 - Maintenance of Buildings	1,000,000	1,935	11,076	216	11,292	988,708	1.13%
65000:Miscellaneous Expense	755,000	8,769	79,087	10,050	89,138	665,862	11.81%
SC0658 - Advertising	750,000	8,769	79,087	10,050	89,138	660,862	11.89%
SC0735 - Employee Reimbursement - non travel/training	5,000	-	-	-	-	5,000	0.00%
66000:Travel and Training	438,050	1,143	30,762	650	31,412	406,638	7.17%
SC0668 - Membership	50,000	-	17,339	-	17,339	32,661	34.68%
SC0669 - Training	10,000	-	3,464	650	4,114	5,886	41.14%
SC0670 - Registration	78,050	-	1,200	-	1,200	76,850	1.54%
SC0671 - Travel	50,000	1,143	8,759	-	8,759	41,241	17.52%
SC0675 - Supplies/Computer Software	250,000	-	-	-	-	250,000	0.00%
67000:Interdepartmental Expense	6,000	578	798	-	798	5,202	13.30%
SC0633 - General Services Charges	6,000	578	798	-	798	5,202	13.30%

Economic Development Corporation

Pro Forma

Report Date: 03/21/2024

FDMS6 CC 97300 (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	33,352,719	49,183,947	34,969,700	34,969,700	34,969,700	34,969,700	34,969,700	34,969,700	34,969,700	34,969,700		
Revenues														
Sales Tax Revenue	11,934,714	24,115,528	23,849,011	21,776,947	23,975,238	24,614,455	25,475,187	26,148,197	26,584,741	27,191,827	27,927,684			
Interest	-	117,745	1,361,268	1,967,358	474,244	874,244	874,244	474,244	209,874	209,874	209,874			
Miscellaneous Revenue	-	2	24,750	-	-	-	-	-	-	-	-			
Revenue for Inc/Direct in EMU of Investments	-	(877,675)	-	-	-	-	-	-	-	-	-			
Revenue for Assumed Comp Absences	-	(10,996)	-	-	-	-	-	-	-	-	-			
Total Revenues	11,934,714	23,364,914	25,935,029	23,744,288	24,849,482	25,488,749	26,209,574	27,072,034	27,194,160	28,002,699	28,817,507			
Interfund Transfers														
Transfers to General Fund	-	(227,361)	(254,259)	(261,878)	(269,734)	(277,826)	(286,161)	(294,743)	(303,588)	(312,695)	(322,172)			
Total Transfers	-	(227,361)	(254,259)	(261,878)	(269,734)	(277,826)	(286,161)	(294,743)	(303,588)	(312,695)	(322,172)			
Expenditures														
EDC Operations														
YTD Actuals (see monthly budget report)	(111,151)	(638,196)	(1,318,270)	(2,038,588)	-	-	-	-	-	-	-			
Reversing current year budget for EDC Operations	-	-	-	(8,975,260)	-	-	-	-	-	-	-			
Projected Future Budget	-	-	-	-	(8,316,617)	(8,421,218)	(8,201,529)	(8,187,145)	(8,146,639)	(8,179,156)	(8,244,756)			
Total Operations	(111,151)	(638,196)	(1,318,270)	(8,981,114)	(8,815,857)	(8,126,727)	(8,200,529)	(8,187,145)	(8,146,639)	(8,159,156)	(8,244,756)			
EDC Capital Expenditures														
Total Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-			
Projects - Active Incentive Agreements														
Bill Tection Inc.	-	-	(1,000,000)	(1,400,000)	-	-	-	-	-	-	-			
Six Days Southwest Project / Interim Environmental	-	-	(286,353)	(1,540)	-	-	-	-	-	-	-			
Center Street Gateway Project	-	-	(3,843,336)	(1,540)	-	-	-	-	-	-	-			
First Rate	-	-	(500,000)	(500,000)	(500,000)	-	-	-	-	-	-			
TIAC	-	-	-	(50,000)	(50,000)	-	-	-	-	-	-			
Small Business Incentives	-	-	-	(500,000)	-	-	-	-	-	-	-			
Specific startup incentive	-	-	-	(750,000)	(250,000)	-	-	-	-	-	-			
Sports Betting Grant	-	-	-	(75,000)	(80,000)	(82,000)	(72,000)	-	-	-	-			
Town North Redevelopment	-	-	-	-	-	-	(2,761,600)	-	-	-	-			
Go for Three / Sheraton redevelopment	-	-	-	-	(2,144,330)	(2,187,710)	(7,511,510)	(2,311,110)	(2,335,610)	(2,360,110)	(2,600,000)			
FBO property acquisition / airport development	-	-	-	(7,500,000)	-	-	-	-	-	-	-			
Total Active Incentive Projects	-	-	(7,611,350)	(12,851,500)	(13,143,330)	(8,343,330)	(11,345,810)	(4,994,910)	(2,311,310)	(2,311,310)	(5,000,000)			
Projects - Proposed and Potential														
* prior year * funding available for new projects ***	-	-	-	-	-	-	-	-	-	-	-			
* current year * funding available for new projects	-	-	-	(22,426,364)	(18,400,758)	(19,820,850)	(15,417,050)	(18,715,810)	(21,143,580)	(21,818,510)	(21,890,697)			
Total Available for Projects	-	-	-	(22,426,364)	(18,400,758)	(19,820,850)	(15,417,050)	(18,715,810)	(21,143,580)	(21,818,510)	(21,890,697)			
TOTAL EXPENDITURES	(111,151)	(638,196)	(8,949,971)	(19,194,878)	(24,379,748)	(25,290,914)	(26,024,414)	(26,777,889)	(26,890,572)	(27,690,959)	(28,315,430)			
Ending Balance	10,853,564	33,352,719	49,183,947	34,969,700	34,969,700	34,969,700	34,969,700	34,969,700	34,969,700	34,969,700	34,969,700			

dashes 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 25.05%, and not 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:

Bill Tection payment years based on project commencement/completion deadlines per the agreement

Interim North payment projected in FY28 based on 12/31/2027 project completion deadline, being subject to change

Six Days Southwest 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 \$10k 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 \$10k total

Current year funding available for new projects = current year revenue estimate minus operations and all known project expenses

**FD8050 Arlington Economic Development Corporation
 CC973005 Economic Development Corporation Projects
 FY23 EDC Project Expenditures Detail by Month**

NOTE: There were no project related expenditures in October, November, and December

JANUARY

Amount	Transaction Date	Payee	Purpose
1,000,000.00	1/24/2024	Miscellaneous Payee: Bell Textron AEDC Performance Agreement grant #2	
1,500.00	1/26/2024	TERRY RUTLAND	Center Street Gateway Project: construction fence removal
1,001,500.00			

FEBRUARY

Amount	Transaction Date	Payee	Purpose
500,000.00	2/28/2024	Sportec	Startup costs reimbursement
250,000.00	2/28/2024	Sportec	Certificate of Occupancy
750,000.00			

Summary by Project

1,000,000.00	Bell Textron
1,500.00	Center Street Gateway Project
750,000.00	Sportec
1,751,500.00	

City of Arlington Retail Overview

April 2024 Report



SOUTH ARLINGTON SUBMARKET

The South Arlington retail submarket reports vacancy of 5.2% (up from 4.8% in the January report), marginally above the DFW norm of 4.6%. Most construction has occurred in or around Urban Union in Downtown Arlington. Retailers announced entering this space from redevelopment include Spiral Diner, Doughboy Donuts, Cow Tipping Creamery and Coop's Fowl Ball. As a whole, construction is rather limited in this submarket with only 59,000 SF underway.

12 Mo Deliveries in SF	12 Mo Net Absorption in SF	Vacancy Rate	Market Asking Rent Growth
67.1K	(93.2K)	5.2%	4.9%

AVAILABILITY	SUBMARKET	MARKET
Market Asking Rent/SF	\$21.21 ↑	\$23.63 ↓
Vacancy Rate	5.2% ↑	4.6% ↑
Vacant SF	1M ↓	21.5M ↓
Availability Rate	4.8% ↓	5.1% ↓
Available SF Direct	938K ↓	24.1M ↓
Available SF Sublet	20.3K ↓	361K ↓
Available SF Total	959K ↓	24.4M ↓
Months on Market	13.0	11.5

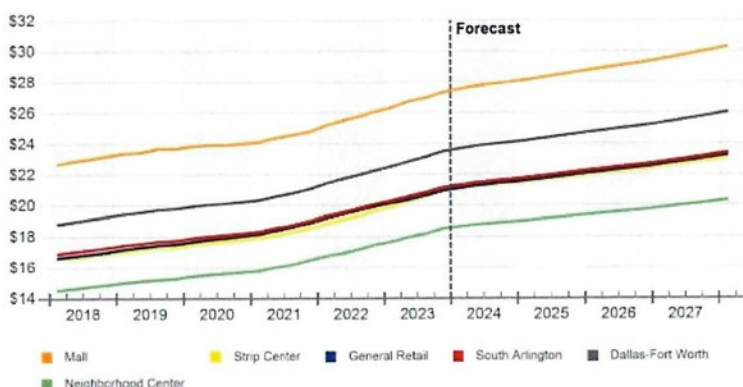
DEMAND	SUBMARKET	MARKET
12 Mo Net Absorption SF	(93.2K) ↓	3.1M ↓
12 Mo Leased SF	434K ↓	9.8M ↓
6 Mo Leasing Probability	30.3%	30.6%

INVENTORY	SUBMARKET	MARKET
Existing Buildings	1,255 ↓	36,022 ↓
Inventory SF	20M ↓	470M ↓
Average Building SF	15.9K ↓	13K ↓
Under Construction SF	59K ↓	5.4M ↓
12 Mo Delivered SF	67.1K ↓	3.6M ↓

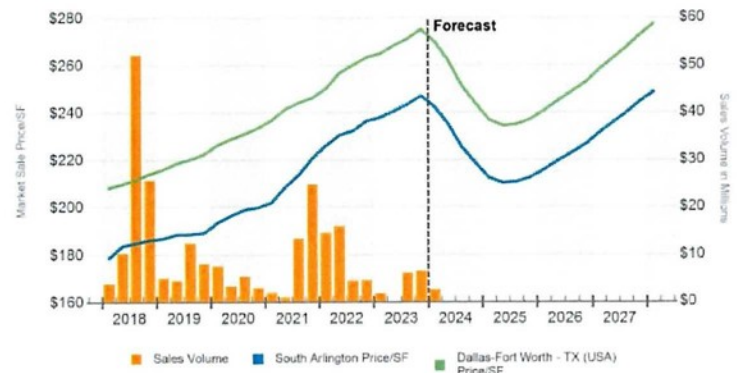
SALES	SUBMARKET	MARKET
12 Mo Transactions	41 ↓	1,390 ↓
Market Sale Price/SF	\$245 ↓	\$275 ↓
Average Market Sale Price	\$3.9M ↓	\$3.6M ↓
12 Mo Sales Volume	\$17.8M ↓	\$546M ↓
Market Cap Rate	6.3% ↓	6.4% ↓

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

April 2024 Report

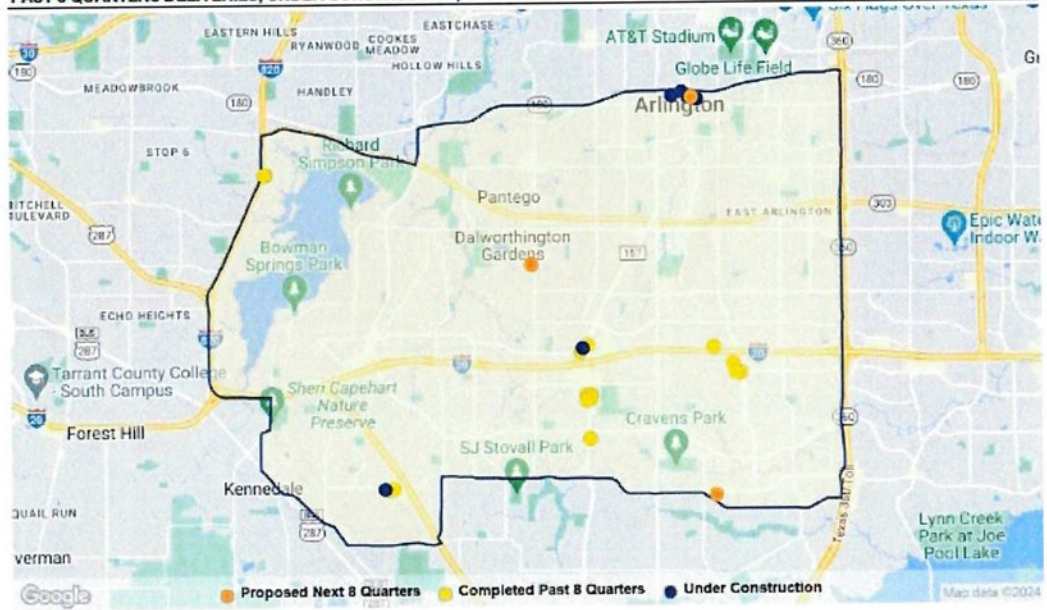


SOUTH ARLINGTON
SUBMARKET

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

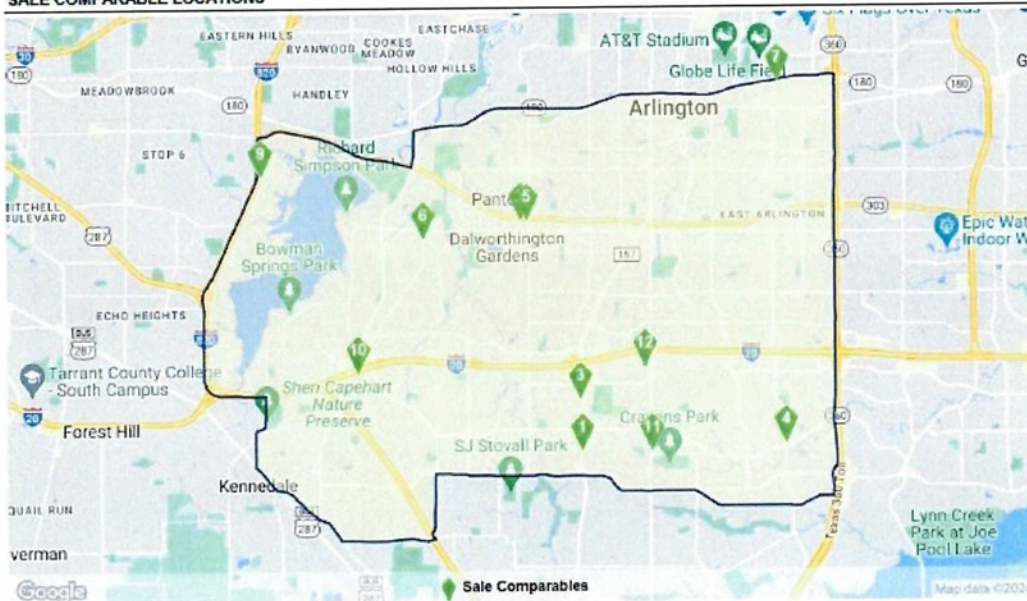
PAST 8 QUARTERS DELIVERIES, UNDER CONSTRUCTION, & PROPOSED



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

April 2024 Report



NORTH ARLINGTON SUBMARKET

The total North Arlington retail submarket is 5.4 million SF of inventory. It has a vacancy rate of 4.5%, 1.0% higher than it was this time last year. The vacancy rate in general retail buildings is 2.4% but 11.6% in neighborhood centers. In the past year, there have been 11 sales, which have traded for approximately \$3.4 million in volume and 130,000 SF in stock.

12 Mo Deliveries in SF	12 Mo Net Absorption in SF	Vacancy Rate	Market Asking Rent Growth
0	(53.8K)	4.5%	4.7%

AVAILABILITY	SUBMARKET	MARKET
Market Asking Rent/SF	\$21.33 ↑	\$23.63 ↑
Vacancy Rate	4.5% ↑	4.6% ↑
Vacant SF	241K ↓	21.5M ↑
Availability Rate	5.4% ↑	5.1% ↑
Available SF Direct	283K ↓	24.1M ↑
Available SF Sublet	8.4K ↓	361K ↓
Available SF Total	292K ↓	24.4M ↑
Months on Market	13.6	11.5

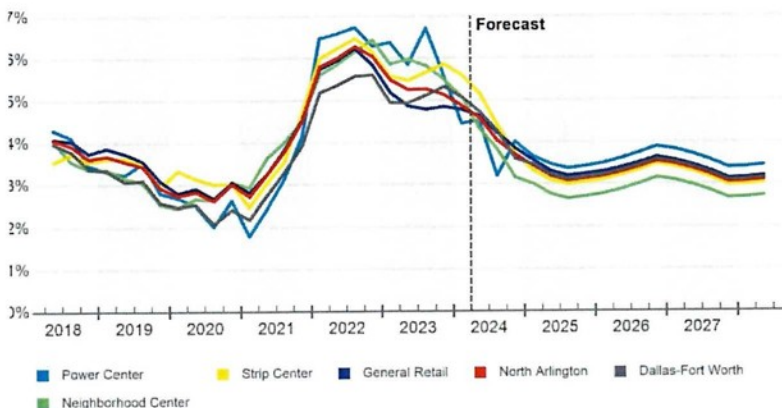
DEMAND	SUBMARKET	MARKET
12 Mo Net Absorption SF	(53.8K) ↓	3.1M ↓
12 Mo Leased SF	66.8K ↓	9.8M ↓
6 Mo Leasing Probability	26.6%	30.6%

INVENTORY	SUBMARKET	MARKET
Existing Buildings	391 ↓	36,022 ↓
Inventory SF	5.4M ↓	470M ↓
Average Building SF	13.8K ↓	13K ↓
Under Construction SF	0 ↓	5.4M ↑
12 Mo Delivered SF	0 ↓	3.6M ↓

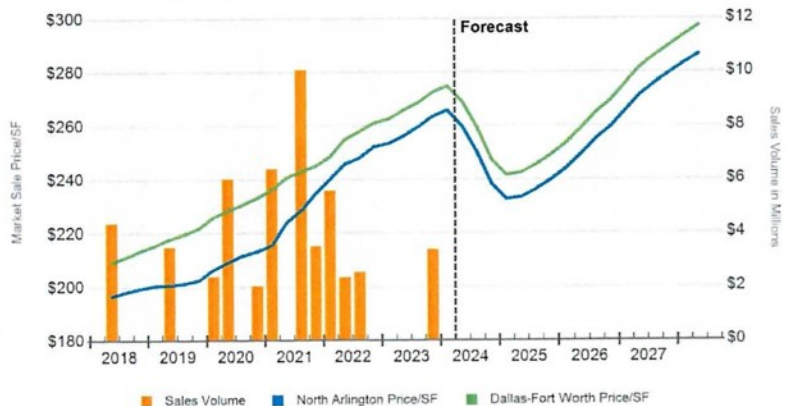
SALES	SUBMARKET	MARKET
12 Mo Transactions	11 ↓	1,390 ↓
Market Sale Price/SF	\$266 ↑	\$275 ↓
Average Market Sale Price	\$3.7M ↑	\$3.6M ↑
12 Mo Sales Volume	\$3.4M ↓	\$546M ↓
Market Cap Rate	6.3% ↓	6.4% ↓

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

MARKET ASKING RENT PER SF

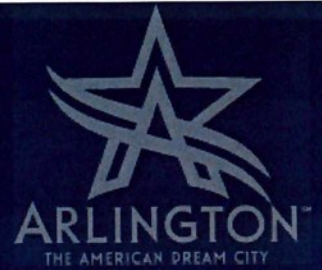


SALES VOLUME & PRICE PER SF



City of Arlington Retail Overview

April 2024 Report

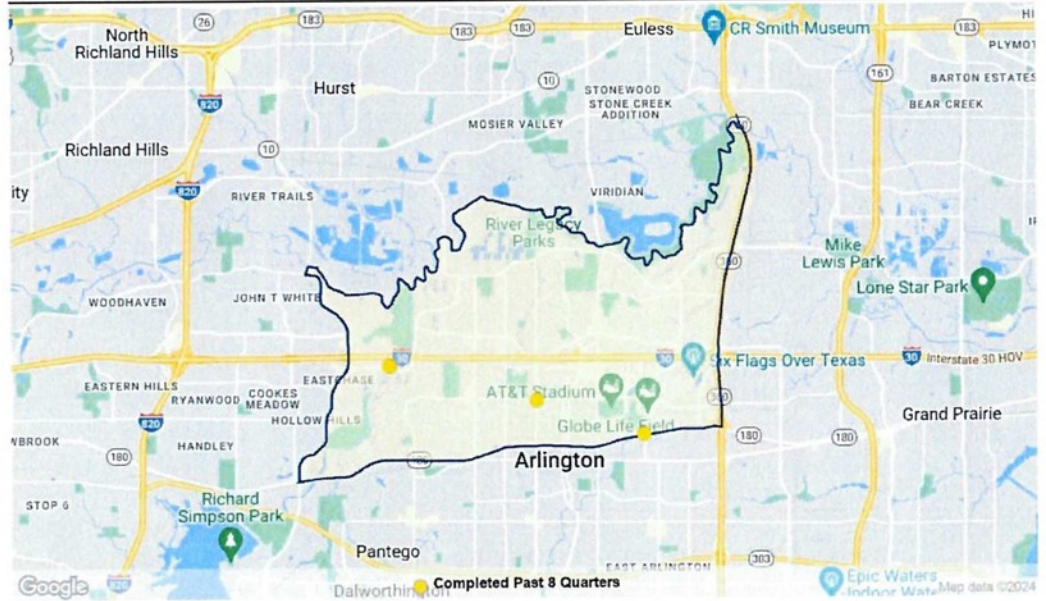


NORTH ARLINGTON SUBMARKET

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
33,492	10,064	0	0

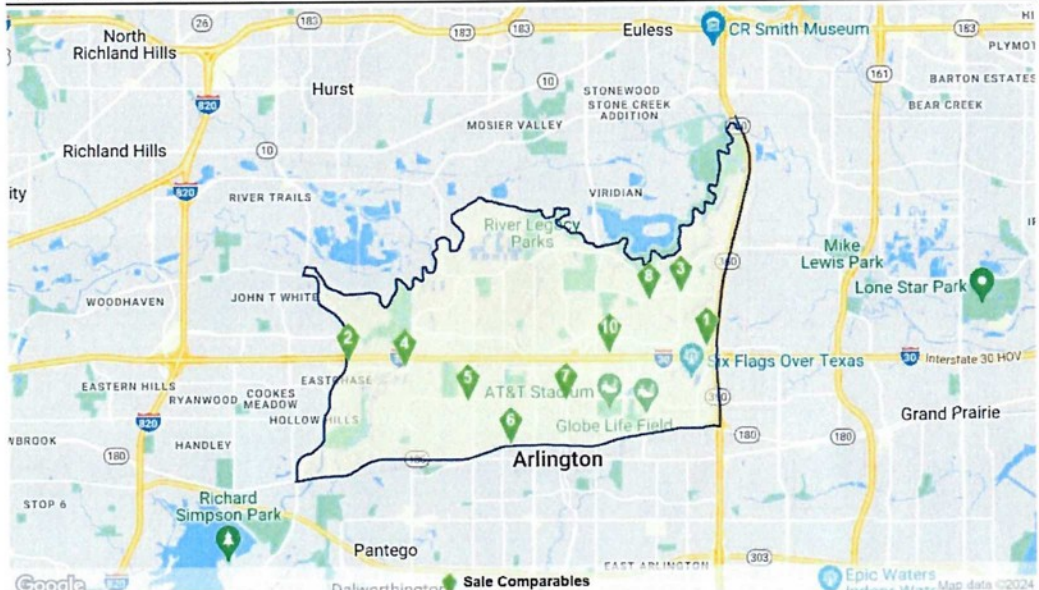
PAST 8 QUARTERS DELIVERIES, UNDER CONSTRUCTION, & PROPOSED



PROPERTIES FOR SALE

Sale Comparables	Avg. Cap Rate	Avg. Price/SF	Avg. Vacancy At Sale
11	6.0%	\$425	29.0%

SALE COMPARABLE LOCATIONS





AEDC Eligible Industries Snapshot

FY2024Q2 Eligible NAICS Codes Industry Summary for Arlington, Texas

INDUSTRY		CURRENT SNAPSHOT			5-YEAR HISTORY		1-YEAR FORECAST			
		EMPLOYEES	AVG. ANN. WAGES	LQ*	EMP. CHANGE	ANN. % CHANGE	TOTAL DEMAND	EXITS	EMP. GROWTH	ANN. % GROWTH
CROPS, ANIMAL PRODUCTION, FORESTRY	NAICS 111-115	73	\$35,889	0.03	-10	-4.0%	6	3	0	0.5%
MINING, OIL, & GAS EXTRACTION	NAICS 211-213	71	\$164,700	0.14	6	3.2%	7	3	0	0.9%
UTILITIES	NAICS 221	1,926	\$135,050	2.10	431	5.2%	181	69	12	0.6%
MANUFACTURING	NAICS 331-339	15,925	\$75,857	0.79	2,547	2.7%	1,715	622	135	0.6%
WHOLESALE TRADE, TRANSPORTATION, & WAREHOUSING	NAICS 42, 48	14,154	\$81,730	0.93	2,006	3.4%	1,666	625	173	1.3%
INFORMATION	NAICS 51	1,479	\$94,556	0.41	-501	-5.7%	153	52	20	1.4%
SECURITIES, COMMODITY CONTRACTS, & FINANCIAL INVESTMENT ACTIVITIES	NAICS 523	647	\$132,189	0.52	344	16.4%	61	21	11	1.7%
INSURANCE CARRIERS & RELATED ACTIVITIES	NAICS 524	2,809	\$92,706	0.95	286	2.2%	280	103	40	1.4%
FUNDS, TRUSTS, AND FINANCIAL VEHICLES	NAICS 525	23	\$64,628	0.72	8	9.3%	3	1	0	2.1%
ARCHITECTURAL & ENGINEERING SERVICES	NAICS 5413	1,755	\$103,149	0.89	347	4.5%	160	56	22	1.3%
COMPUTER SYSTEM DESIGN SERVICES	NAICS 5415	1,557	\$117,873	0.55	616	10.6%	148	41	38	2.5%
MANAGEMENT, SCIENTIFIC, & TECHNICAL CONSULTING SERVICES	NAICS 5416	1,900	\$99,326	0.80	828	12.1%	195	64	33	1.8%
SCIENTIFIC RESEARCH AND DEVELOPMENT	NAICS 5417	415	\$101,745	0.39	257	21.3%	38	11	6	1.5%
OTHER PROFESSIONAL, SCIENTIFIC, & TECHNICAL SERVICES	NAICS 5419	1,279	\$60,547	0.96	39	0.6%	151	51	24	1.9%
MANAGEMENT OF COMPANIES & ENTERPRISES	NAICS 551	1,117	\$94,727	0.40	106	2.0%	116	39	20	1.8%
TELEPHONE CALL CENTERS	NAICS 56142	584	\$94,612	1.26	-286	-7.7%	72	28	5	0.9%

*LQ = Location Quotient compares the concentration of the employment of an industry to the nation. An LQ of 1.00 indicates Arlington has the same concentration of an industry as the U.S., while a LQ of 2.00 means that Arlington has twice the expected employment compared to the nation.

Staff Report



Eden Cooper LP – Performance Agreement	
Arlington Economic Development Corporation Meeting Date: 04-16-2024	Document Being Considered: Resolution

RECOMMENDATION

Approve a resolution authorizing the Executive Director of the Arlington Economic Development Corporation to execute a Performance Agreement with Eden Cooper LP relative to developing land on South Cooper Street in Arlington, Texas into commercial properties.

ANALYSIS

Eden Cooper, LP intends to develop vacant and underutilized properties near the intersection of Eden Rd. & S. Cooper St into new flex-hybrid space totaling approx. 227,000 sq. ft.. This development is intended to attract smaller higher-end tenants and uses to support entrepreneurship and emerging industries such as bioscience, advanced pharma, innovative technology and others. This will be the first project in the recently approved flex-hybrid zoning for the city. Estimated cost of construction is approximately \$42M.

The owner is seeking support from the Arlington Economic Development Corporation (AEDC) in an amount not to exceed \$3,407,000 for construction and completion of the Eden Rd. extension and onsite drainage improvements. The extension of Eden Road would connect Cooper Street to Eden Road to the west and would serve as access to this new development. The drainage improvements would remedy existing drainage issues on the site and would allow for fuller utilization of the property to be developed. The owner will construct the public improvements on the premises and dedicate the land on which the public improvements are constructed to the City of Arlington as public right-of-way and public drainage easements. Payment will be a reimbursement for costs constructing the project and public improvements after they have been commenced and completed evidenced by the appropriate documentation. This project would support economic development by allowing more intense development of land that is intended to host primary jobs and encourage more business enterprises in Arlington.

FINANCIAL IMPACT

A one-time payment not to exceed \$3,407,000 for construction and completion of the Eden Rd. extension and onsite drainage improvements.

ADDITIONAL INFORMATION

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

STAFF CONTACT(S)

Marcus Young
Sr. Economic Development Specialist
817-459-6117
Marcus.Young@arlingtontx.gov

ARLINGTON ECONOMIC DEVELOPMENT CORPORATION
Resolution No. _____

A resolution of the Board of Directors authorizing the Executive Director to execute a Performance Agreement with Eden Cooper LP relative to developing land on South Cooper Street in Arlington, Texas into commercial properties

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, Eden Cooper LP (“OWNER”) is seeking to develop land on South Cooper Street in Arlington into commercial properties; and

WHEREAS, in order to bring the property into a state of usefulness as commercial property, significant improvements need to be made to the property, including the construction of public drainage improvements and an extension to Eden Road to allow for access to the property; and

WHEREAS, OWNER has requested the AEDC’s assistance in constructing improvements that will be located on land dedicated to public right of way, as well as land dedicated to public drainage easements; and

WHEREAS, the AEDC’s Board of Directors has determined that the financial assistance provided to OWNER pursuant to this Agreement is consistent with and meets the definition of “project” as that term is defined in Chapters 501 and 505 of the Texas Local Government Code, and in particular Section 501.103 and 505.155, and the definition of “cost” as that term is defined by Section 501.152 of the Texas Local Government Code; and

WHEREAS, pursuant to Section 505.159 of the Texas Local Government Code a public hearing on the proposed project was held on April 16, 2024;
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 is hereby authorized to execute a Performance Agreement with Eden Cooper LP, of Arlington, Texas, relative to developing land on South Cooper Street in Arlington, Texas into commercial properties.

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 ____ 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.

Michael Jacobson, President

ATTEST:

Alex Busken, Assistant Secretary

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

BY _____

Performance Agreement

THE STATE OF TEXAS §
 §
COUNTY OF TARRANT §

Performance Agreement

THIS Agreement is executed on _____, 2024, by and between **Eden Cooper LP**, 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**”).

WITNESSETH:

WHEREAS, OWNER is seeking to develop land on South Cooper Street in Arlington into commercial properties; and

WHEREAS, In order to bring the property into a state of usefulness as commercial property, significant improvements need to be made to the property, including the construction of public drainage improvements and an extension to Eden Road to allow for access to the property; and

WHEREAS, OWNER has requested the AEDC’s assistance in constructing improvements that will be located on land dedicated to public right of way, as well as land dedicated to public drainage easements; and

WHEREAS, The AEDC’s Board of Directors has determined that the financial assistance provided to OWNER pursuant to this Agreement is consistent with and meets the definition of “project” as that term is defined in Chapters 501 and 505 of the Texas Local Government Code, and in particular Section 501.103 and 505.155, and the definition of “cost” as that term is defined by Section 501.152 of the Texas Local Government Code; and

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

G. “Premises” are defined as the real property (land and improvements) located at 6610, 6700, 6750 and 6800 South Cooper Street, Arlington, Texas, as depicted in **Exhibit “A.”** **Exhibit “A”** is attached hereto and incorporated herein for all purposes.

- H. "Project" is defined as the construction of a minimum of 215,000 square feet of buildings suitable for the permitted uses of the Flex Hybrid zoning district upon the Premises along with all necessary parking, water, sewer, and stormwater drainage to remain as private property on the Premises. The Project will take place in two phases, with 140,000 square feet of buildings to be constructed in Phase 1 and an additional 75,000 square feet of buildings constructed in Phase 2. The buildings associated with each phase are identified in **Exhibit "B."** Exhibit "B" is attached hereto and incorporated herein for all purposes.
- I. "Public Improvements" are defined as the construction of a new segment of Eden Road between South Cooper Street and Forest Park Drive along with water, sewer, stormwater drainage, and other public improvements made on land to be dedicated to public right of way and public drainage easements. Public Improvements also includes improvements required to be made to the intersection of South Cooper Street and Eden Road.

II. **OWNER's Obligations**

- A. OWNER will construct the Public Improvements on the Premises and dedicate the land on which the Public Improvements are constructed to the City of Arlington as public right-of-way and public drainage easements. OWNER shall commence construction of the drainage improvements no later than July 1, 2025 and shall complete all other Public Improvements and dedicate the public right-of-way no later than December 31, 2026.
- B. OWNER shall construct the Project on the Premises. Construction of Phase 1 of the Project shall commence no later than January 1, 2026 and shall be completed by no later than June 30, 2027.
- C. OWNER shall invest a minimum of Fifteen Million Dollars (\$15,000,000) in designing and constructing the Public Improvements and Phase 1 of the Project; and another Fifteen Million Dollars (\$15,000,000) in constructing the Public Improvements and completing Phase 2 of the project.
- D. All construction of the Project and operations on the Premises shall conform to the applicable building codes, zoning ordinances, and all other state, federal, or local laws, ordinances and regulations.
- E. OWNER shall not fail to render for taxation any property located within the City of Arlington.
- F. OWNER shall not allow the ad valorem taxes owed to AEDC 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.

- G. OWNER covenants and certifies that OWNER does not and will not knowingly employ an undocumented worker 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 the full amount of the grant payments provided under Section IV of this Agreement, plus 10% per annum from the date the 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(c) of the Texas Government Code. OWNER shall not be liable for a violation by a subsidiary, affiliate, or franchisee of OWNER or by a person with whom OWNER contracts.

III. Grants

- A. In exchange for OWNER's Obligations, AEDC covenants and agrees to pay to OWNER up to Three Million, Four Hundred and Seven Thousand and 00/100 Dollars (\$3,407,000) as reimbursement for costs constructing the Project and Public Improvements as set out below:
1. In order to begin receiving reimbursement grants, OWNER must provide to the AEDC copies of the permits necessary for commencing construction of the Project and completion of the Public Improvements. Additionally, OWNER must provide to AEDC written notice of the identify of the contractors who will be constructing the Public Improvements.
 2. Once the notices required by Section III.A.1 have been provided, OWNER may submit invoices to the AEDC for reimbursement of the costs of designing and constructing the Public Improvements. Under no circumstances shall the AEDC reimburse for the costs of designing and constructing the Project. If invoices submitted to the AEDC contain costs regarding both the Project and the Public Improvements, OWNER must identify which costs are associated with the Public Improvements and which are associated with the Project.
 3. Upon receipt of submissions for payment, the AEDC has thirty (30) days to review submissions for compliance with the terms of this Agreement and to either accept or reject the submission. If submissions comply, AEDC shall accept the submission make the required payment within sixty (60) days of receiving submission. If AEDC determines a submission does not comply with the Agreement, AEDC shall notify in OWNER in writing of the rejection, and OWNER has thirty (30) days from receipt of the rejection notice to correct the submission and re-submit to the AEDC. AEDC shall then have 30 days to review the submission and either accept or reject it.

IV.
Term

- A. This Agreement shall be in effect from the date of the execution of this Agreement until June 30, 2030 (the "Agreement Term") unless terminated earlier according to other provisions of this Agreement.

V.
Reports, Audits and Inspections

- A. Additional Reports and Records - Throughout the Agreement term, OWNER shall furnish AEDC any additional records and information reasonably requested to support the certifications required by this Agreement. OWNER hereby authorizes the AEDC to request and receive any and all property tax information relating to the Eligible Property from the Tarrant Appraisal District ("TAD"). OWNER agrees that release of such information will be made by TAD, upon request from AEDC, at any time from execution of this Agreement until it is terminated. OWNER agrees to provide any waivers and releases requested by TAD to the AEDC.
- B. Right to Audit Books and Records - AEDC shall have the right to audit the books and records related to the Project and Public Improvements. AEDC shall notify OWNER in advance in writing of their intent to audit in order 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 that the Project and Public Improvements are constructed, installed, maintained, and operated in accordance with the terms of this Agreement. All inspections shall be conducted in a manner as to not unreasonably interfere with construction of the Project and Public Improvements or the operation of the Premises. The inspections shall be conducted within a reasonable time period after notice by AEDC, provided, however, that all inspections shall be made with one (1) or more representative(s) of OWNER present and in accordance with the safety standards of OWNER.

VII.
Breach and Recapture

- A. Breach - A breach of this Agreement may result in termination or modification of this Agreement and recapture by AEDC of grant payments. Any failure by OWNER to substantially fulfill any obligation listed in Section II of this Agreement shall be considered breach of this Agreement.
- B. Notice of Breach - In the event that AEDC makes a reasonable determination that OWNER has breached this Agreement, then AEDC shall give OWNER written

notice of such. OWNER has sixty (60) days following receipt of said written notice to reasonably cure such breach, or this Agreement may be terminated by AEDC, and recapture of grant payments may occur. Notice of breach shall be in writing and shall be delivered by personal delivery or certified mail to OWNER at its address provided in Section IX of this Agreement.

- C. Recapture - During the term of this Agreement, should OWNER commit and fail to timely cure a breach of this Agreement, AEDC may terminate this Agreement and recapture all grant payments (if any) that were made under this Agreement in the calendar year of the termination. It shall be the duty of AEDC to determine whether to require recapture of grant payments after termination of this Agreement 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 grant payments, and the obligation of OWNER to pay such, shall survive termination of this Agreement. The Arlington City Attorney has the authority, on behalf of the AEDC, to initiate any litigation necessary to pursue payment of recaptured grant payments pursuant to this Agreement.

VIII.
Effect of Sale or Lease of Property

The grant payments 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 City Council, which approval shall not be unreasonably withheld.

IX.
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

X.
City Council Authorization

This Agreement was authorized by resolution of the AEDC Board of Directors and the City Council authorizing Executive Director or his designee to execute this Performance Agreement on behalf of the AEDC.

XI.
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.

XII.
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.

XIII.
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, or City Council actions authorizing same, and OWNER shall be entitled to intervene in said litigation.

XIV.
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.

XV.
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, and AEDC agrees to the extent allowed by law to indemnify and hold harmless OWNER from any such responsibility or liability.

XVI.
Force Majeure

It is expressly understood and agreed by the parties to this Agreement that the parties shall not be found in default of this Agreement if any party's failure to meet the requirements of this Agreement is delayed by reason of war, Act of God, fire, or other casualty of a similar nature.

XVII.
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.

XVIII.
**Procurement of Goods and Services from Arlington Businesses
and/or Historically Underutilized Businesses**

In performing this Agreement, OWNER agrees to use diligent efforts to purchase all goods and services from Arlington or Tarrant County businesses whenever such goods and services are comparable in availability, quality and price.

As a matter of policy with respect to AEDC projects and procurements, AEDC also encourages the use, if applicable, of qualified contractors, subcontractors, and suppliers where at least fifty-one percent (51%) of the ownership of such contractor, subcontractor, or supplier is vested in racial or ethnic minorities or women. In the selection of subcontractors, suppliers, or other persons or organizations proposed for work on this Agreement, the OWNER agrees to consider this policy and to use their reasonable and best efforts to select and employ such companies and persons for work on this Agreement.

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 parties to this Agreement without the written consent of AEDC and such consent shall not be unreasonably withheld.

XXI.
Termination

This Agreement shall terminate in accordance with the terms of this Agreement, unless earlier terminated.

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

Eden Cooper LP

BY _____
Signature

Type or Printed Title

Date _____

WITNESS:

**ARLINGTON ECONOMIC
DEVELOPMENT CORPORATION**

BY _____
Marty Weider
Executive Director
Date _____

ATTEST:

ALEX BUSKEN, City Secretary

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

BY _____

THE STATE OF Texas §

COUNTY OF _____ §

§
§

Eden Cooper LP
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 **Eden Cooper LP** 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 California

My Commission Expires

Notary's Printed Name

THE STATE OF TEXAS §

COUNTY OF TARRANT §

§
§
§

ARLINGTON ECONOMIC
DEVELOPMENT CORPORATION
Acknowledgment

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared **MARTY WEIDER**, 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, TEXAS**, a municipal corporation of Tarrant County, Texas, and as the **Executive Director** 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

Exhibit "A"



Staff Report



Arlington Economic Development Corporation Master Agreement – espace Inc.

Arlington Economic Development Corporation
Meeting Date: 04-16-2024

Document Being Considered: Resolution

RECOMMENDATION

Approve a resolution authorizing the Executive Director of the Arlington Economic Development Corporation to execute a Master Agreement with espace Inc. and the City of Arlington, relative to the establishment of a North American headquarters and manufacturing facility at the Arlington Municipal Airport.

PRIOR BOARD OR COUNCIL ACTION

None.

ANALYSIS

In a public-private partnership with espace Inc. (E-Space), the City of Arlington (City) and the Arlington Economic Development Corporation (AEDC) seek to continue to build on economic momentum and leverage assets at the Arlington Municipal Airport (Airport) through the development of a North American headquarters, manufacturing facility, hangar space, and other improvements to house high-tech, high-wage jobs for the community. The development advances policy goals in the City's Comprehensive Plan, Economic Development Strategic Plan, and Airport Master Plan related to activating developable land at the Airport, strengthening the aerospace vehicles and defense target economic sector, and competitive position to capture a larger share of high-wage and high-impact growth.

E-Space is a start-up global telecommunications and satellite manufacturer founded in 2022. They offer an advanced, sustainable low Earth orbit (LEO) space system to enable hyper-scaled deployments of space-based Internet of Things (IoT) solutions and services. The company's goal is to fundamentally change the design, economics, manufacturing, coverage limitations, and service delivery associated with legacy IoT connectivity. In the United States, E-Space currently has approximately 95 employees in offices in Beverly, Massachusetts and Saratoga, California. They are seeking to establish a North American headquarters and develop up to 750,000 square feet of manufacturing and office space with approximately 2,000 jobs over a 10-year period.

The proposed Phase I facilities on the west side of the Airport include an approximately 250,000 square foot manufacturing and office facility, an approximately 40,000 square foot hangar, an airport access road, and an aircraft parking apron. Within the first 5 years of operation at the site, E-Space will create and fill a minimum of 400 high-tech, high-wage jobs with an average annual salary of \$95,000. Upon execution of the proposed Master Agreement, E-Space will execute a lease for initial existing industrial space in Arlington within 90 days to begin building an employment base for research and manufacturing. E-Space will occupy this space during the design and construction of the Phase I facilities. A third-party economic impact analysis projected the project, at full build out, will create 3,355 direct and indirect jobs and provide over \$8 billion in salaries and wages over the 30-year term of the lease for the facility.

The proposed Master Agreement provides a framework for the public-private partnership, identifies initial obligations for both parties, and outlines high-level terms for subsequent

agreements necessary to implement the Phase I facilities. Subsequent agreements will include a lease, a ground lease, a development agreement, and a performance agreement.

The initial obligations of the master agreement outline the responsibilities of all of the parties during the subsequent agreement development phase. E-Space will be obligated to provide the City with evidence it has executed a lease for initial space in Arlington within 90 days of execution of the master agreement and provide evidence it has expended at least \$2,500,000 in start-up costs related to occupying the initial space (e.g., rent payments and new equipment purchases for the space) by January 1, 2025. No later than 30 days after execution of the master agreement, the AEDC will issue a request for qualifications to seek architectural services for the project and will provide an amount projected to be approximately \$5,000,000 for design development of the Phase 1 facilities. During design and construction of the facilities, while E-Space occupies the initial existing lease space, the City will provide E-Space with hiring grants of \$2,500 per Arlington resident hired with a cap of \$25,000 and an annual rebate of 50% of the City portion of the taxes collected on eligible business personal property at the initial lease space. In addition, E-Space must hold a planning session with the City to discuss municipal government use cases for their technology within six months of execution of the master agreement. E-Space must also participate in community engagement initiatives, local philanthropy, workforce development programs, and other efforts to demonstrate good corporate citizenship.

The proposed terms of the subsequent development agreement and leases describe the funding and relationship structure among the parties. To enable the construction of the facilities, the AEDC will contribute an amount not to exceed \$50,000,000 minus the costs spent on design. The City will ground lease the Phase I facilities site at the Airport to the AEDC, who will own the improvements and lease them to E-Space for an initial term of 30 years with two 5-year renewal options. E-space will pay the AEDC an annual rent of \$2,000,000 with 3% rent escalation every 5 years during the term of the lease. Prior to the AEDC providing funds to construct the Phase I facilities, E-Space must demonstrate readiness to occupy and utilize the facilities through achievement of revenues or projected revenues of at least \$30,000,000 from contracts, services, or paid demonstrations; a capital raise of at least \$25,000,000; and a capability to scale operations through a demonstrated plan for factory layout. E-Space must also provide proof of all funds necessary to outfit the Phase I facilities with systems, equipment, and related improvements that are specific to E-Space's business needs (a projected investment of at least \$50,000,000).

The proposed terms of the subsequent performance agreement describe proposed incentives and the related performance requirements of E-Space. Once E-Space occupies the Phase I facilities, the City will provide E-Space with hiring grants of \$2,000 per Arlington resident hired with a cap of \$100,000 and an annual rebate of 50% of the City portion of the taxes collected on eligible business personal property for a period of 10 years. After occupying the Phase I facilities, E-space will create and fill a minimum of 400 jobs within the first 5 years of operations at the site with an average salary of \$95,000. E-Space will have the option to purchase the leasehold interest of the AEDC (become the direct ground lessee of the City) provided they pay the AEDC an amount equivalent to any outstanding bonds issued for the Phase I facilities and the amortized value of any cash spent on the facilities. The master agreement provides a December 31, 2024 deadline for the execution of the subsequent agreements (which may be extended by mutual agreement) and a goal of completion of the Phase I facilities within 20 months of commencement of construction. The estimated date of completion for the Phase I facilities is currently late 2026.

This public-private partnership with E-Space represents a unique opportunity to bring a substantial number of high-tech, high-wage jobs to Arlington, grow the City's aerospace sector, create valuable real estate assets for the AEDC, and leverage the Airport property as an economic engine for the community.

FINANCIAL IMPACT

The financial impact of the initial obligations of the master agreement to the AEDC is estimated to be approximately \$5,000,000 for architectural services. The financial impact of the initial obligations of the master agreement to the City is estimated to be approximately \$50,000 for hiring grants and rebates of 50% of taxes paid on business personal property for tax years 2025 and 2026.

The financial impact to the AEDC of the development phase, should it move forward, will be dependent upon how the financial transaction concerning the remaining approximately \$45,000,000 is structured.

ADDITIONAL INFORMATION

Attached:	Resolution and Master Agreement
Under separate cover:	None
Available in the City Secretary's office:	None

STAFF CONTACTS

Lyndsay Mitchell, AICP, CPM
Director of Strategic Initiatives
City of Arlington
817-459-6653
Lyndsay.Mitchell@arlingtontx.gov

Marty Wieder, AICP
Executive Director
AEDC
817-459-6432
Marty.Wieder@arlingtontx.gov

ARLINGTON ECONOMIC DEVELOPMENT CORPORATION
Resolution No. _____

A resolution of the Board of Directors authorizing the Executive Director to execute a Master Agreement with espace Inc. and the City of Arlington, relative to the establishment of a North American headquarters and manufacturing facility 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, espace Inc. (“Company”) desires to relocate its North American corporate headquarters to Arlington, Texas and to operate a manufacturing facility for manufacturing products associated with global communications, including but not limited to satellites, on property located at the Arlington Municipal Airport; and
- WHEREAS, Company has requested assistance in funding the design, development, and construction of the facilities and infrastructure for the Project (as defined herein) in addition to assistance for other operational costs of the Project; and
- WHEREAS, the City of Arlington, Texas (“City”) has available real estate at the Arlington Municipal Airport to accommodate the Project and is willing to ground lease the Site (as defined herein) to AEDC for AEDC to construct the Project and lease for operation to Company; and
- WHEREAS, the Project is an eligible project of AEDC in accordance with Section 501.101 of the Texas Local Government Code; and
- WHEREAS, AEDC's Board of Directors have determined that the expenditures discussed herein are required or suitable for the development of a manufacturing facility and meet the definition of "cost" as that term is defined by Section 501.152 of the Texas Local Government Code
- WHEREAS, City finds that providing a program of incentives to Company in exchange for Company’s continual operation of the Project will promote local economic development and stimulate business and commercial activity within the City of Arlington (hereinafter referred to as “Program”); and

WHEREAS, City has determined that the Program will directly establish a public purpose and that all transactions involving the use of public funds and resources in the establishment and administration of the Program contain controls likely to ensure that the public purpose is accomplished; and

WHEREAS, Chapter 380 of the Local Government Code provides statutory authority for establishing and administering the Program provided herein; and

WHEREAS, the parties desire to memorialize the current framework for the Project;
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 is hereby authorized to execute a Master Agreement with espace Inc. and the City of Arlington, relative to the establishment of a North American headquarters and manufacturing facility at the Arlington Municipal Airport.

III.

A substantial copy of the Master 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.

Michael Jacobson, President

ATTEST:

Alex Busken, Assistant Secretary

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

BY _____

Master Agreement

THE STATE OF TEXAS §
 §
COUNTY OF TARRANT §

Master Agreement

THIS MASTER AGREEMENT (hereinafter referred to as “Agreement”) is entered into on _____, 2024 (hereinafter referred to as “Effective Date”) by and among **espace Inc.**, a Delaware Corporation (hereinafter referred to as “**Company**”), the **ARLINGTON ECONOMIC DEVELOPMENT CORPORATION** (hereinafter referred to as “**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**”). Reference to Company herein shall include its affiliates.

W I T N E S S E T H:

WHEREAS, Company desires to relocate its North American corporate headquarters to Arlington, Texas and to operate a manufacturing facility for manufacturing products associated with global communications, including but not limited to satellites, on property located at the Arlington Municipal Airport; and

WHEREAS, Company has requested assistance in funding the design, development, and construction of the facilities and infrastructure for the Project (as defined herein) in addition to assistance for other operational costs of the Project; and

WHEREAS, CITY has available real estate at the Arlington Municipal Airport to accommodate the Project and is willing to ground lease the Site (as defined herein) to AEDC for AEDC to construct the Project and lease for operation to Company; and

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

WHEREAS, the Project is an eligible project of AEDC in accordance with Section 501.101 of the Texas Local Government Code; and

WHEREAS, AEDC's Board of Directors have determined that that the expenditures discussed herein are required or suitable for the development of a manufacturing facility and meet the definition of "cost" as that term is defined by Section 501.152 of the Texas Local Government Code

WHEREAS, CITY finds that providing a program of incentives to Company in exchange for Company’s continual operation of the Project will promote local economic development and stimulate business and commercial activity within the City of Arlington (hereinafter referred to as “**Program**”); and

WHEREAS, CITY has determined that the Program will directly establish a public purpose and that all transactions involving the use of public funds and resources in the

establishment and administration of the Program contain controls likely to ensure that the public purpose is accomplished; and

WHEREAS, Chapter 380 of the Local Government Code provides statutory authority for establishing and administering the Program provided herein;

WHEREAS, the parties desire to memorialize the current framework for the Project; NOW THEREFORE,

Company, AEDC, and CITY, for and in consideration of the mutual promises contained herein, do hereby agree as follows:

I. DEFINITIONS

The following terms shall have the following meaning for purposes of this Agreement:

- A. "Arlington Hire Grants" shall have the meaning assigned to such term in Section II.F.
- B. "Development Agreement" shall have the meaning assigned to such term in Section IV.A.
- C. "Eligible Property" shall mean tangible personal property (except inventory or supplies) delivered to, installed, or located at the Initial Leased Premises under Company's name as reported by the Tarrant Appraisal District.
- D. "Execution Deadline" shall have the meaning assigned to such term in Section VI.
- E. "Full Time Job" shall mean an employment position that results in actual paid employment of an employee, not independent contractor, by Company of at least 1,820 hours per position in a year.
- F. "Ground Lease" shall have the meaning assigned to such term in Section III.A.
- G. "Initial Contribution Amount" shall have the meaning assigned to such term in Section II.E."
- H. "Initial Grants" shall mean the Arlington Hire Grants and the Rebate Grants, collectively.
- I. "Initial Leased Premises" shall mean a location in Arlington, Texas selected by Company and identified to CITY by written notice no later than 90 days after the Effective Date.
- J. "Lease" shall have the meaning assigned to such term in Section IV.C.
- K. "Performance Agreement" shall have the meaning assigned to such term in Section V.A.
- L. "Project" shall mean approximately Two Hundred and Fifty Thousand (250,000) square foot manufacturing facility with necessary office space, a Forty Thousand (40,000) square foot hangar, and related site improvements to be constructed on the Site.

- M. "Rebate Grants" shall have the meaning assigned to such term in Section II.G.
- N. "Sales Tax Revenue Bonds" means the bonds, notes, or other obligations, whose terms, provisions and conditions are as determined by AEDC and CITY, to be issued by AEDC, in one or more series, and that are secured and payable from a lien on and pledge of the quarter cent sales tax dedicated to AEDC.
- O. "Site" shall mean the property located at the Arlington Municipal Airport identified in the map attached hereto as **Exhibit "A."**
- P. "Start Up Costs" shall mean the total amount paid or to be paid by Company on rent payments for the term of an executed lease for the Initial Leased Premises plus total amount paid by Company on new equipment purchased within 30 days prior to or after the Effective Date and delivered and installed at the Initial Leased Premises.
- Q. "Subsequent Agreements" shall mean the Lease, Ground Lease, Development Agreement, and Performance Agreement.
- R. "Subsidiary" shall mean a related entity, wholly owned by Company.
- S. "Tenant Improvements" shall have the meaning assigned to such term in Section IV.B.v.

II. INITIAL OBLIGATIONS

- A. Company shall provide the CITY with evidence that it has executed a lease for space in Arlington (hereinafter "**Initial Leased Premises**") that allows Company to establish Arlington as its North American corporate headquarters no later than 90 days after the Effective Date.
- B. After the Effective Date, Company shall initiate participation in community engagement opportunities, local philanthropy, workforce development programs, and/or other initiatives with the Arlington Chamber of Commerce.
- C. Company and CITY shall complete a planning session for a municipal government use cases for Company's technology within six (6) months of the Effective Date.
- D. Company shall collaborate with the CITY and AEDC to seek any available state or federal funds for the Project.
- E. Company shall provide CITY with evidence that it has expended or will expend no less than Two Million Five Hundred Thousand Dollars (\$2,500,000) in Start Up Costs no later than January 1, 2025.
- F. Within thirty (30) days after the Effective Date, AEDC shall issue a request for qualifications to seek architectural services for the Project. AEDC shall collaborate

with Company on the request for qualification as well as the evaluation and selection process. AEDC shall contribute all funding for the development of the design and construction drawings for the Project. The amount contributed by AEDC toward these services shall be the “**Initial Contribution Amount.**”

G. On an annual basis, beginning in 2024 and ending in 2026, CITY agrees to pay Company grant payments (hereinafter “**Arlington Hire Grants**”) calculated as provided below:

- i. Each grant payment shall be determined annually and based upon the following: Two Thousand Five Hundred Dollars (\$2,500) for every Arlington resident hired and retained in a Full-Time Job at the Initial Leased Premises during the relevant coverage period identified in the table below.

Grant Payment #	Coverage Period	Certification Due	Payment no later than	City Fiscal Year
1	5/1/2024-12/31/2024	4/1/2025	6/1/2025	FY25
2	1/1/2025-12/31/2025	4/1/2026	6/1/2026	FY26
3	1/1/2026-12/31/2026	4/1/2027	6/1/2027	FY27

- ii. Certification shall be provided by Company to CITY no later than April 1 of each year. Certification shall be accompanied by an employment report generated by OWNER that documents the number of new hired Full-Time Jobs for the Coverage Period, their position category, and their residential address.
- iii. All grant payments will be paid by CITY to Company on or before June 1 of each year, beginning in June 2025 and ending in June 2027, provided the obligations of Company in this Article II have been met.
- iv. The total cumulative amount of the Arlington Hire Grants provided under this Subsection II.F., shall not exceed Twenty-Five Thousand Dollars (\$25,000). Once the CITY has paid to the Company Arlington Hire Grant(s) totaling Twenty-Five Thousand Dollars (\$25,000) the Company shall no longer be eligible to receive additional Arlington Hire Grant payments under this Subsection II.F.

H. On an annual basis, beginning in 2026 and ending in 2027, CITY agrees to pay to Company a grant payment (hereinafter the “**Rebate Grants**”) calculated as provided below.

- i. Each Rebate Grant shall be determined annually based upon the following: an amount equal to Fifty Percent (50%) of the ad valorem taxes collected by CITY in the previous tax year for the Eligible Property.
- ii. Each year Company must certify compliance by March 15 of payment in full of all ad valorem taxes due on the property located at the Premises, subject to the right of protest for the prior calendar year. Failure to timely submit the annual certification

in accordance with this subsection after notice and opportunity to cure as provided herein shall waive Company's right to the Rebate Grant for such year.

- iii. All Rebate Grants under this Subsection II.G. will be paid by CITY to Company on or before June 1 of each year, beginning in June 2026 and ending in June 2027, provided the obligations of Company in this Article II have been met.
- I. During the term of this Agreement, should Company fail to timely cure a breach of an obligation in this Article II, in addition to CITY's remedies provided for in Article X, CITY may recapture Fifty Percent (50%) the Initial Grants made under this Agreement up to the time of breach. It shall be the duty of CITY to determine whether to require recapture of Initial Grants and to demand payment of such. Repayment shall become due sixty (60) days following receipt of such demand. The rights of CITY to require recapture and demand repayment, and the obligation of Company to pay such, shall survive termination of this Agreement. The City Attorney has the authority, on behalf of the CITY, to initiate any litigation necessary to pursue payment of recaptured Initial Grants pursuant to this Agreement.
- J. Company covenants and certifies that Company does not and will not knowingly employ an undocumented worker as that term is defined by Section 2264.01(4) of the Texas Government Code. In accordance with Section 2265.052 of the Texas Government Code, if Company is convicted of a violation under 8 U.S.D. Section 1324a(f), Company shall repay to the CITY the full amount of the Initial Grants, plus 10% per annum from the date the payment(s) was made. Repayment shall be paid within 120 days after the date Company receives notice of violation from the CITY.

III. SITE

- A. CITY and AEDC agree to enter into a ground lease wherein CITY leases the Site to AEDC (hereinafter "**Ground Lease**"). The Ground Lease, to be negotiated between the CITY and AEDC, shall be for a term of thirty (30) years with two (2) renewal options, each for five (5) years. The Ground Lease shall be approved by the Arlington Economic Development Corporation Board of Directors and the Arlington City Council.
- B. After the Effective Date, CITY, AEDC, and Company shall collaborate to secure all necessary state and federal approvals for construction of the Project on the Site.

IV. PROJECT FUNDING

- A. AEDC agrees to contribute up to Fifty Million Dollars (\$50,000,000) (the "**Contribution**"), from available cash and/or proceeds from Sales Tax Revenue Bonds, towards the development and construction of the Project. For clarity, the Contribution

shall be decreased by the Initial Contribution Amount provided for in Section II.E. For the avoidance of doubt, in no case will the sum of the Contribution plus the Initial Contribution Amount exceed Fifty Million Dollars (\$50,000,000). The timeline and conditions precedent for AEDC's sale of any Sales Tax Revenue Bonds, as well as expenditure of any sums toward the Project, shall be set forth in a development agreement negotiated between AEDC and Company and approved by the Arlington Economic Development Corporation Board of Directors and the Arlington City Council (hereinafter "**Development Agreement**").

B. In addition to other customary terms and conditions, the Development Agreement shall provide the following:

- i. That the Project shall be built on the Site, leased by AEDC from the CITY.
- ii. That AEDC shall, in collaboration with Company develop and cause construction of the Project to occur with a goal that the Project can be occupied by Company within 20 months after construction commences. Provided, AEDC or CITY shall not be liable to Company for any expenditures, lost revenue, or other sums associated with completion of construction not occurring within the goal of 20 months.
- iii. That AEDC shall own all improvements paid for with the Contribution that comprise the Project.
- iv. That Company shall provide all sums necessary for the payment of tenant specific fixtures, systems, equipment, and related improvements which would not typically be used by a prospective future lessor (collectively "**Tenant Improvements**"). For purposes of example, Company shall provide all sums necessary for clean rooms, specialized humidity control, and specialized manufacturing equipment. Company shall determine the manner and method of funding the Tenant Improvements and it may obtain such from any source, including, but not limited to, cash, equity, or debt. Prior to AEDC providing funding for the Project, Company shall demonstrate to AEDC that funds have been obtained and will be available to pay costs for Tenant Improvements as and when needed.
- v. That Company shall provide AEDC with evidence that it has obtained all necessary state and federal approvals for its operations at the Project, as well as all rights and interest in property necessary to deploy the products to be manufactured at the Project.
- vi. That Company shall demonstrate, prior to AEDC's providing funds beyond the Initial Contribution Amount for the Project, that it achieved the following:
 - a. Revenues or projected revenues from contracts for purchase of Company's product(s), services (including development services), or paid demonstrations of no less than Thirty Million Dollars (\$30,000,000).

- b. Capital raise since the Effective Date of Twenty-Five Million Dollars (\$25,000,000).
- c. Capability to scale, through demonstrated plan for factory layout, including square footage for allocated inventory, quality control, and ongoing/incoming products.

Company may also demonstrate in lieu of one or more of the above-listed items, one or more alternative achievements intended to demonstrate comparable financial or developmental progress.

- vii. That Company shall have the option, but not the obligation, to purchase the leasehold interest of the AEDC, so as to become a direct ground lessee of the CITY, at any time provided Company pays the AEDC an amount equivalent to any outstanding Sales Tax Revenue Bonds issued for the Project and the amortized value of any cash spent on the Project.
- C. AEDC shall lease the Project, once constructed, to Company (hereinafter the “**Lease**”). The Lease, to be negotiated between AEDC and Company, shall be triple net, for a term of thirty (30) years with two (2) renewal options, and shall include a base rent to be paid by Company to AEDC of Two Million Dollars (\$2,000,000) per year of occupancy, with a three percent (3%) escalator every five (5) years thereafter (inclusive of any ground lease, which may be a separate document). The Lease shall be approved by the Arlington Economic Development Corporation Board of Directors and the Arlington City Council. The Lease shall include the right to self-fuel.
 - D. For security purposes, Subsequent Agreements will provide that Company may, at its discretion, have secured access at the earliest available point off the main west side airport access road and will have signage at the intersection of Dr. Martin Luther King Drive and the west airport access road.

V. PROJECT OPERATIONS

- A. In addition to support for the construction of the Project, CITY agrees to provide additional incentives to Company to support on-going operations. Such incentives shall be set forth in a performance agreement negotiated between the CITY and Company and approved by the Arlington City Council (hereinafter “**Performance Agreement**”).
- B. In addition to other customary terms and conditions, the Performance Agreement shall provide the following:

- i. That Company (including any Subsidiaries) shall create and fill no less than Four Hundred (400) Full Time Jobs, with a minimum average annual salary of Ninety-Five Thousand Dollars (\$95,000), at the Project no later than sixty (60) months after construction of the Project has been completed.
- ii. That Company shall collaborate with the CITY on municipal government use cases for its technology that allow the CITY to utilize, at its option, such technology at the lowest possible cost.
- iii. That Company shall continue to participate in community engagement, local philanthropy, workforce development programs, and initiatives with the Arlington Chamber of Commerce.
- iv. That the CITY shall provide a rebate of up to Fifty Percent (50%) of all ad valorem taxes paid by Company (or, as may be applicable, a Subsidiary) to the CITY for the Project for a period of Ten (10) years.
- v. That the CITY shall provide an Arlington hire grant in which CITY grants Company (or, as may be applicable, a Subsidiary) Two Thousand Dollars (\$2,000) for each Arlington resident hired by Company at the Project up to a total grant amount of One Hundred Thousand Dollars (\$100,000).
- vi. That the CITY shall work with Company to identify and support possible incentives from the State of Texas for the Project, including franchise tax exemptions and deductions for business relocation, research and development tax credits, electricity sales tax exemptions, state enterprise zone program, and state enterprise fund program.

VI. SUBSEQUENT AGREEMENTS

Upon execution of the Subsequent Agreements, this Agreement shall terminate, and terms of the applicable Subsequent Agreement shall control and shall supersede the terms and conditions of this Agreement. If the Subsequent Agreements have not been executed by the CITY, AEDC, and Company by December 31, 2024 (the “**Execution Deadline**”), then this Agreement shall automatically terminate and AEDC and CITY shall have no further obligations to provide funding, real property interests, or incentives to Company. Both parties herein agree to use best efforts with full good faith to achieve execution of the Subsequent Agreements by the Execution Deadline. The City Manager may execute a written agreement with Company to extend the Execution Deadline. Subsequent Agreements may be executed by Company and/or one or more Subsidiaries.

VII. EXCLUSIVE DEALING

During the term of this Agreement, Company will not solicit or accept any proposal of, or enter into any plan or agreement with, any state, county, city, or quasi-governmental entity (including but not limited to an economic development corporation) other than CITY and AEDC regarding any project or facility having a purpose similar to the Project. Furthermore, neither the CITY or AEDC will plan, negotiate or discuss alternative uses of the subject property with other companies.

VIII. ASSIGNMENTS

It is intended by the parties hereto that this Agreement may not be assigned by Company to a successor owner and/or any other party unless such assignment is approved in writing by the Arlington City Council and the Board of Directors for the Arlington Economic Development Corporation, and such approval shall not be unreasonably withheld. Notwithstanding the foregoing, Company may assign this Agreement to a Subsidiary.

IX. INDEMNIFICATION

- A. Except as expressly set forth elsewhere herein, it is understood and agreed between the parties that Company in performing its obligations hereunder is acting independently and AEDC and CITY assumes no responsibility or liability arising from this Agreement. Company agrees to defend, indemnify, and hold AEDC and CITY harmless from any claims, damages, verdicts, or judgments arising out of actions or omissions by Company or caused by Company in breach of this Agreement, but not otherwise; however, Company will not indemnify or hold AEDC and CITY harmless from any liabilities or responsibilities arising out of AEDC and CITY's breach of this Agreement or AEDC and CITY's gross negligence or intentional misconduct.**

- B. Except as expressly set forth elsewhere herein, it is further understood and agreed among the parties that AEDC and CITY, in performing their obligations hereunder, are acting independently and Company assumes no responsibility or liability allegedly arising from this Agreement and raised by third parties. However, Company does assume its responsibility and liability arising out of its breach of this Agreement. Company also accepts responsibility for Company's gross negligence and intentional misconduct in connection with this Agreement.**

X. BREACH AND RECAPTURE

- A. Breach - Subject to Section B below, a breach of this Agreement by Company may result in termination of this Agreement. Company's uncured failure to satisfy any of the Initial Conditions specified in Article II shall constitute a breach of this Agreement.**

- B. Notice of Breach - In the event that CITY makes a reasonable determination that Company**

has breached this Agreement, then CITY shall give Company written notice of such. Company has 60 days following receipt of said written notice to cure such breach (or, in the case of breaches not capable of being cured within 60 days, to commence and diligently pursue the cure) or this Agreement may be terminated by CITY. Notice of breach and opportunity to cure shall be in writing and shall be delivered by certified mail to Company at its address provided in Article X of this Agreement.

XI. NOTICE

Notices required to be given to any party to this Agreement shall be delivered by hand delivery or certified mail, return receipt requested, postage prepaid, addressed to the party at its address as set forth below, and shall be deemed delivered as of the date of delivery or deposited in the United States Mail:

Company: espace Inc.
 Attn: CEO
 12930 Saratoga Ave., Suite D, Building 3
 Saratoga, CA 95070

WITH A legal@e-space.com
COPY TO:
CITY: City of Arlington
 Attention: City Manager
 P.O. Box 90231
 Arlington, Texas 76004-3231

WITH A
COPY TO: City of Arlington
 Attention: City Attorney
 P.O. Box 90231
 Arlington, Texas 76004-3231

Any party may change the address and add additional parties to whom notice will be sent by giving the other parties written notice in the manner provided in this Section.

XII. FORCE MAJEURE

Neither AEDC, CITY, or Company, nor any successor in interest or assignee shall be considered in breach or default of their respective obligations under this Agreement, and time for performance of obligations hereunder shall be extended, in the event of any delay caused by force majeure, including damage or destruction by fire or other casualty, condemnation, strike, lockout, civil disorder, war, governmental action or inaction for an unreasonable period (unless caused by negligence or omissions by Company), acts of God, or similar events.

**XIII.
COUNTERPARTS**

This Agreement may be executed in any number of counterparts, each of which may be executed by any one or more of the parties hereto, but all of which shall constitute one instrument, and shall be binding and effective when all of the parties hereto have executed at least one counterpart.

**XIV.
AUTHORITY**

This Agreement was authorized by Resolution No. 24-_____ of the Arlington City Council, authorizing the City Manager to execute this Agreement on behalf of CITY, and Resolution No. 24-_____ of the Arlington Economic Development Board of Directors, authorizing the Executive Directors to execute this Agreement, and shall constitute a valid and binding agreement between AEDC, CITY, and Company upon execution.

**XV.
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.

**XVI.
STANDING**

Company, 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, or actions authorizing same, and Company shall be entitled to intervene in said litigation.

**XVII.
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 federal and state courts having jurisdiction over Tarrant County, Texas. This Agreement is performable in Tarrant County, Texas.

**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, written or otherwise, 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.
SURVIVAL OF OBLIGATIONS**

All obligations under this Agreement shall survive the expiration or termination of this Agreement to the extent required for their full observance and performance.

IN WITNESS WHEREOF, each party has caused this Agreement to be executed on the date indicated below.

espace, Inc.

BY _____

Date _____

WITNESS:

CITY OF ARLINGTON, TEXAS

BY _____
TREY YELVERTON
City Manager
Date _____

ATTEST:

ALEX BUSKEN, City Secretary

APPROVED AS TO FORM:
MOLLY SHORTALL, City Attorney

BY _____

ARLINGTON ECONOMIC DEVELOPMENT CORPORATION

BY _____
MARTY WIDER
Executive Director
Date _____

ATTEST:

_____, AEDC Secretary

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

BY _____

