MEETING OF THE BOARD OF DIRECTORS
OF THE
CITY OF ARLINGTON TAX INCREMENT REINVESTMENT ZONE NUMBER ONE
(“Downtown TIRZ”)

Agenda
August 16, 2021, 2021 AT 1:15 PM
Council Briefing Room
THIRD FLOOR
ARLINGTON CITY HALL
101 W. ABRAM ST. ARLINGTON, TEXAS

I. Call to Order

II. Approval of Minutes from the June 11, 2021 Meeting.

III. Items for Action

1. Approve a resolution authorizing the Chair of the Board of Directors of Tax Increment Reinvestment Zone Number One to execute a First Amendment to the Tax Increment Reimbursement Agreement by and between Urban Front, LLC and the Board of Directors for Tax Increment Reinvestment Zone Number One, City of Arlington, Texas- Downtown.

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

A. Section 551.071, CONSULTATION WITH ATTORNEY

B. Section 551.087, DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS

V. Requests for Future Agenda Items

VI. Consideration of a Date for Next Meeting

VII. Adjourn

This facility is wheelchair accessible. For accommodations or sign interpretive services, please call the City Manager's Office at 817.459.6100, 48 hours in advance.
The TIRZ #1 Board of Arlington, Texas, convened in open session at 10:03 a.m., in the Council Briefing Room, Municipal Building, 101 West Abram, Arlington, Texas notice of said meeting being posted as prescribed by Chapter 551, V.T.C.A., Government Code, with the following members present, to wit:

**Members Present**
- Bob Johnson
- J.R. Labbe
- Barbara Odom – Wesley
- Devan Allen
- Rebecca Boxall
- Raul Gonzalez
- Mayor Jeff Williams

**Members Absent**
- Amy Cearnal
- Susan Alanis

**Others Present**
- Jim Parajon, City Deputy Manager
- Bruce Payne, Economic Development
- Molly Shortall, Legal
- Natalie Raulston, CLA
- Paul Cary, Sutton Frost Cary
- Bill Green, Sutton Frost Cary
- Ken Crawford, Sutton Frost Cary

I. **Call to Order**

Mayor Jeff Williams called the meeting to order at 10:03 a.m.

II. **Approval of Minutes**

Approval of minutes from the May 7, 2021 meeting.

Barbara Odom-Wesley moved to approve the minutes from the May 7, 2021 meeting. Bob Johnson seconded the motion. The motion carried (Ayes: 7, Nays: 0).

III. **Items for Action**

Approve a resolution authorizing the Chair of the Board of Directors to execute a TIRZ Chapter 380 Grant Agreement by and between Sutton Frost Cary LLP and the Board of Directors of Tax Increment Reinvestment Zone Number One, City of Arlington, Texas.

Jim Parajon, City Deputy Manager, presented an overview of the project. Sutton Frost Cary, LLP is a full-service regional accounting firm with eight owners, five that are Arlington residents and
six that are UT Arlington graduates, with 30 years of experience. The firm has two locations, one in Fort Worth and one in Arlington, and the owners are seeking to consolidate in Downtown Arlington. The firm has shown philanthropic support to the community and has contributed financial support and volunteer time to several local organizations.

The company has agreed to provide a minimum of one financial literacy course to the public in response to the Arlington Unity Council's report on economic disparity. In response to labor shortages and the desire to advance workplace diversity, the firm also plans to expand their internship program with UT Arlington and possibly local high schools.

Mr. Parajon detailed the funding request for the two-story building proposed for 100 E. Front Street. The first floor is planned for a restaurant with 5,500 combined gross square feet and a retail side with 5,000 gross square feet. Sutton Frost Cary will occupy the second level office space with 11,350 combined gross square feet. The total building square footage is 21,000 square feet and will cost $6.6 million to construct. The cost for equipment, machinery and furnishings is $300,000.

The project will create 10 jobs ranging from $76,000 to $425,000 in salaries and will retain 35 jobs.

The firm is requesting $500,000 that would be paid over three periods. During the first period, the grant would be paid upon receipt of the Certificate of Occupancy. The agreement requires the company to deliver measures set in the agreement over the term of the agreement until 2030. The agreement includes a recapture clause in the case the company does not meet the performance measures set in the agreement.

The company will be required to construct a 21,000 square foot building with occupancy by the end of 2022, maintain 45 jobs and provide one financial literacy course per year. The company will also be required to meet a 30% MWBE goal.

The company plans on submitting construction plans in July and expected to complete construction in September 2022.

J.R. Labbe suggested for Sutton Frost Cary to commit to providing more than one literacy course per quarter to create a larger impact on the community.

Bob Johnson inquired if the company would occupy the first and second level of the building. Jim Parajon stated the company would move to the second floor, and the company owners own the building and land. On the first floor the company will seek a tenant to occupy the space.

Bob Johnson also inquired if the City has already provided incentives to other projects on the same property. Jim Parajon stated the City has an agreement with Dodson Companies on the Urban Front project for public improvements along the street and detailed the improvements.

Bob Johnson asked for clarification about project criteria and eligibility for the Economic Development Corporation and TIRZ funds. Jim Parajon stated Staff would schedule a detailed work session to discuss the TIRZ #1 strategy and goals in detail with the Board of Directors.
Mayor Williams moved to approve the resolution. Raul Gonzalez seconded the motion. The motion carried (Ayes: 5, Nays: 2).

IV. Executive Session
Discussion of matters permitted by Chapter 551 of V.T.C.A. Government Code:

A. Section 551.071, CONSULTATION WITH ATTORNEY
B. Section 551.087, DELIBERATIONS REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS

Not held

V. Requests for Future Agenda Items
The Board of Directors requested a work session to discuss TIRZ responsibilities.

VI. Consideration of a Date for Next Meeting
N/A

VII. Adjourn
There being no further business, the meeting was adjourned at 11:25 a.m.

NOTE: Taped recordings and minutes of all Board meetings are a matter of public record and are kept on file in the City Manager's Office, 101 W. Abram Street, Arlington, Texas. Any committee member or interested party has the right to review these tapes and minutes at the City Manager's Office.
RECOMMENDATION
Approve a resolution authorizing the Chair of the Board of Directors of Tax Increment Reinvestment Zone Number One to execute a First Amendment to the Tax Increment Reimbursement Agreement by and between Urban Front, LLC and the Board of Directors for Tax Increment Reinvestment Zone Number One, City of Arlington, Texas- Downtown.

PRIOR BOARD OR COUNCIL ACTION
On May 8, 2018, City Council approved Resolution No. 18-099 authorizing the sale of 1.789 acres of land located at 198 North East Street and 115 North Mesquite Street to Front Street Village, LLC for the purpose of developing the land and including it into the Urban Front project.

On February 19, 2019, City Council approved Ordinance No. 19-007 approving the rezoning of certain property known as 322 and 400 East Division Street; 198 and 200 North East Street; 207 North Elm Street; 205, 213, 215, 301, and 500 East Front Street; and 115, 201, and 203 North Mesquite Street to Downtown Neighborhood Overlay (DNO) Planned Development (PD) for limited Downtown Business (DB) and Planned Development for limited Downtown Business (DB) uses, plus various General Commercial (GC) and Light Industrial (LI) uses, with a Development Plan.

On February 3, 2020, TIRZ #1 Board of Directors was briefed on the proposed Urban Front development.

On February 26, 2020, TIRZ #1 Board of Directors was briefed on the proposed Urban Front project and on past uses of TIRZ #1 funding for infrastructure purposes.

On June 19, 2020, the TIRZ #1 Board of Directors approved Resolution No. TIRZ1 20-04 authorizing a Tax Increment Reimbursement Agreement by and between Urban Front, LLC and the Board of Directors of Tax Increment Reinvestment Zone Number One, City of Arlington, Texas.

On June 23, 2020, City Council approved Resolution No. 20-164 accepting and approving Resolution No. TIRZ1 20-04 authorizing a Tax Increment Reimbursement Agreement by and between Urban Front, LLC and the Board of Directors of Tax Increment Reinvestment Zone Number One, City of Arlington, Texas.

ANALYSIS
Urban Front, LLC, proposes a modification to the Urban Front development, located on Front Street between North Mesquite Street and North East Street (100 East Front Street). The proposal is to sell the re-platted lot at the southeast corner of East Front Street and North Mesquite Street to 100 East Front LLC for the purpose of constructing a professional office building on the site. The new building would serve as the headquarters facility for Sutton Frost Cary, LLC. Because the new building location is where Urban Front has proposed to build one of four required buildings, the developer is proposing to modify his original site
layout to add an additional building (building #5) on the south side of East Front Street. The public improvements associated with the development, the cost of which will be reimbursed by the TIRZ, will remain unchanged. The reimbursement schedule has been adjusted to pay 50% of the cost of the public improvements after all improvements have been constructed and construction has commenced on at least one of the four required buildings; an additional 25% when one building has been issued a certificate of occupancy; and the final 25% reimbursement will be authorized after four buildings have been constructed and issued a certificate of occupancy. No additional funding is being requested.

FINANCIAL IMPACT
None.

ADDITIONAL INFORMATION
Attached: Resolution with agreement attached.
Under separate cover: None.
Available in the City Secretary’s Office: None.

STAFF CONTACT(S)
Bruce Payne, CEcD, AICP
Economic Development Director
817-459-6114
Bruce.Payne@arlingtontx.gov
Tax Increment Reinvestment Zone Number One, City of Arlington, Texas — Downtown

Resolution No. TIRZ1 21-__

A resolution authorizing the Chair of the Board of Directors of Tax Increment Reinvestment Zone Number One to execute a First Amendment to the Tax Increment Reimbursement Agreement by and between Urban Front, LLC and the Board of Directors for Tax Increment Reinvestment Zone Number One, City of Arlington, Texas - Downtown.

WHEREAS, on May 8, 2018, City Council approved Resolution No. 18-099 authorizing the sale of 1.789 acres of land located at 198 North East Street and 115 North Mesquite Street to Front Street Village, LLC for the purpose of developing the land and including it into the Urban Front project; and

WHEREAS, on February 19, 2019, City Council approved Ordinance No. 19-007 approving the rezoning of certain property known as 322 and 400 East Division Street; 198 and 200 North East Street; 207 North Elm Street; 205, 213, 215, 301, and 500 East Front Street; and 115, 201, and 203 North Mesquite Street (the “Property”) to Downtown Neighborhood Overlay (DNO) Planned Development (PD) for limited Downtown Business (DB) and Planned Development for limited Downtown Business (DB) uses, plus various General Commercial (GC) and Light Industrial (LI) uses, with a Development Plan; and

WHEREAS, on February 3, 2020, TIRZ #1 Board of Directors was briefed on the proposed Urban Front development; and

WHEREAS, on February 26, 2020, TIRZ #1 Board of Directors was briefed on the proposed Urban Front project and on past uses of TIRZ #1 funding for infrastructure purposes; and

WHEREAS on June 19, 2020, the TIRZ #1 Board of Directors approved Resolution No. TIRZ1 20-04 authorizing a Tax Increment Reimbursement Agreement by and between Urban Front, LLC and the Board of Directors of Tax Increment Reinvestment Zone Number One, City of Arlington, Texas (“Agreement”); and

WHEREAS on June 23, 2020, City Council approved Resolution No. 20-164 accepting and approving Resolution No. TIRZ1 2-04 authorizing the Agreement.
WHEREAS, Urban Front, LLC proposes to modify the site layout for the Urban Front development and requests revisions to the Agreement relative to the reimbursement schedule; NOW THEREFORE,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF TAX INCREMENT REINVESTMENT ZONE NUMER ONE, CITY OF ARLINGTON, TEXAS - DOWNTOWN:

I.

That the facts and recitations contained in the preamble of this Resolution are found and declared to be true and correct.

II.

That the Chair of the Board of Directors for Tax Increment Reinvestment Zone Number One, City of Arlington, Texas- Downtown is hereby authorized to execute a First Amendment Tax Increment Reimbursement Agreement (the “First Amendment”) by and between Urban Front, LLC and the Board of Directors for Tax Increment Reinvestment Zone Number One, upon the approval of the Agreement by the Arlington City Council.

III.

A substantial copy of the First Amendment is attached hereto as Exhibit “A.”

PRESENTED on the 16th day of August, 2021, at a meeting of the Board of Directors of Tax Increment Reinvestment Zone Number One, City of Arlington, Texas – Downtown, and passed and approved on the 16th day of August, 2021, of ___ ayes and ___ nayes.

______________________
CHAIRMAN

ATTEST:

______________________
BRUCE PAYNE
Economic Development Director
Exhibit “A”
STATE OF TEXAS §

COUNTY OF TARRANT §

FIRST AMENDMENT TO THE TAX INCREMENT REIMBURSEMENT AGREEMENT

BETWEEN

URBAN FRONT, LLC

AND

THE BOARD OF DIRECTORS OF TAX INCREMENT REINVESTMENT ZONE NUMBER ONE, CITY OF ARLINGTON, TEXAS - DOWNTOWN

THIS FIRST AMENDMENT TO THE TAX INCREMENT REIMBURSEMENT AGREEMENT (this “Amendment”) dated August 3, 2020 is executed by the Board of Directors of Tax Increment Reinvestment Zone Number One, City of Arlington, Texas - Downtown (the “TIF BOARD”), as established by the City of Arlington, a Texas municipal corporation of Tarrant County, Texas (“CITY”), and URBAN FRONT, LLC (hereinafter called “DEVELOPER”) as of this ______ day of ____________, 2021 (the “Execution Date”). All capitalized terms used and not defined herein have the meaning ascribed to them in the Agreement (defined below).

WITNESSETH:

WHEREAS, the Parties have entered into that certain Tax Increment Reimbursement Agreement, dated as of August 3, 2020 (the “Agreement”), pursuant to which the TIF BOARD provided DEVELOPER with reimbursement for certain public improvements pursuant to the TIF Project and Financing Plan in exchange for DEVELOPER developing certain property inside the TIF District; and

WHEREAS, the Parties intend to amend the Agreement to revise certain terms pertaining to the Private Improvements, and timeline for reimbursement;

NOW THEREFORE, in consideration of the foregoing and the mutual agreements, covenants, and payments authorized herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree that the Agreement is amended as follows:

1. **Private Development Plan.** Section 1 of the Agreement is hereby amended and restated in its entirety as follows:
Section 1. Private Development Plan.

DEVELOPER, in conjunction with the construction of at least four (4) new mixed-use buildings more fully described on Exhibit “A”, attached hereto and incorporated herein for all purposes, (the “Private Improvements”), agrees to construct certain Public Improvements (hereinafter defined), the costs of which qualify as Project Costs as defined in the TIF Act and the TIF Project and Financing Plan (the “Project Costs”). The Public Improvements and associated costs are those improvements shown on Exhibit “B”, attached and incorporated herein for all purposes, (the “Public Improvements”). The Private Improvements will be located within the Property shown on Exhibit “C” (the “Property”), which is located entirely within the CITY limits and within the TIF District. The Public Improvements shall be located within the public rights-of-way and/or easements dedicated to the CITY and/or in an area deed restricted or dedicated for public use.

2. DEVELOPER’S Obligations. Section 3 of the Agreement is hereby amended and restated in its entirety as follows:

Section 3. DEVELOPER’S Obligations.

3.1 DEVELOPER agrees, in consideration of the TIF BOARD’S reimbursement of the costs of the Public Improvements under this Agreement, to build the Public Improvements and build, or cause others to build, the Private Improvements, adjoining and served by the eligible Public Improvements for the benefit of the TIF District. DEVELOPER agrees to provide, or to cause to be provided, the City of Arlington a public easement for any Public Improvements not located on the Property and not in the public right-of-way or existing easements. All necessary documents related to the public easement dedications shall be executed by the property owner(s) prior to DEVELOPER receiving any reimbursement.

DEVELOPER shall complete the Public Improvements before being eligible to receive reimbursement from the TIF BOARD. DEVELOPER shall complete the Public Improvements on or before May 1, 2023. Completion of Public Improvements will be evidenced by the TIF BOARD’s receipt of: 1) proof of payment by DEVELOPER for design and construction of the Public Improvements; and 2) a Letter of Acceptance issued from the City for the Public Improvements.

DEVELOPER shall complete, or shall cause the completion of, at least four (4) buildings that comprise the Private Improvements on or before May 1, 2024. Completion of the Private Improvements will be evidenced by permanent not temporary certificates of occupancy being issued for at least four (4) new buildings.

DEVELOPER shall have no obligation to construct the Public Improvements if DEVELOPER elects not to construct the Private Improvements, or if for any reason
DEVELOPER elects not to obtain reimbursement for the costs of the Public Improvements pursuant to this Agreement.

3. **Reimbursement.** Section 4.2 of the Agreement is hereby amended and restated in its entirety as follows:

   4.2 In exchange for the DEVELOPER’s satisfaction of the terms and conditions of this Agreement, the TIF BOARD agrees to reimburse DEVELOPER for the Total Amount in three installments as follows: 1- 50% of the Total Amount within thirty (30) days after DEVELOPER has provided the TIF BOARD with the following: (a)- documentation, satisfactory to the TIF BOARD, evidencing the total costs incurred by the DEVELOPER to design and construct the Public Improvements, (b)- documentation, satisfactory to the TIF BOARD, evidencing that all of the Public Improvements have been completed, including any public easement dedications necessary to ensure that public access, availability, and/or enjoyment of the Public Improvements, and (c)- documentation, satisfactory to the TIF BOARD, evidencing that construction has commenced on at least one of the four (4) mixed-use buildings that comprise the Private Improvements; 2- 25% of the Total Amount within thirty (30) days after DEVELOPER has provided the TIF BOARD with documentation, satisfactory to the TIF BOARD, evidencing that one building that comprises a portion of the Private Improvements has been issued a shell building certificate of occupancy; 3- 25% of the Total Amount within thirty (30) days after DEVELOPER has provided the TIF BOARD with documentation, satisfactory to the TIF BOARD, evidencing that at least four (4) buildings that comprise a portion of the Private Improvements have been issued a shell building certificate of occupancy. Reimbursement shall be made only from the funds available in the TIF Fund of Tax Increment Reinvestment Zone Number One. If the TIF BOARD is unable to reimburse DEVELOPER on this schedule, the TIF BOARD will reimburse DEVELOPER as soon after the due date as funds are available.

4. **Exhibits.** Exhibit “A” and Exhibit “B” of the Agreement are hereby amended and replaced in their entirety with the attached Exhibit “A” and Exhibit “B.”

5. This Amendment is made and shall be construed and interpreted under the laws of the State of Texas without regard to any conflict or law rules and venue shall lie in Tarrant County, Texas.

6. **Agreement in Effect.** This Amendment shall be effective as of the Execution Date. Other than as amended by this Amendment, the Agreement remains in full force and effect.

**SIGNATURES ON FOLLOWING PAGES**
IN WITNESS WHEREOF, TIF BOARD and DEVELOPER executed this Amendment under seal, the day and year written above.

URBAN FRONT, LLC,
a Texas limited liability company
By: Charles R. Dodson
its sole manager

By: ______________________

Name:
Title:

THE BOARD OF DIRECTORS OF
TAX INCREMENT
REINVESTMENT ZONE NUMBER
ONE, CITY OF ARLINGTON,
TEXAS - DOWNTOWN

By: ______________________

Name:
Title:
THE STATE OF TEXAS §
§
COUNTY OF TARRANT §

URBAN FRONT, LLC

Acknowledgment

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared CHARLES R. DODSON, 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 executed same for and as the act and deed of URBAN FRONT, LLC, and as sole manager thereof, and for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the _______ day of _________________, 2021.

____________________________________
Notary Public In and For
The State of Texas

My Commission Expires: Notary’s Printed Name

THE STATE OF TEXAS §
§
COUNTY OF TARRANT §

THE BOARD OF DIRECTORS OF
§
TAX INCREMENT REINVESTMENT
§
ZONE NUMBER ONE,
§
CITY OF ARLINGTON, TEXAS - DOWNTOWN

Acknowledgment

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared ________________, 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 BOARD OF DIRECTORS OF TAX INCREMENT REINVESTMENT ZONE NUMBER ONE, CITY OF ARLINGTON, TEXAS - DOWNTOWN, and as the Chairman thereof, and for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the _______ day of _________________, 2021.

____________________________________
Notary Public In and For
The State of Texas

My Commission Expires: Notary’s Printed Name
EXHIBIT “B”
PUBLIC IMPROVEMENTS ESTIMATED COSTS

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