

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

**AGENDA
September 10, 2024 AT 4:00 p.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. August 20, 2024 Meeting
- III. Items for Action:
 - A. A resolution adopting FY25 Budget for the Arlington Economic Development Corporation
 - B. A resolution authorizing the Executive Director of the Arlington Economic Development Corporation to execute a Second Amendment to the 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.
- IV. 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.
- V. Executive Director's Report
 - A. Staffing Update
- VI. Future Agenda Items
- VII. Adjourn

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

**MINUTES OF THE
ARLINGTON ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS
August 20, 2024**

The Board of Directors of the Arlington Economic Development Corporation convened in Regular Session on August 20, 2024, at 4:00p.m., in Arlington City Hall, 3rd Floor, 101 W. Abram Street, Arlington, Texas, with the meeting being open to the public and notice of said meeting, giving the date, place and subject thereof, having been posted as prescribed by V.T.C.A., Government Code, Chapter 551, with the following members present, to-wit:

Board Members:

Michael Jacobson	§	President
Mojoy Haddad	§	Vice President
John Whiteley	§	Treasurer
Gerald Alley	§	Board Member
Paul Corson	§	Board Member

Absent:

Jollyn Mwisongo	§	Secretary
Carmenza Moreno	§	Board Member

And

Marty Wieder	Executive Director
Trey Yelverton	City Manager
Jonathan Moss	Senior Attorney
Lyndsay Mitchell	Director of Strategic Initiatives
Gus Garcia	Director of Economic Development
Raja Saravanan	Business Intelligence and Marketing Analyst
Ethan Klos	Treasurer
Erin Clark	Public Funds Administrator
Stephanie Dimas	Senior Public Finance Analyst
Marcus Young	Economic Development Specialist
Josh Mejia	Economic Development Specialist
Kevin McGlaun	Real Estate Consultant
Erica Yingling	Coordinator

I. Call to Order

President M. Jacobson called the meeting to order at 4:07 p.m.

II. Consideration of Minutes

A. July 30, 2024 Meeting

Vice President M. Haddad made a motion to approve the minutes of the July 30, 2024, Board meeting. Seconded by Board Member J. Whiteley, the motion carried with 4 ayes and 0 nays.

Approved

President M. Jacobson welcomed new Board Member, Paul Corson.

III. Standing Reports

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

Marty Wieder, Executive Director, presented the reports. Mr. Wieder stated that the overall industrial industry in the Great Southwest Industrial District is healthy. Board Member M. Haddad questioned the commercial rental prices. Raja Saravanan, Business Intelligence and Marketing Analyst, confirmed. No further questions.

IV. Budget Presentation

Erin Clark, Public Funds Administrator, presented an overview of the proposed budget for the AEDC for Fiscal Year 2025. Ethan Klos, Treasurer, provided additional information related to the budget.

V. Executive Session

At 4:37 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

Board Member G. Alley departed at 5:45 p.m.

At 5:55 p.m., President M. Jacobson announced the Executive Session was

adjourned, and the Board immediately reconvened in Open Session.

VI. Executive Director's Reports

- A. Staffing Update
- B. New Offices Update
- C. Recent Presentations

Marty Wieder, Executive Director, presented. The Staffing Update included an announcement regarding departure of two employees and the addition of new hire, Stephanie Mullins, who will attend the next meeting. He also stated that he has amended the organization chart by adding a second assistant executive director position to be advertised in the future. Renderings of the Welcome Center and new offices were shown to the board. Marty announced recently attended and upcoming events.

VII. Future Agenda Items

No future agenda items requested.

VIII. Adjourn

There being no further business, the meeting was adjourned at 6:00 p.m.

Staff Report



Arlington Economic Development Corporation Budget

AEDC Meeting Date: 09-10-2024

Document Being Considered: Resolution

RECOMMENDATION

Approve a resolution approving the FY2025 budget for the Arlington Economic Development Corporation.

ANALYSIS

The proposed FY2025 budget is intended to cover the costs associated with the upcoming fiscal year's operation of the Corporation. The budget reflects the anticipated revenues to be received through the .25 cent sales tax in fiscal year 2025 and covers personnel costs, supplies, internal services like legal and finance expenses to support the EDC. The budget also provides funding for potential project investments that could be considered by the Corporation in fiscal year 2025.

FINANCIAL IMPACT

The budget is funded through the .25 cent sales tax approved in the 2020 election by Arlington residents.

ADDITIONAL INFORMATION

Attached:	Resolution
Under Separate Cover:	None
Available in the City Secretary's Office:	None

STAFF CONTACT(S)

Marty Wieder	Erin Clark
Executive Director	Public Funds Administrator
Marty.Wieder@arlingtontx.gov	Erin.Clark@arlingtontx.gov

ARLINGTON ECONOMIC DEVELOPMENT CORPORATION
Resolution No. _____

A resolution of the Board of Directors approving and adopting the Fiscal Year 2025 Budget for the Arlington Economic Development Corporation.

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

I.

That the Board of Directors of the Arlington Economic Development Corporation hereby approves and adopts the FY2025 Budget for the Arlington Economic Development Corporation.

II.

A substantial copy of the FY2025 Budget for the Arlington Economic Development Corporation is attached hereto and incorporated herein for all intents and purposes.

III.

In accordance with Section 501.073 of the Texas Local Government Code, the FY2025 Budget for the Arlington Economic Development Corporation shall be presented to the Arlington City Council for approval.

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

Michael Jacobson, President

ATTEST:

Martha Garcia, Acting Assistant Secretary

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

BY Jonathan Moss

Arlington Economic Development Corporation FY25 Budget

Arlington Economic Development Corporation FY25 Budget

	FY2023 Actual	FY2024		FY2025 Budget
		Budget	Estimate	
Fund 8050 Revenues				
Sales Tax	23,849,011	23,276,930	25,000,735	26,219,454
Interest	912,453	2,200,241	2,014,149	2,684,210
Miscellaneous	24,750	-	-	-
Net increase/decrease in FMV of investments	248,816	-	-	-
Fund 8050 Total - REVENUES	25,035,029	25,477,171	27,014,884	28,903,664
973010 EDC Operations				
Salaries				
Salaries	445,315	674,492	412,956	1,633,223
	445,315	674,492	412,956	1,633,223
Benefits				
Benefits: Workers Comp	644	763	600	2,450
Benefits: EE Retirement	45,058	72,626	44,657	191,455
Benefits: Disability Income Plan	755	1,484	882	3,593
Benefits: EE Insurance	40,048	64,022	29,139	128,044
Benefits: Medicare	6,466	9,779	6,026	23,682
Benefits: Thrift Plan	17,420	18,096	13,902	-
Benefits: Car Allowance	5,200	5,200	4,771	5,200
Benefits: Phone Allowance	600	2,392	576	600
Benefits: Longevity	42	210	168	588
Deferred Comp 401K Payable	698	-	-	-
Cigna Life Insurance Payable	17	-	-	-
L-T Disability Payable	38	-	-	-
	116,986	174,572	100,721	355,611
Supplies				
Office Supplies	1,707	10,000	2,071	10,000
Signage	-	3,000	-	3,000
Supplies/Computer Hardware	4,932	22,000	6,901	22,000
Office Furniture/Fixtures/Equipment	-	60,000	-	60,000
Cost of Food & Beverage	490	25,000	2,893	10,000
Rental of office space	-	30,000	-	19,500
	7,129	150,000	11,865	124,500
Contracts and Special Services				
Special Services	462,387	500,000	432,570	245,000
Securing of properties	489	-	-	-
Professional Services	40,304	200,000	135,451	150,000
	503,180	700,000	568,021	395,000
Utilities				
Office Utilities - Electric service	-	20,000	-	20,000
	-	20,000	-	20,000
Maintenance and Repairs of Buildings				
Maintenance of Buildings (tenant improvements)	31,693	1,000,000	264,685	1,000,000
	31,693	1,000,000	264,685	1,000,000
Advertising & Marketing				
Marketing, Promotion, and Advertising	102,369	750,000	349,991	750,000
Employee Reimbursement Non-Travel/Training	952	5,000	473	5,000
	103,321	755,000	350,464	755,000
Travel, Training, and Memberships				
Memberships	13,750	50,000	17,864	40,000
Travel/Training Metroplex	4,032	10,000	5,122	10,000
Travel/Training Non Metroplex	8,663	78,050	6,253	50,000

Arlington Economic Development Corporation FY25 Budget

	FY2023 Actual	FY2024		FY2025 Budget	
		Budget	Estimate		
Targeted Industry Recruitment Travel	45,790	50,000	18,937	40,000	
	72,235	188,050	48,176	140,000	
Interdepartmental Expense					
Interdepartmental Expenses General Services Charges	1,123	6,000	1,573	3,000	
Supplies / Computer Software	-	250,000	92,959	217,000	
	1,123	256,000	94,532	220,000	
Interfund Transfers (General Fund)					
Direct Support positions	254,250	257,737	257,737	479,123	
Indirect costs (fractional services of all City service departments)	-	-	-	516,474	
	254,250	257,737	257,737	995,597	
973010 Total - OPERATIONS	1,535,232	4,175,851	2,109,156	5,638,931	
973005 EDC Projects					
Projects					
Prior year funding available for projects	-	-	-	-	
Current year funding available for projects	-	-	-	-	
Committed projects as of FY24	Bell Textron Inc.	1,000,000	1,500,000	1,500,000	-
	Six Flags Southeast Project / Intercon Environmental	286,316	-	-	-
	Center Street Gateway Project	5,845,034	1,500	1,500	-
	First Rate	500,000	500,000	500,000	500,000
	TMAC	-	50,000	5,000	95,000
	Small Business Initiatives	-	550,000	550,000	550,000
	Sportec (startup incentive)	-	750,000	750,000	250,000
	Sportec (hiring grant)	-	-	-	10,000
	Town North Redevelopment	-	-	-	-
	Go For Three / Sheraton - 6(a) Parking Facility	-	-	-	2,333,333
	Go For Three / Sheraton - 5(a)i Permit/Completion	-	-	-	-
	FBO property acquisition / airport development	-	9,500,000	9,500,000	-
	Espace	-	-	-	2,500,000
	Eden Cooper Business Park	-	-	-	3,407,000
	Project Orange Caravan Hotel Redevelopment	-	-	-	-
Project Orange VBI Group, Inc. dba Ikon Technologies	-	-	-	7,000,000	
973005 Total - PROJECTS	7,631,350	12,851,500	12,806,500	16,645,333	
TOTAL EXPENDITURE BUDGET	9,166,582	17,027,351	14,915,656	22,284,264	
FY25 Amount Available for Projects (unencumbered fund balance)				73,724,659	

Staff Report



Second Amendment to the espace Inc. Master Agreement	
Arlington Economic Development Corporation Meeting Date: 09-10-2024	Document Being Considered: Resolution

RECOMMENDATION

Approve a resolution authorizing the Executive Director of the Arlington Economic Development Corporation to execute a Second Amendment to 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

On April 16, 2024, following a public hearing, the Arlington Economic Development Corporation Board of Directors approved Resolution No. 24-005 authorizing the execution of 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.

On April 23, 2024, City Council approved Resolution No. 24-108 authorizing the execution of a Master Agreement with espace Inc. and the Arlington Economic Development Corporation, relative to the establishment of a North American headquarters and manufacturing facility at the Arlington Municipal Airport.

On June 18, 2024, the Arlington Economic Development Corporation approved Resolution No. 24-010 authorizing the execution of a First Amendment to the Master Agreement with espace Inc. and the Arlington Economic Development Corporation, relative to the establishment of a North American headquarters and manufacturing facility at the Arlington Municipal Airport.

On June 25, 2024, City Council approved Resolution No. 24-179 authorizing the execution of a First Amendment to the Master Agreement with espace Inc. and the Arlington Economic Development Corporation, relative to the establishment of a North American headquarters and manufacturing facility at the Arlington Municipal Airport.

ANALYSIS

In April 2024, a Master Agreement with espace Inc. (E-Space) was executed to facilitate the development of a North American headquarters, manufacturing facility, hangar space, and other improvements at Arlington Municipal Airport.

The Master Agreement stipulates several milestone deadlines to ensure project progress. The first amendment to the agreement provided that E-Space must execute a lease for initial existing industrial space in Arlington by August 29, 2024. Over the past several months, E-Space has diligently pursued lease space in Arlington within a very tight industrial market. They are actively negotiating on their preferred site and hope to have a lease finalized very soon. Therefore, the proposed amendment to the agreement extends the deadline for execution of initial lease space to December 31, 2024.

Due to this delay, to allow time for E-Space to execute a lease agreement and complete several other milestones required in the Master Agreement, the proposed amendment also extends the deadline for execution of the subsequent agreements (Development, Performance, Lease, and Ground Lease agreements) to April 30, 2025.

FINANCIAL IMPACT

None.

ADDITIONAL INFORMATION

Attached:

Resolution and Second Amendment to
Master Agreement

Under separate cover:

None

Available in the City Secretary's office:

None

STAFF CONTACTS

Lyndsay Mitchell, AICP, CPM
Director of Strategic Initiatives
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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 Second Amendment to 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”), AEDC, and the City of Arlington (“City”) entered into that certain Master Agreement dated May 1, 2024, subsequently modified by that certain First Amendment to Master Agreement, dated July 24, 2024 (the Master Agreement and First Amendment to Master Agreement collectively hereinafter referred to as “Agreement”) pertaining to the establishment of a North American headquarters and manufacturing facility at the Arlington Municipal Airport; and

WHEREAS, Company, AEDC, and City desire to amend the Agreement in certain respects; NOW THEREFORE

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

I.

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

II.

That the Board of Directors of the Arlington Economic Development Corporation hereby authorizes the Executive Director to execute a Second Amendment to 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 Second Amendment to 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:

Martha Garcia, Acting Assistant Secretary

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

BY Molly Shortall

Second Amendment

THE STATE OF TEXAS §
 §
COUNTY OF TARRANT §

Second Amendment to Master Agreement

THIS SECOND AMENDMENT TO MASTER AGREEMENT (hereinafter referred to as “Second Amendment”) 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”).

W I T N E S S E T H:

WHEREAS, Company, AEDC, and CITY entered into that certain Master Agreement dated May 1, 2024, subsequently modified by that certain First Amendment to Master Agreement, dated July 24, 2024 (the Master Agreement and First Amendment to Master Agreement collectively hereinafter referred to as “Agreement”) pertaining to the establishment of a North American headquarters and manufacturing facility at the Arlington Municipal Airport; and

WHEREAS, Company, AEDC, and CITY desire to further amend the Agreement in certain respects; NOW THEREFORE

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

1. Section II.A. shall be amended to read as follows:
 - 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 December 31, 2024.
2. Section VI. shall be amended to read as follows:

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 April 30, 2025 (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.

3. Except as modified by this Second Amendment, the Agreement shall remain in full force and effect and this Second Amendment shall be binding upon Company, AEDC, and CITY and their respective successors and assigns. If any inconsistency exists or arises between the terms of this Second Amendment and the Agreement, the terms of this Second Amendment shall prevail. This Second Amendment shall be governed by the laws of the State of Texas.
4. This Second Amendment, together with the Agreement, embodies the entire agreement and understanding between Company, AEDC, and CITY regarding the subject matters therein. Any and all prior or contemporaneous oral or written representations, agreements, understandings, or statements other than those set forth in the Agreement or this Second Amendment are of no force and effect.
5. If any term or provision of this Second Amendment is found to be invalid, illegal, or unenforceable, the remaining terms and provisions of this Second Amendment cannot be affected thereby, and each term and provision of this Second Amendment will be valid and enforceable to the fullest extent permitted by law.
6. Company, AEDC, and CITY hereby ratify and confirm the Agreement, as amended by this Second Amendment.
7. This Second Amendment may be executed in multiple counterparts, each of which shall constitute an original, but all of which shall constitute one document.

(Remainder of page intentionally left blank. Signature page follows)

IN WITNESS WHEREOF, each party has caused this Second Amendment to be executed on the date indicated above.

espace, Inc.

BY _____

Name _____

Title _____

WITNESS:

CITY OF ARLINGTON, TEXAS

BY _____

TREY YELVERTON

City Manager

ATTEST:

MARTHA GARCIA, Acting City Secretary

APPROVED AS TO FORM:
MOLLY SHORTALL, City Attorney

BY _____

**ARLINGTON ECONOMIC
DEVELOPMENT CORPORATION**

BY _____
MARTY WIDER
Executive Director

ATTEST:

_____, AEDC Secretary

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

BY _____