

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

**Agenda
November 14, 2023 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. October 17, 2023 Meeting
 - B. October 20, 2023 Meeting
- III. Financial Report
- IV. Real Estate Report
- V. Industry Spotlight Report
- VI. University of Texas at Arlington Innovation Discussion
- VII. Executive Director Report
 - A. Staff Updates
- VIII. Items for Action
 - A. Resolution

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

- IX. 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.

X. Future Agenda Items

XI. Adjourn

CANCELLED

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

**MINUTES OF THE
ARLINGTON ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS
October 17, 2023**

The Board of Directors of the Arlington Economic Development Corporation convened in Regular Session on October 17, 2023, at 4:30 p.m., in Arlington City Hall, 3rd floor, 101 West Ham 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 T.C.A., Government Code, Chapter 551, with the following members present, to-wit:

Board Members:

Michael Jacobson	§	President
Mojoy Haddad	§	Vice President
John Whiteley	§	Treasurer
Kate Miller	§	Board Member

Absent:

Jollyn Mwisongo	§	Secretary
Gerald Alley	§	Board Member
Carmenza Moreno	§	Board Member

And

Trey Yelverton	City Manager
Broderick Green	Executive Director
Molly Shortall	City Attorney
Jonathan Moss	Senior Attorney
Bruce Payne	Director of Economic Development
Lyndsey Mitchell	Strategic Initiatives Officer
Ethan Jones	Treasurer
Stephanie Dimas	Senior Public Funds Analyst
Kevin McNaun	Real Estate Consultant
Raja Saravanan	Business Intelligence and Marketing Analyst
Erica Singling	Coordinator

I. Call to Order

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

II. Consideration of Minutes

A. September 19, 2023 Meeting

Treasurer J. Whiteley made a motion to approve the minutes of the September 19, 2023 Board meeting. Seconded by Vice President M. Haddad, the motion carried with 4 ayes and 0 nays.

APPROVED

III. Financial Report

No questions or comments were stated.

IV. Real Estate Report

No questions or comments were stated.

V. Industry Spotlight Report

No questions or comments were stated.

VI. Executive Director's Report

A. Staff Update

B. Upcoming Events

C. Previous Event Reviews

1. Bell Vendor Day
2. Founder's Arena Demo Day
3. Y Texas L
4. Texas Economic Development Annual Conference

Broderick Green, Executive Director, provided information relative to EDC Staff, upcoming events, Bell Vendor Day, Founder's Arena Demo Day, Y Texas Event and Texas Economic Development Annual Conference.

VII. Items for Action:

1. Resolution

Approve a resolution authorizing the Executive Director of the Arlington Economic Development Corporation to execute a Renewal and Modification of Contract for the Professional Services Contract for assistance with real estate matters with M4 Realty Advisors, LLC.

Broderick Green, Executive Director, presented the resolution for consideration.

Vice President M. Haddad made a motion to approve the resolution. Seconded by Treasurer J. Whiteley, the motion carried with 4 ayes and 0 nays.

AEDC RESOLUTION NO. 23-015

B. Resolution

Approve a resolution electing officers to the Board of Directors of the Arlington Economic Development Corporation.

Treasurer J. Whiteley made a motion to keep the slate of officers as is. Seconded by Board Member K. Miller, the motion carried with 4 ayes and 0 nays.

AEDC RESOLUTION NO. 23-016

C. Resolution

Approve a resolution authorizing the use of the Competitive Sealed Proposal (CSP) service delivery method of construction for the Choctaw Stadium Office Improvements, located at 1000 Ballpark Way, Arlington, Texas 76011.

Broderick Green, Executive Director, presented the resolution for consideration.

Vice President M. Haddad made a motion to approve the resolution. Seconded by Board Member K. Miller, the motion carried with 4 ayes and 0 nays.

AEDC RESOLUTION NO. 23-017

VIII. Executive Session

At 4:57 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

At 5:27 p.m., President M. Jacobson announced the Executive Session was adjourned, and the Board immediately reconvened in Open Session.

IX. Future Agenda Items

A. Project Updates

B. UTA Update

X. Adjourn

There being no further business, the meeting was adjourned at 5:28 p.m.

CANCELLED

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

**MINUTES OF THE
ARLINGTON ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS
October 20, 2023**

The Board of Directors of the Arlington Economic Development Corporation convened in Regular Session on October 20, 2023, at 11:00 a.m., in Arlington City Hall, 3rd floor, 101 West Ham 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 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
Kate Miller	§	Board Member

Absent:

Gerald Alley	§	Board Member
Carmenza Moreno	§	Board Member

And

Trey Yelverton	City Manager
Broderick Cooper	Executive Director
Molly Shortall	City Attorney
Jonathan Moss	Senior Attorney
Lynday Mitchell	Strategic Initiatives Officer
Jasmine Anderson	Specialist
Marcus Young	Economic Development Specialist
Erin Clark	Public Funds Administrator
Stephanie Dimas	Senior Public Funds Analyst
Kevin McGlaun	Real Estate Consultant
Raja Paravanan	Business Intelligence and Marketing Analyst
Teresa Burnett	Communications Coordinator
Erica Yingling	Coordinator

I. Call to Order

President M. Jacobson called the meeting to order at 11:04 a.m.

II. Items for Action:

A. Resolution

Approve a resolution authorizing the Executive Director or his designee to execute a Performance Agreement with Sportec Solutions, Inc. relative to the creation and retention of primary jobs.

The public hearing concerning a Performance Agreement with Sportec Solutions, Inc. relative to the creation and retention of primary jobs opened at 11:05 a.m. Broderick Green, Executive Director, presented the proposed resolution to the Economic Development Corporation Board.

Secretary J. Mwisongo arrived at 11:11 a.m.

With there being no speakers, the public hearing was closed at 11:12 a.m.

Vice President M. Haddad made a motion to amend the resolution date. Seconded by Treasurer J. Whiteley, the motion carried with 5 ayes and 0 nays.

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

AEDC RESOLUTION NO. 13-018

III. Adjourn

There being no further business, the meeting was adjourned at 11:18 a.m.

CANCELLED

COA Expenditures by Cost Center

Budget Structure Non-Operating Budget
 Amount Type Activity
 Period FY23 - Sep
 Cost Center Hierarchy Economic Development Corporation
 From Budget Date 10/1/2022
 To Budget Date 9/30/2023

Cost Center	Budget Appropriation	Current Monthly Expenditures	Expenditures to Date	Encumbrances	Actuals + Encumbrances	Unexpended Balance	%Exp
CC973005 Economic Development Corporation Projects	20,099,653	286,316	7,631,350	-	7,631,350	12,468,302	67.97%
61000:Purchase/Contract	20,099,653	286,316	7,631,350	-	7,631,350	12,468,302	67.97%
CC973010 Economic Development Corporation Operations	2,463,835	136,846	1,280,982	-	1,280,982	1,182,853	51.99%
50000:Salaries and Wages	734,902	52,181	445,315	-	445,315	289,586	60.60%
55000:Benefits	193,432	14,002	116,986	-	116,986	76,446	60.48%
60000:Supplies	120,000	4,519	6,997	-	6,997	113,003	5.83%
61000:Purchase/Contract	516,502	19,509	503,180	-	503,180	13,322	96.72%
62000:Utilities	20,000	-	-	-	-	20,000	0.00%
63000:Maintenance and Repair	450,000	10,409	31,693	-	31,693	418,307	7.04%
65000:Miscellaneous Expense	305,000	28,397	103,321	-	103,321	201,679	33.88%
66000:Travel and Training	118,000	7,765	72,236	-	72,236	45,764	61.22%
67000:Interdepartmental Expense	6,000	64	1,251	-	1,251	4,745	20.91%

REVENUES

TOTAL	23,859,368	Sales Month	Revenue Received
	1,820,707	September 2022	December 2022
	1,903,338	November 2022	January 2023
	2,375,933	December 2022	February 2023
	1,660,636	January 2023	March 2023
	1,603,818	February 2023	April 2023
	2,339,212	March 2023	May 2023
	1,886,750	April 2023	June 2023
	1,586,700	May 2023	July 2023
	2,183,843	June 2023*	August 2023
	1,942,471	July 2023*	September 2023
	1,969,998	August 2023	October 2023
	2,186,172	September 2023	November 2023

* June 2023 reflects a large audit adjustment from the State Comptroller's Office, which was recorded in July, and will be deducted incrementally over a 5-year period beginning in October 2023 (FY24).

CANCELLED

COA Expenditures by Cost Center

Budget Structure

Amount Type

Period

Cost Center Hierarchy

From Budget Date

To Budget Date

Non-Operating Budget

Activity

FY23 - Sep

Economic Development Corporation

10/1/2022

9/30/2023

Cost Center	Budget Appropriation	Current Monthly Expenditures	Expenditures to Date	Encumbrances	Actuals + Encumbrances	Unexpended Balance	%Exp
CC973005 Economic Development Corporation Projects	20,099,653	286,316	7,631,350	-	7,631,350	12,468,303	37.97%
61000:Purchase/Contract	20,099,653	286,316	7,631,350	-	7,631,350	12,468,303	37.97%
SC0533 - Special Services	20,099,653	-	7,345,034	-	7,345,034	12,754,619	56.54%
SC0574 - Professional Services	-	286,316	286,316	-	286,316	(286,316)	0.00%
CC973010 Economic Development Corporation Operations	2,463,835	136,846	1,280,982	-	1,280,982	1,182,851	51.99%
50000:Salaries and Wages	734,902	52,181	445,315	-	445,315	289,586	60.60%
SC50002 - Salaries: Operations	734,902	52,181	445,315	-	445,315	289,586	60.60%
55000:Benefits	193,432	14,002	116,986	-	116,986	76,446	60.48%
SC0805 - Deferred Comp 401K Payable	-	698	698	-	698	(698)	0.00%
SC0809 - Cigna Life Insurance Payable	-	17	17	-	17	(17)	0.00%
SC0810 - L-T Disability Payable	-	38	38	-	38	(38)	0.00%
SC50004 - Benefits: Longevity/Stability	-	-	-	-	42	(42)	0.00%
SC55000 - Benefits : Worker's Comp	1,102	78	644	-	644	458	58.43%
SC55001 - Benefits : Employee Retirement	73,876	259	45,058	-	45,058	28,818	60.99%
SC55002 - Benefits : Disability Income Plan	1,617	-	755	-	755	862	46.68%
SC55003 - Benefits : Employee Insurance	64,018	4,640	40,048	-	40,048	23,970	62.56%
SC55005 - Benefits : Medicare	10,656	1,148	6,466	-	6,466	4,190	60.68%
SC55008 - Benefits : Thrift Plan	34,156	5	-	-	17,420	17,151	50.39%
SC55009 - Benefits : Car Allowance	-	600	5,200	-	5,200	-	100.00%
SC55010 - Benefits : Phone Allowance	2,392	69	600	-	600	1,792	25.09%
60000:Supplies	2,000	4,519	6,997	-	6,997	113,003	5.83%
SC0500 - Office Supplies less than \$5,000	10,000	-	1,575	-	1,575	8,425	15.75%
SC0514 - Other Supplies	3,000	-	-	-	-	3,000	0.00%
SC0516 - Supplies/Computer Hardware	22,000	3,930	4,932	-	4,932	17,068	22.42%
SC0517 - Office Furniture less than \$5,000	60,000	-	-	-	-	60,000	0.00%
SC0521 - Cost Of Food & Beverage	25,000	316	490	-	490	24,510	1.96%
61000:Purchase/Contract	5,302	19,509	503,180	-	503,180	13,322	97.42%
SC0533 - Special Services	466,502	72,468	462,387	-	462,387	4,114	99.12%
SC0566 - Securing Of Properties	-	-	489	-	489	(489)	0.00%
SC0574 - Professional Services	50,000	(52,959)	40,304	-	40,304	9,697	80.61%
62000:Utilities	20,000	-	-	-	-	20,000	0.00%
SC0578 - Electric Service	20,000	-	-	-	-	20,000	0.00%
63000:Maintenance and Repair	450,000	10,409	31,693	-	31,693	418,307	7.04%
SC0583 - Maintenance of Buildings	450,000	10,409	31,693	-	31,693	418,307	7.04%
65000:Miscellaneous Expense	305,000	28,397	103,321	-	103,321	201,679	33.88%
SC0658 - Advertising	300,000	28,397	102,369	-	102,369	197,631	34.12%
SC0735 - Employee Reimbursement - non travel/training	5,000	-	952	-	952	4,048	19.03%
66000:Travel and Training	118,000	7,765	72,236	-	72,236	45,764	61.22%
SC0668 - Membership	21,000	-	13,750	-	13,750	7,250	65.48%
SC0669 - Transportation	6,000	-	4,032	-	4,032	1,968	67.21%
SC0670 - Registration	-	4,550	8,663	-	8,663	(8,663)	0.00%
SC0671 - Travel	91,000	3,215	45,790	-	45,790	45,210	50.32%
67000:Interdepartmental Expense	6,000	64	1,255	-	1,255	4,745	20.91%
SC0500 - Office Supplies less than \$5,000	-	-	132	-	132	(132)	0.00%
SC0633 - General Services Charges	6,000	64	1,123	-	1,123	4,877	18.71%

**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, December, January, April, July, and August

FEBRUARY

Amount	Transaction Date	Payee	Purpose
903,090.98	2/8/2023	LAWYERS TITLE COMPANY	Center Street Gateway Project: 1407 N Center St (earnest money)
3,263.04	2/9/2023	LAWYERS TITLE COMPANY	Center Street Gateway Project: 1413 N Center St (earnest money)
2,818.40	2/9/2023	LAWYERS TITLE COMPANY	Center Street Gateway Project: 1409 N Center St (earnest money)
28,347.82	2/9/2023	LAWYERS TITLE COMPANY	Center Street Gateway Project: 1311, 1403, 1404, 1406, 1412, 1414, and 1416 N Center St (earnest money)
5,160.00	2/9/2023	Alamo Title Company	Center Street Gateway Project: 1407 N Center St (earnest money)
3,263.04	2/10/2023	Stewart Title Company Escrow Account	Center Street Gateway Project: 1408 N Center St (earnest money)
5,000.00	2/10/2023	Stewart Title Company Escrow Account	Center Street Gateway Project: 1411 and 1413 Altman (earnest money)
1,736.96	2/13/2023	Stewart Title Company Escrow Account	Center Street Gateway Project: 1408 N Center St (earnest money)
952,680.24			

MARCH

Amount	Transaction Date	Payee	Purpose
1,000,000.00	3/6/2023	Miscellaneous Payee: Bell Textron, Inc.	Bell Textron AEDC Performance Agreement grant #1
518,389.75	3/15/2023	Alamo Title Company	Center Street Gateway Project: 1407 N Center St
325,508.94	3/15/2023	LAWYERS TITLE COMPANY	Center Street Gateway Project: 1413 N Center St
280,896.33	3/15/2023	LAWYERS TITLE COMPANY	Center Street Gateway Project: 1409 N Center St
318,581.85	3/15/2023	Stewart Title Company Escrow Account	Center Street Gateway Project: 1408 N Center St
637,007.69	3/15/2023	Stewart Title Company Escrow Account	Center Street Gateway Project: 1411 and 1413 Altman Dr
(650.00)	3/21/2023	Ad hoc bank transaction	
3,079,734.56			

MAY

Amount	Transaction Date	Payee	Purpose
2,812,619.30	5/4/2023	Miscellaneous Payee: Alamo Title Company	Center Street Gateway Project: 1311, 1403, 1404, 1406, 1412, 1414, and 1416 N Center St
2,812,619.30			

JUNE

Amount	Transaction Date	Payee	Purpose
500,000.00	6/28/2023	First Rate	Incubator incentive agreement
500,000.00			

SEPTEMBER

Amount	Transaction Date	Payee	Purpose
286,316.10	9/30/2023	Intercon Environmental	Journal Entry to correct cost for vendor
286,316.10			

7,350.20 Total

Summary by Project

5,840,000.00	Center Street Gateway Project
1,000,000.00	Bell Textron
500,000.00	First Rate, Inc.
286,316.10	Intercon Environmental
7,631,350.00	Total

City of Arlington Industrial Overview

CANCELLED



Arlington Industrial

INVENTORY SF

47.1M +1.2%

Prior Period 46.5M

UNDER CONSTRUCTION SF

0 -100.0%

Prior Period 541K

12 MO NET ABSORPTION SF

174K -84.7%

Prior Period 1.1M

VACANCY RATE

4.2% -0.7%

Prior Period 3.5%

MARKET RENT/SF

\$8.60 +8.4%

Prior Period \$7.93

MARKET SALE PRICE/SF

\$103 +2.7%

Prior Period \$101

MARKET CAP RATE

6.3% +0.4%

Prior Period 5.9%

Availability

Vacant SF	2M ↑
Sublet SF	307K ↓
Availability Rate	5.1% ↑
Available SF Total	2.4M ↑
Available Asking Rent/SF	\$9.76 ↑
Occupancy Rate	95.8% ↓
Percent Leased Rate	97.0% ↓

Inventory

Existing Buildings	776 ↑
Under Construction Avg SF	-
12 Mo Demolished SF	-
12 Mo Occupancy % at De	16.8% ↓
12 Mo Construction Starts SF	0 ↓
12 Mo Delivered SF	541K ↓
12 Mo Avg Delivered SF	108K ↑

Sales Past Year

Asking Price Per SF	\$202 ↑
Sale to Asking Price Differential	-
Sales Volume	\$10.1M ↓
Properties Sold	41 ↓
Months to Sale	9.4 ↑
For Sale Listings	11 ↓
Total For Sale SF	337K ↓

Demand

12 Mo Net Absorp % of Inventory	0.4% ↓
12 Mo Leased SF	1.9M ↓
Months on Market	3.5 ↓
Months to Lease	3.6 ↑
Months Vacant	6.3 ↑
24 Mo Lease Renewal Rate	72.0%
Population Growth 5 Yrs	0.6%

CANCELLED

Overview

Arlington Industrial

12 Mo Deliveries in SF

510K

12 Mo Net Absorption in SF

502K

Vacancy Rate

3.8%

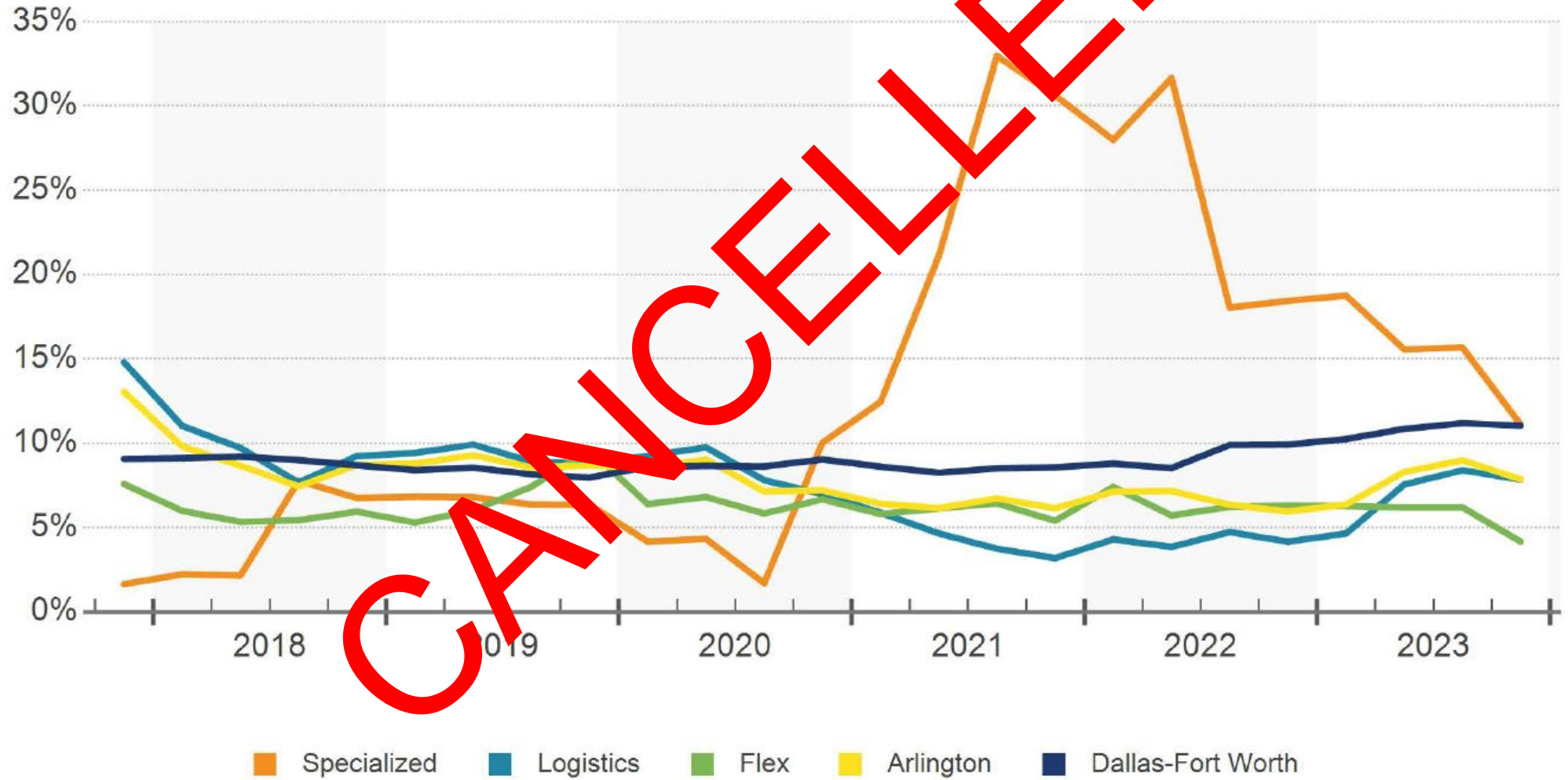
12 Mo Rent Growth

8.3%

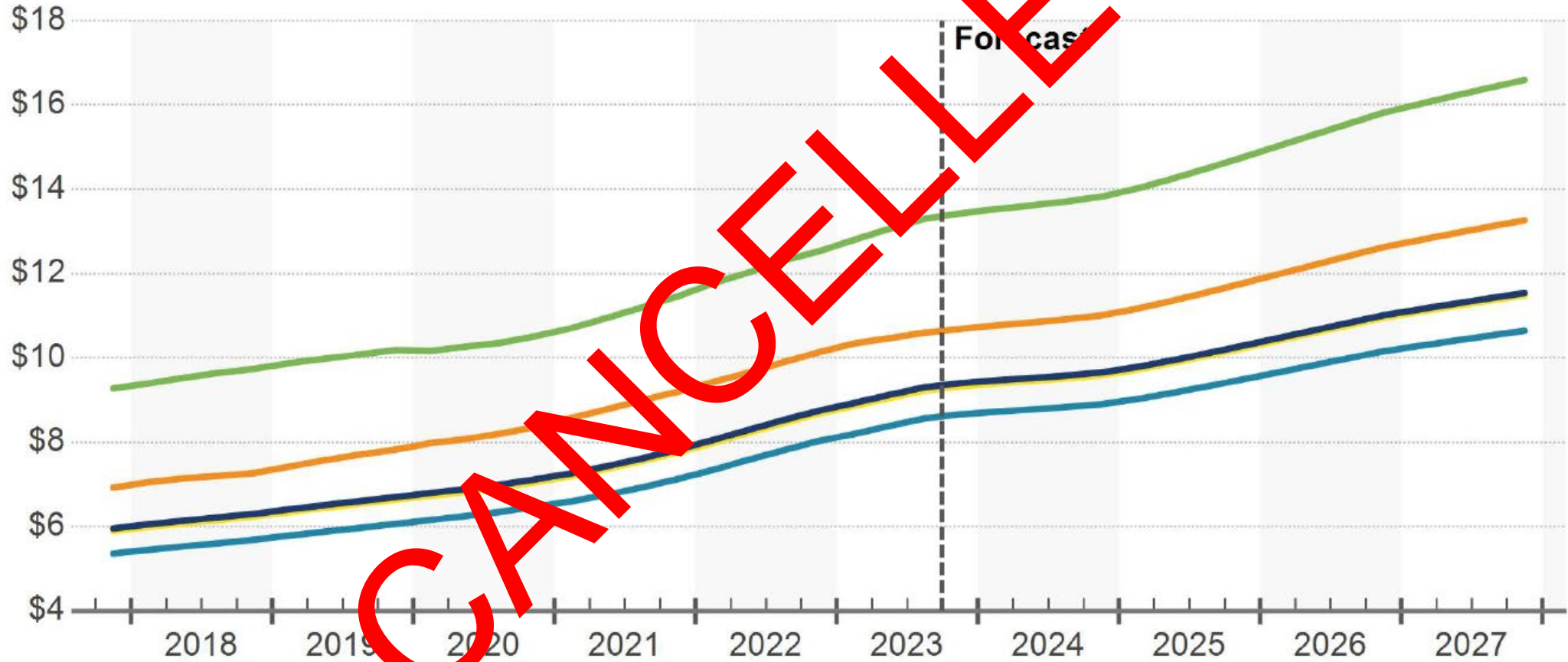
KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	22,578,007	2.7%	\$8.60	7.8%	127,889	0	977,390
Specialized Industrial	2,820,991	12.0%	\$10.63	11.1%	164,079	0	394,477
Flex	2,744,657	4.7%	\$13.35	4.2%	27,941	0	0
Submarket	28,143,655	3.8%	\$9.26	7.9%	319,909	0	1,371,867

AVAILABILITY RATE



MARKET RENT PER SQUARE FEET



Specialized Logistics Flex Arlington Dallas-Fort Worth

Construction

Arlington Industrial

All-Time Annual Avg. Square Feet

603,496

Delivered Square Feet Past 8 Qtrs

1,599,469

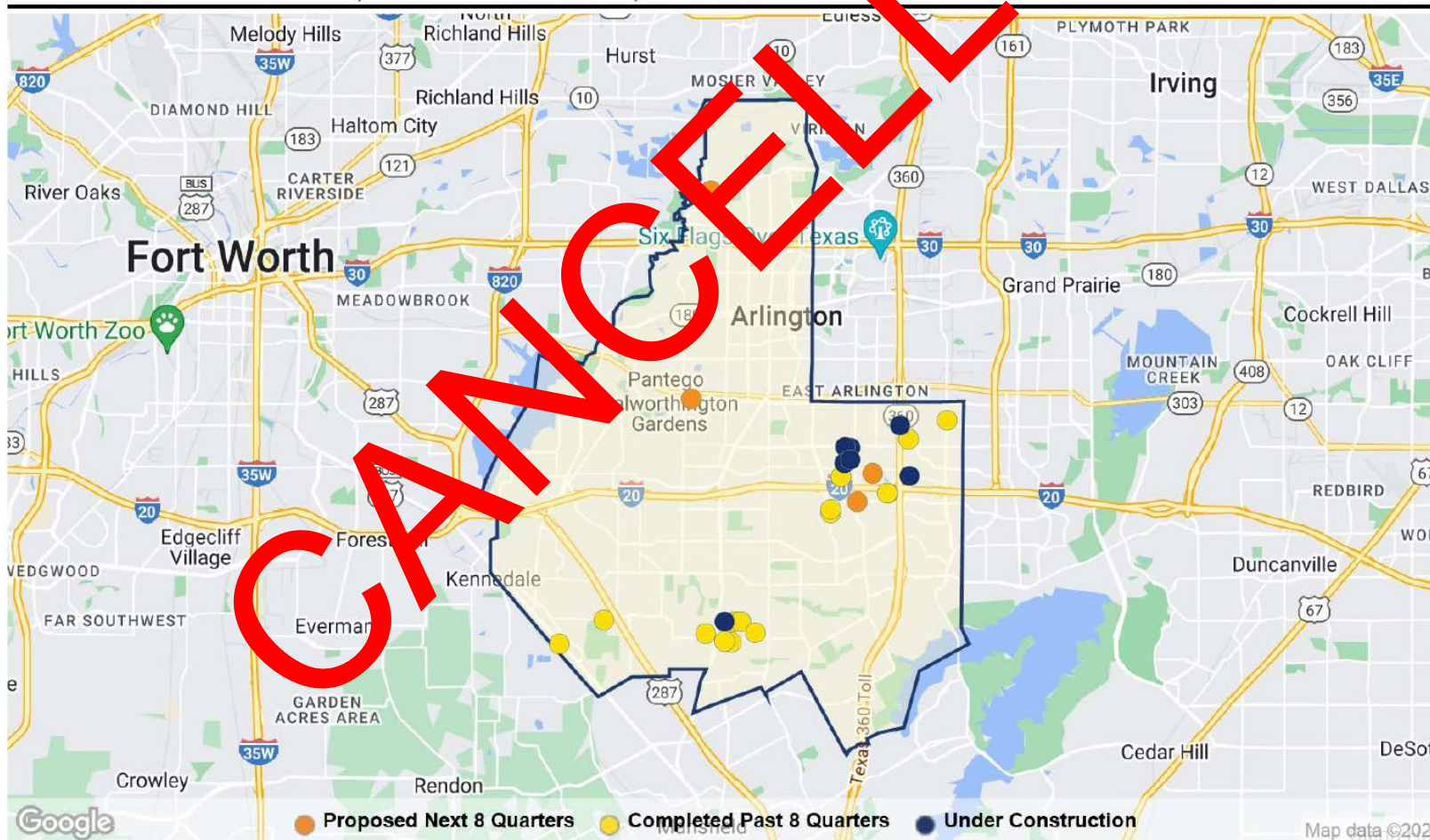
Delivered Square Feet Next 8 Qtrs

1,371,867

Proposed Square Feet Next 8 Qtrs

395,350

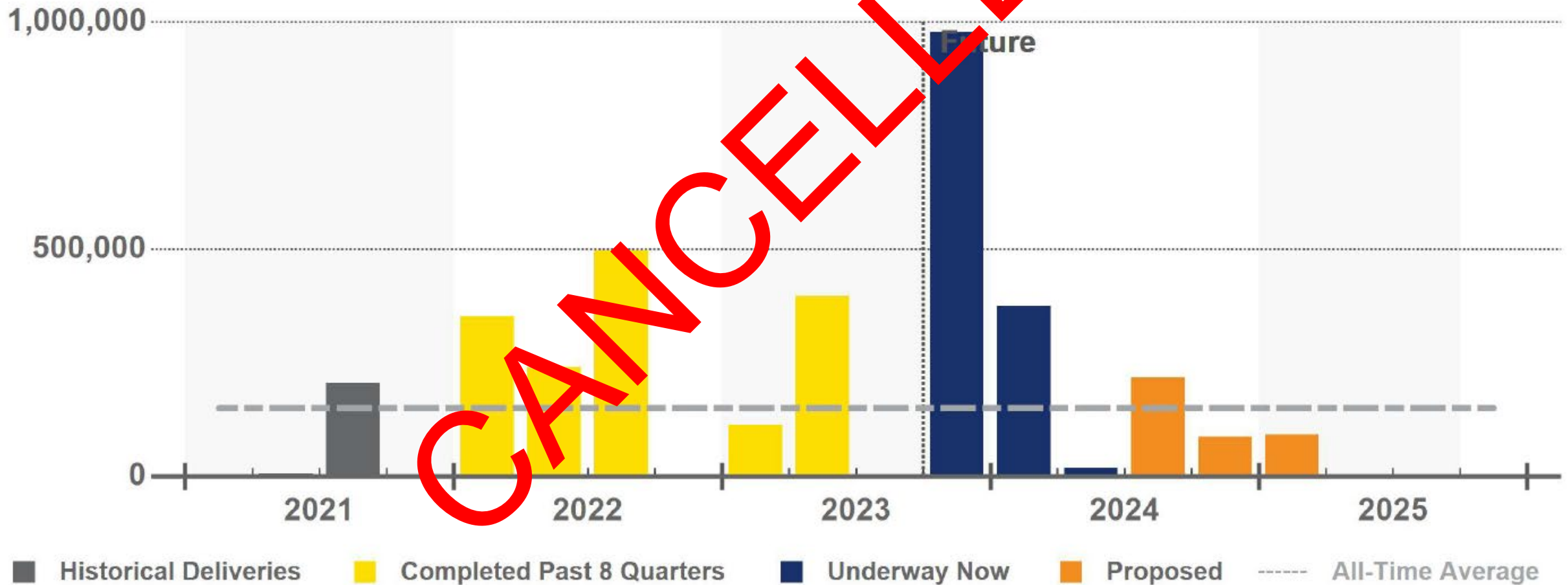
PAST 8 QUARTERS DELIVERIES, UNDER CONSTRUCTION, & PROPOSED



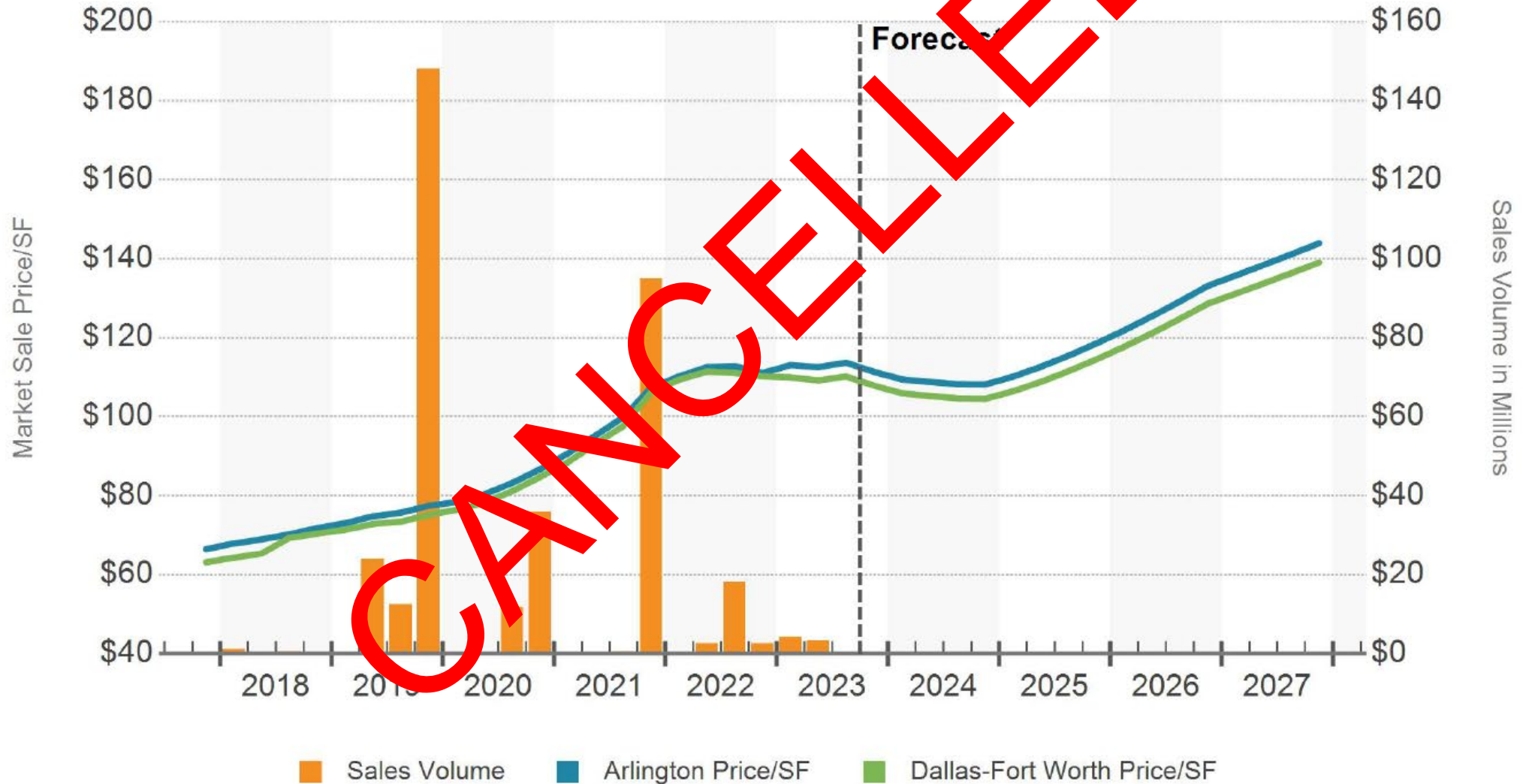
Construction

Arlington Industrial

PAST & FUTURE DELIVERIES IN SQUARE FEET



SALES VOLUME & MARKET SALE PRICE PER SF



Sales Past 12 Months

Arlington Industrial

Sale Comparables

31

Avg. Cap Rate

-

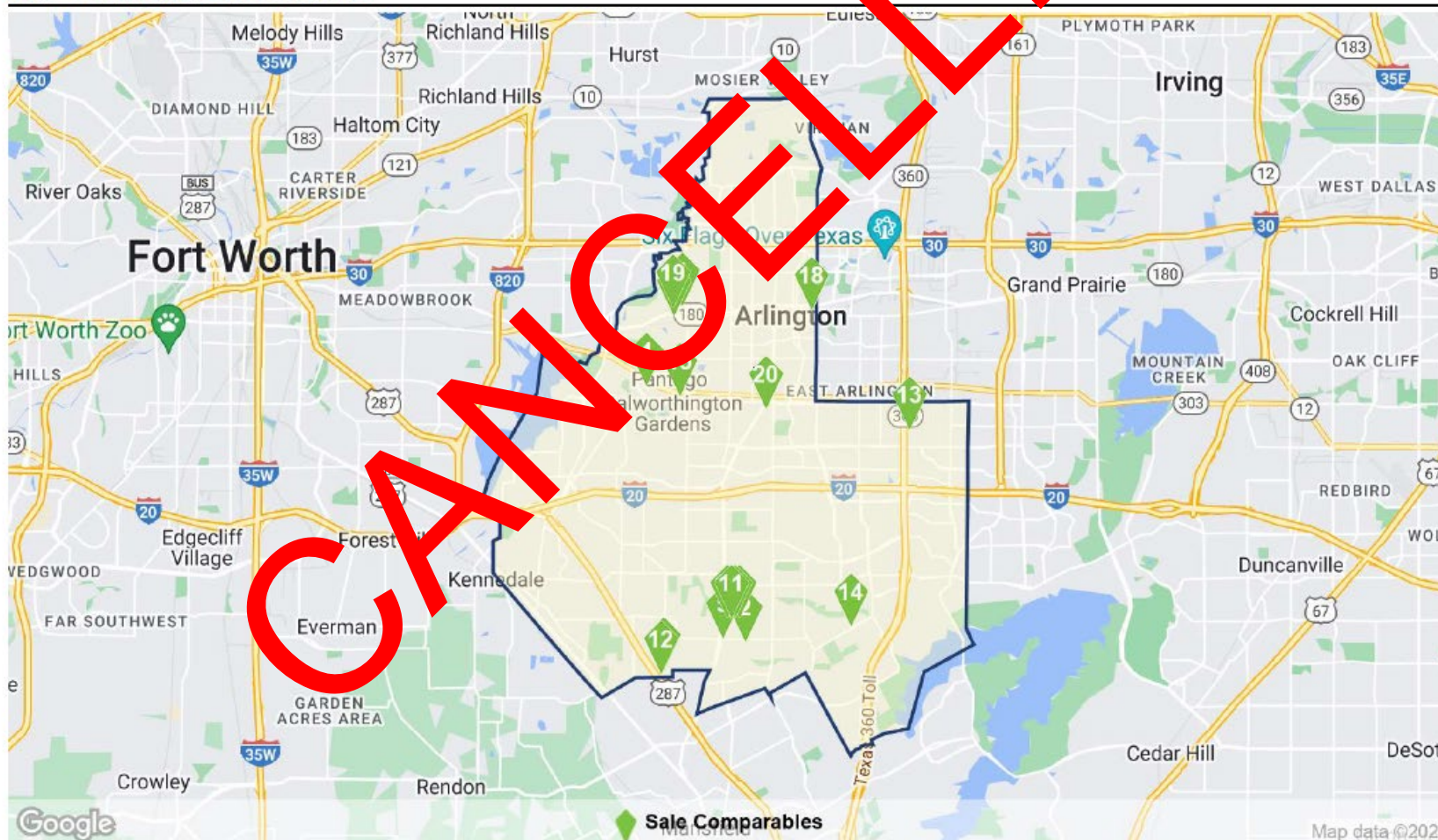
Avg. Price/SF

\$73

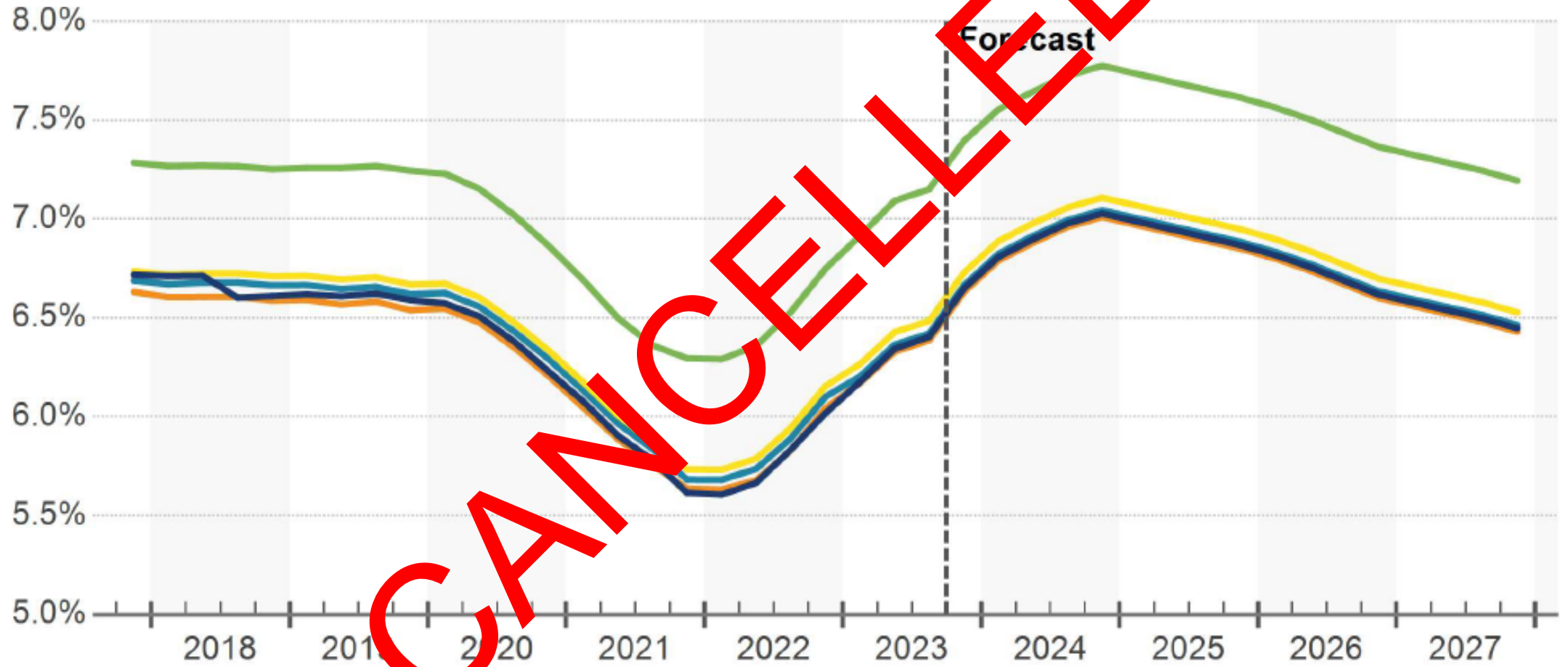
Avg. Vacancy At Sale

0.2%

SALE COMPARABLE LOCATIONS



MARKET CAP RATE



Specialized Logistics Flex Arlington Dallas-Fort Worth

Staff Report



Arlington Economic Development Corporation Performance Agreement – Urban Tree Merchants	
Arlington Economic Development Corporation Meeting Date: 11-14-2023	Document Being Considered: Resolution

RECOMMENDATION

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

PRIOR BOARD OR COUNCIL ACTION

The Texas Manufacturing Assistance Center Incentive Project was approved by the Economic Development Corporation Board on May 30, 2023 after a public hearing. The Texas Manufacturing Assistance Center Incentive Project was approved by the City Council on June 13, 2023.

ANALYSIS

Urban Tree Merchants is a sawmill, slab retailer, and custom woodworking company based currently in Arlington, Texas.

Urban Tree Merchants has requested funding from the Arlington Economic Development Corporation to execute an agreement with the Texas Manufacturing Assistance Center (TMAC) for improving the efficiencies and workflow of the woodshop, developing a system for tracking time spent on projects to better understand company inefficiencies, to update company inventory and to switch to a new inventory management system.

Under the proposed Performance Agreement, Urban Tree Merchants would be required to utilize the business transformation contract for 4 full-time employees and hire 2 employees after the assessment is performed.

The AEDC would provide a performance grant of up to \$5,000 as reimbursement for the scope of work TMAC has provided to Urban Tree Merchants, who must engage TMAC's services by February 28, 2024.

FINANCIAL IMPACT

The total financial impact of this agreement is \$5,000. Funding is available in the AEDC account no. 973005.

ADDITIONAL INFORMATION

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

STAFF CONTACTS

Jasmine Amo
Economic Development Specialist
Arlington EDC
817-459-6450
Jasmine.Amo@arlingtontx.gov

Broderick Green
Executive Director
Arlington EDC
817-459-6432
Broderick.Green@arlingtontx.gov

CANCELLED

ARLINGTON ECONOMIC DEVELOPMENT CORPORATION
Resolution No. _____

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

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

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

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

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

WHEREAS, City Heart, LLC dba Urban Tree Merchants (“Urban Tree Merchants”) is an Arlington business with a qualifying NAICS Code that is seeking to expand its operations and desires to use TMAC services to aid in its growth;

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

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

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

I.

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

II.

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

III.

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

PRESENTED AND PASSED on this the 14th day of November 2023, 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 _____

CANCELLED

Exhibit "A"
Performance Agreement

CANCELLED

THE STATE OF TEXAS §
§
COUNTY OF TARRANT §

Performance Agreement

THIS Performance Agreement (hereafter referred to as “Agreement”) is executed on _____, 2023 (the “Effective Date”), by and between **Geer Heart LLC dba Urban Tree Merchants**, 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 **ARLINGTON ECONOMIC DEVELOPMENT CORPORATION**, a Texas non-profit corporation acting by and through its authorized officer (hereafter referred to as “AEDC”).

WITNESSETH:

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 501.101 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 for the creation or retention of primary jobs; and found by the board to be required or suitable for development, retention, or expansion of manufacturing and industrial facilities. . .;” and

WHEREAS, the AEDC and Arlington City Council approved the Texas Manufacturing (TMAC) Incentive Project as a qualified project to fund the provision of TMAC trainings and services for Arlington firms with the following NAICS Codes: 311-339, 42, 48-49, 5413, and 54

WHEREAS, OWNER is a business that has been operating in the City of Arlington and serves customers around the Arlington area to design and create wood furniture, décor and other items;

WHEREAS, OWNER maintains primary jobs under qualified NAICS Codes in the City of Arlington as defined by Section 501.002 of the Texas Local Government Code and is seeking to further expand its operations in the City; and

WHEREAS, OWNER has applied for funding through the TMAC Project to utilize TMAC services to investigate methods to improve the efficiency of its operations so as to enable the company to add new jobs and capacity in its Arlington facility; and

WHEREAS, the AEDC’s Board of Directors have determined that the financial assistance provided to OWNER through the TMCA Incentive Project pursuant to this Agreement is consistent with and meets the definition of “project” as that term is defined in Chapter 501 of the Texas Local Government Code, and in particular Section 501.101; and the definition of “cost” as that term is defined by Section 501.152 of the Texas Local Government Code;

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

I.
Definitions

- A. "Business Operations" is defined as headquarters and primary workshop for Urban Tree Merchants, a business that designs and creates wood furniture and decorative items.
- B. "Job" is defined as a permanent, full-time employment position that results in actual paid employment of an employee, not independent contractor, at the Premises of at least 1,820 hours per position in a year. It shall not include part time employees.
- C. "Premises" are defined as the real property, land and improvements located at 2205 West Division Street, Suite C-3, Arlington, TX 76012.
- D. "TMAC Services" are defined as industrial engineering consulting services to be provided by TMAC, including all reasonable labor and material costs associated with the services.

II.
Term

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

III.
Conditions and Requirements

- A. OWNER shall engage the TMAC services by no later than February 28, 2024.
- B. OWNER shall maintain its Business Operations at the Premises for the Term of this Agreement.
- C. OWNER shall retain no less than two (2) existing Jobs throughout the Term of this Agreement. Any new jobs created during the term will be retained throughout the remaining Term of this Agreement. All Jobs created and retained shall be salaried exempt positions with average annual wage that exceeds the median wage for Tarrant County (determined by the Median Earnings for Workers as reported by the most recent American Community Survey).

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

IV
AEDC Funding

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

V
Records, Audits, and Inspections

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

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

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

VI. **Use of Premises**

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

VII. **Breach and Recapture**

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

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

VIII.
Undocumented Workers

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

IX.
Effect of Sale or Lease of Property

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

X.
Notice

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

OWNER:

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

cc: Arlington Economic Development Corporation

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

XI.
City Council Authorization

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

XII.
Severability

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

XIII.
Estoppel Certificate

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

XIV.
Owner's Standing

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

XV.
Applicable Law

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

XVI.
Indemnification

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

XVII.
Force Majeure

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

XVIII.
No Other Agreement

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

XIX.
Headings

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

XX.
Successors and Assigns

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

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

XXI.
Petition for Election

OWNER acknowledges that this Agreement is an economic development project as defined by Section 501.103 of the Texas Local Government Code. Pursuant to Section 505.160 of the Texas Local Government Code, if a petition from more than ten (10) percent of the registered voters in the City of Arlington is filed within sixty (60) days of the publication notice of this project, which was published on April 14, 2023, 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 successfully approved by the voters. If a valid petition is filed, OWNER may request that this Agreement be terminated prior to any such election.

[Signature Page to Follow]

CANCELED

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

OWNER.

BY _____
[Name]
President
Date _____

WITNESS:

**ARLINGTON ECONOMIC
DEVELOPMENT CORPORATION**

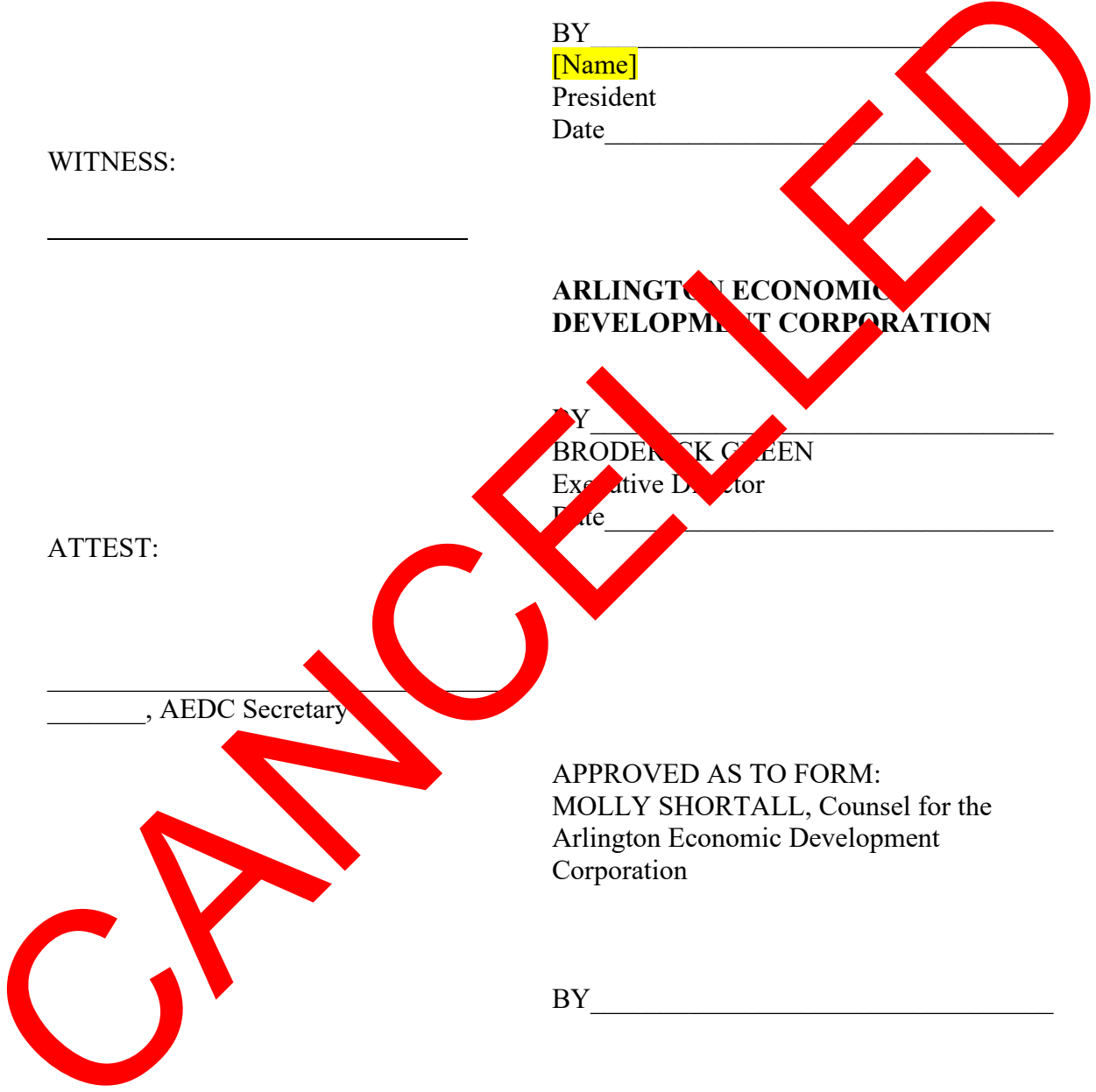
BY _____
BRODERICK GREEN
Executive Director
Date _____

ATTEST:

_____, AEDC Secretary

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

BY _____



THE STATE OF TEXAS §
§
COUNTY OF _____ §

**GEER HEART LLC dba
URBAN TREE MERCHANTS**
Acknowledgment

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared [NAME], 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 **GEER HEART LLC dba URBAN TREE MERCHANTS**, an entity duly authorized to do business in the State of 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 _____, 2023.

Notary Public in and for
The State of Texas

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 **BRODERICK GREEN**, 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 **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 _____, 2023.

Notary Public in and for
The State of Texas

My Commission Expires

Notary's Printed Name