

**MEETING OF THE BOARD OF DIRECTORS  
OF THE  
CITY OF ARLINGTON TAX INCREMENT REINVESTMENT ZONE NUMBER FIVE  
("Entertainment District TIRZ")**

**Agenda  
May 22, 2020 AT 3:30 PM  
TELEPHONE MEETING- ACCESSIBLE BY CALLING:  
TOLL FREE [833-268-8354]; CONFERENCE ID [541 885 319#]**

**Members of the public who wish to speak on a listed  
agenda item will be asked for their comment at the  
appropriate time over the phone.**

- I. Call to Order
- II. Approval of Minutes from the February 26, 2020 Meeting.
- III. Items for Action
  - a. Consideration of a resolution authorizing the Chair of the Board of Directors to execute the Second Amendment to the Economic Development Performance Agreement by and between the City of Arlington, Texas, Tax Increment Reinvestment Zone Number Five, City of Arlington, Texas – Entertainment District, and Arlington Convention Center JV, LLC, relative to the development of property located at the northwest corner of East Randol Mill Road and Nolan Ryan Expressway as a Hotel and Convention Center.
  - b. Consideration of a resolution authorizing the Chair of the Board of Directors to execute a First Amendment to the TIRZ 5 Economic Development and Reimbursement Agreement by and among the City of Arlington, Texas, Tax Increment Reinvestment Zone Number Five, City of Arlington, Texas – Entertainment District, and Arlington Ballpark District Developer Holding Company, LLC, relative to the development of property located at the southeast corner of East Randol Mill Road and Nolan Ryan Expressway as a residential/mixed-use project and development of property at the northeast corner of East Randol Mill Road and Nolan Ryan Expressway as an office building project.
- 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 meeting is accessible by calling: [TOLL FREE NUMBER [833-268-8354]; Conference ID [541885319#]. In accordance with social distancing guidelines, all members of the Board of Directors will join by phone.**

MINUTES  
REGULAR MEETING  
TIRZ #5 Board  
February 26, 2020  
8:30 AM

The TIRZ #5 Board of Arlington, Texas, convened in open session at 8:37 a.m., in the Arlington Conference Room A at Arlington City Hall, 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

Kevin McGlaun  
Ignacio Nunez  
J.R. Labbe  
Helen Moise  
Devan Allen  
Sheri Capehart

Members Absent

Mayor Jeff Williams  
Susan Alanis

Others Present

Trey Yelverton, City Manager  
Jim Parajon, City Deputy Manager  
Bruce Payne, Economic Development  
Brittany Sotelo, Economic Development  
Joanna Logan, Economic Development  
Molly Shortall, City Attorney's Office  
Alex Agnor, Finance  
Trey Yelverton, City Manager  
Lisa McMillan, Tarrant County  
Maggie Campbell, DAMC  
Ryan Dodson

I. Call to Order

Sheri Capehart called the meeting to order at 8:37 a.m. and stated that the purpose of the meeting was to conduct the following items of business:

II. Approval of Minutes

Approval of minutes from the December 17, 2019 meeting.

Helen Moise moved to approve the minutes from the December 17, 2019 meeting. Devan Allen seconded the motion. The motion carried (Ayes: 6, Nays: 0).

III. Consideration of a resolution authorizing the Chair of the Board of Directors to execute a First Amendment to the Economic Development Performance Agreement between the City of Arlington, Tax Increment Reinvestment Zone Number Five, and Arlington Convention Center JV

LLC, relative to the development of a property located at the northwest corner of East Randol Mill Road and Nolan Ryan Expressway as a Hotel and Convention Center.

Trey Yelverton, City Manager, presented a brief overview of the resolution for consideration. He stated that the amended economic development performance agreement entails construction phasing without changing the set cost estimates or projections of the TIRZ plan. The developer (Loews Hotel and Company) is seeking to start construction on the parking garage, before commencing construction on the hotel and convention center. The amended agreement will shrink the construction footprint and make it more orderly for the overall fan experience during the various stages of construction.

Mr. Yelverton stated the agreement also has a plan B option. Loews is prepared to move forward on the garage without having all the financing secured on the remaining part of their transaction which will occur later in the spring.

From the developer perspective, it is concerning for Loews to begin construction without secured funding. Loews has committed to completing the garage and have authorized contracts. The question is if there will be a hotel and convention center connected to the garage. Mr. Yelverton is confident that the hotel and convention center will be completed.

In the case of a recession, the amended agreement will allow Loews to continue operating the garage for as long as they desire and will continue to be reimbursed the amounts discussed during previous meetings. Or, the Rangers can buy the garage from Loews and reassemble the land back together. The Rangers will then be reimbursed the same amount given to Loews.

It is an added protection to keep all assets and land together and lets the construction phasing proceed so that the rest can be completed in an orderly fashion.

Sheri Capehart inquired when the project was set to break ground. Mr. Yelverton stated that the garage is imminent, and the site already has a construction trailer and a fence. The hotel and convention center will be dependent on the Rangers baseball schedule. He expects it will start in the summer, possibly in the month of June, or at the end of baseball season in October. He is not certain if the schedule is in alignment with the Rangers expectations, but he believes that Loews should coordinate alternative parking arrangements that satisfy the Rangers before beginning construction. Total construction time will take 2.5-3 years and the target open date is in spring 2023.

Ignacio Nunez motioned to approve the resolution. Helen Moise seconded the motion. The motion carried (Ayes: 6, Nays: 0).

V. Executive Session

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

Section 551.071, CONSULTATION WITH ATTORNEY

Section 551.087, DELIBERATIONS REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS

Not held

VI. Comments from Citizens  
None

VII. Requests for Future Agenda Items  
None

VIII. Consideration of a Date for Next Meeting  
To be determined.

IX. Adjourn  
There being no further business, the meeting was adjourned at 8:51 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.

# TIRZ 5 Staff Report



<b>Hotel and Convention Center Project</b>	
TIRZ #5 Meeting Date: 05-22-2020	Document Being Considered: Resolution

## **RECOMMENDATION**

Approve a resolution authorizing the Chair of the Board of Directors to execute the Second Amendment to the Economic Development Performance Agreement by and between the City of Arlington, Texas, Tax Increment Reinvestment Zone Number Five, City of Arlington, Texas – Entertainment District, and Arlington Convention Center JV, LLC, relative to the development of property located at the northwest corner of East Randol Mill Road and Nolan Ryan Expressway as a Hotel and Convention Center.

## **PRIOR BOARD OR COUNCIL ACTION**

On December 17, 2019, the Board of Directors for Tax Increment Reinvestment Zone Number Five approved Resolution No. 19-04 authorizing the Chair of the Board of Directors to execute the Economic Development Performance Agreement between Tax Increment Reinvestment Zone Number Five, the City of Arlington, and Arlington Convention Center JV LLC, relative to the development of property located at the northwest corner of East Randol Mill Road and Nolan Ryan Expressway as a Hotel and Convention Center.

On December 17, 2019, by Resolution No. 19-354, City Council authorized the City Manager or his designee to execute the Economic Development Performance Agreement between the City of Arlington, Tax Increment Reinvestment Zone Number Five, and Arlington Convention Center JV LLC, relative to the development of property located at the northwest corner of East Randol Mill Road and Nolan Ryan Expressway as a Hotel and Convention Center, including the development of a parking facility to be owned by the City and operated by Arlington Convention Center Parking Owner, LLC.

On February 25, 2020, by Resolution No. 20-058, City Council authorized the City Manager or his designee to execute a First Amendment to the Economic Development Performance Agreement between the City of Arlington, Tax Increment Reinvestment Zone Number Five, and Arlington Convention Center JV LLC.

On February 26, 2020, the Board of Directors for Tax Increment Reinvestment Zone Number Five approved Resolution No. 20-01 authorizing the Chair of the Board of Directors to execute a First Amendment to the Economic Development Performance Agreement by and among the City of Arlington, Texas, Tax Increment Reinvestment Zone Number Five, and Arlington Convention Center JV, LLC.

On April 28, 2020, by Resolution No. 20-106, City Council authorized the City Manager or his designee to execute a Second Amendment to the Economic Development Performance Agreement between the City of Arlington, Tax Increment Reinvestment Zone Number Five, and Arlington Convention Center JV LLC.

## **ANALYSIS**

In December 2019 the City Council and Board of Directors for Tax Increment Reinvestment Zone Number Five took action to pursue a public-private partnership with Loews Hotels and Company (“Loews”) to develop an 888-room Hotel, publicly-owned Convention Center with

over 150,000 square feet of meeting, conference, and exposition space, and a 1,500 space publicly-owned parking facility ("Project"). Loews has begun construction of the parking facility component of the Project. The resolution authorizes the Chair of the Board of Directors to execute an amendment to the Economic Development Performance Agreement for the Project, making modifications to the Agreement to address the impact of the current market conditions on the timeline for the Project.

**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  
Economic Development Director  
817-459-6114  
[Bruce.Payne@arlingtontx.gov](mailto:Bruce.Payne@arlingtontx.gov)

**Tax Increment Reinvestment Zone Number Five, City of Arlington, Texas-  
Entertainment District**

**TIRZ Number Five Resolution No. TIRZ 20-\_\_\_\_\_**

**A resolution authorizing the Chair of the Board of Directors to execute the Second Amendment to the Economic Development Performance Agreement by and between the City of Arlington, Texas, Tax Increment Reinvestment Zone Number Five, City of Arlington, Texas – Entertainment District, and Arlington Convention Center JV, LLC, relative to the development of property located at the northwest corner of East Randol Mill Road and Nolan Ryan Expressway as a Hotel and Convention Center**

WHEREAS, On December 17, 2019, the Board of Directors for Tax Increment Reinvestment Zone Number Five approved Resolution No. 19-04 authorizing the Chair of the Board of Directors to execute the Economic Development Performance Agreement between Tax Increment Reinvestment Zone Number Five, the City of Arlington, and Arlington Convention Center JV LLC (hereafter “Economic Development Performance Agreement”), relative to the development of property located at the northwest corner of East Randol Mill Road and Nolan Ryan Expressway as a Hotel and Convention Center; and

WHEREAS, on December 17, 2019, the City Council approved Resolution No. 19-354 authorizing the City Manager or his designee to execute the Economic Development Performance Agreement; and

WHEREAS, on February 26, 2020, the Board of Directors for Tax Increment Reinvestment Zone Number Five approved Resolution No. 20-01 authorizing the Chair of the Board of Directors to execute a First Amendment to the Economic Development Performance Agreement ; and

WHEREAS, the Parties desire to further amend the Economic Development Performance Agreement to set forth the terms pursuant to which the Convention Center Contribution will be provided; and

WHEREAS, on April 28, 2020, by Resolution No. 20-106, City Council authorized the City Manager or his designee to execute a Second Amendment to the Economic Development Performance Agreement between the City of Arlington, Tax Increment Reinvestment Zone Number Five, and Arlington Convention Center JV LLC; NOW THEREFORE

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF TAX INCREMENT REINVESTMENT ZONE NUMBER FIVE, CITY OF ARLINGTON, TEXAS - ENTERTAINMENT DISTRICT:

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 governing body as part of its official record.

II.

That the Chair of the Board of Directors is authorized to execute a Second Amendment to the Economic Development Performance Agreement by and among the City of Arlington, Texas, Tax Increment Reinvestment Zone Number Five, City of Arlington, Texas – Entertainment District, and Arlington Convention Center JV, LLC, on behalf of the Tax Increment Reinvestment Zone Number Five, City of Arlington, Texas – Entertainment District.

III.

A substantial copy of the Second Amendment to the Economic Development Performance Agreement is attached hereto and incorporated herein for all intents and purposes.

PRESENTED on the 22 day of May, 2020, at a meeting of the Board of Directors of Tax Increment Reinvestment Zone Number Five, City of Arlington, Texas - Entertainment District, and passed and approved on the 22 day of May, 2020, of \_\_ ayes and \_\_ nays.

\_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Bruce Payne  
Economic Development Director

**Exhibit “A”**

**SECOND AMENDMENT TO THE  
ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT**

**THIS SECOND AMENDMENT TO THE ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT** (this “**Amendment**”) dated **February 20, 2020** (the “**EDPA**”) is executed by the **CITY OF ARLINGTON, TEXAS** a home-rule city and municipal corporation of Tarrant County, Texas (the “**City**”), **TAX INCREMENT REINVESTMENT ZONE NUMBER FIVE, ARLINGTON, TEXAS (“TIRZ”)**, and **ARLINGTON CONVENTION CENTER JV, LLC**, a Delaware limited liability company (“**Developer**”) as of this \_\_\_\_\_ day of \_\_\_\_\_, 2020 (the “**Execution Date**”). All capitalized terms used and not defined herein have the meaning ascribed to them in the EDPA (as defined below).

**WITNESSETH:**

**WHEREAS**, the Parties have entered into that certain Economic Development Performance Agreement, dated as of February 20, 2020 (the “**EDPA**”), pursuant to which the City and TIRZ, in order to induce Developer to develop the Project, will provide Developer with the Hotel Grants, Parking Facility Contributions, and Convention Center Grants, subject to the terms and conditions of the EDPA; and

**WHEREAS**, the Parties have entered into that certain First Amendment to the Economic Development Performance Agreement, dated March 10, 2020 (the “**First Amendment**”), amending the terms pursuant to which the Parking Facility Contribution will be provided; and

**WHEREAS**, the Parties intend to further amend the EDPA to set forth the terms pursuant to which the Convention Center Contribution will be provided; and

**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 EDPA is amended as follows:

1. **Developer’s Obligations.** Sections 3(b) and 3(c) of the EDPA are hereby amended and restated in their entirety as follows:
  - (b) Developer shall use commercially reasonable efforts to commence construction of the Project on or before June 1, 2021, as such date may be extended for delays caused by Force Majeure and delays in the issuance of necessary governmental permits and approvals and the City complying with its material obligations hereunder.
  - (c) Developer shall use commercially reasonable efforts to plan, design, develop, construct, complete and make operational the Project in accordance with this Agreement, the Convention Center Lease, the Parking Facility Lease, and the Hotel Ground Lease, and cause completion of the Project to occur on or before June 30,

2024, as such date may be extended for delays caused by Force Majeure and delays in the issuance of necessary governmental permits and approvals and the City complying with its material obligations hereunder.

2. **Convention Center Contributions.** Section 5 of the EDPA is hereby amended and restated in its entirety as follows:

In exchange for Developer's compliance with all terms and provisions of this Agreement, the City shall provide Developer with Convention Center Grants towards the Project Costs associated with the planning, design, development, and construction of the Convention Center. The Convention Center Grants shall consist of the following:

- (a) If Developer (i) enters into a lease agreement acceptable to Developer, providing for a minimum term of twenty years, with Rangers Baseball Real Estate LLC leasing the Underground Facility to Developer or its Affiliate to be used by Developer or such Affiliate as expo space and additional parking for the Project, and (ii) uses commercially reasonable efforts to construct all necessary connections and pedestrian access from the Project to the Underground Facility on or before December 31, 2023, as such date may be extended for delays caused by Force Majeure and delays in the issuance of necessary governmental permits and approvals and the City complying with its material obligations hereunder, a single grant payment in the amount of ten million dollars (\$10,000,000). The City shall make such payment to Developer within 30 days after the following have occurred: (A) Developer has entered into a lease agreement for the Underground Facility as set forth in clause (i) above, and (B) Developer has obtained all necessary building and development permits for construction of the Parking Facility.
- (b) Thirty (30) consecutive annual grants each calendar year during the period that commences on January 1<sup>st</sup> of the second full calendar year that follows the date of Initial Occupancy (for example, if Initial Occupancy occurs any time during the 2023 calendar year, then the annual grants will commence as of January 1, 2025) and continues until the Developer has received a total of thirty (30) annual payments pursuant to this Section 5(b). Such payments shall be made from lawfully available funds in an amount, determined annually, equal to fifty percent (50%) of the total amount of ad valorem taxes paid by Developer to all taxing entities for the Project for the prior tax year. The City shall make such payment to the Developer on or before September 30<sup>th</sup> of each year. Such grants shall be subject to annual appropriation by the City Council of the City in the annual budget and the City's obligations under this Agreement to provide the grants provided for in this Section 5(b) shall not constitute a general obligation of the City or indebtedness under the constitution or laws of the State of Texas.

3. **Real Estate Matters, Conditions to Closing.** Section 7(f) of the EDPA is hereby amended by adding the following sentence at the end:

If this Agreement is terminated with respect to the Hotel and Convention Center, as provided for above, the Developer and Rangers Baseball Real Estate LLC shall terminate the lease agreement for the Underground Facility, and simultaneously with the termination of such lease agreement with the Developer, City and Rangers Baseball Real Estate LLC shall enter into a sublease which shall grant City the right to access and use the Underground Facility on terms similar to those contained in the terminated lease agreement for the Underground Facility, with permitted uses including public safety operations and storage and housing of other public safety related equipment, provided that Rangers Baseball Real Estate LLC will retain the right to terminate the sublease and City's use and access if the leased premises under the Amended and Restated Ballpark Lease Agreement, the Underground Facility, or that portion of Globe Life Park situated above or adjacent to the Underground Facility are reconfigured or repurposed.

4. **Applicable Law.** 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.

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

**SIGNATURES ON FOLLOWING PAGES**

EXECUTED on this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

**CITY OF ARLINGTON, TEXAS**

By: \_\_\_\_\_  
TREY YELVERTON, CITY MANAGER

ATTEST:

\_\_\_\_\_  
ALEX BUSKEN, City Secretary

APPROVED AS TO FORM:

By: \_\_\_\_\_  
TERIS SOLIS, City Attorney

**TAX INCREMENT REINVESTMENT ZONE  
NUMBER FIVE**

By: \_\_\_\_\_  
Chair

WITNESS

By: \_\_\_\_\_

**DEVELOPER:**

ARLINGTON CONVENTION CENTER JV,  
LLC, a Delaware limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

WITNESS:

By: \_\_\_\_\_

**JOINDER OF RANGERS BASEBALL REAL ESTATE LLC**

The undersigned joins in the execution and delivery of this Amendment solely for purposes of Section 7(f) of the EDPA.

**TENANT:**

**RANGERS BASEBALL REAL ESTATE LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

# TIRZ #5 Staff Report



<b>Mixed Use, Residential, and Office Project</b>	
TIRZ #5 Meeting Date: 05-22-2020	Document Being Considered: Resolution

## **RECOMMENDATION**

Approve a resolution authorizing the Chair of the Board of Directors of Tax Increment Reinvestment Zone Number Five to execute a First Amendment to the TIRZ 5 Economic Development and Reimbursement Agreement by and among the City of Arlington, Texas, Tax Increment Reinvestment Zone Number Five, City of Arlington, Texas – Entertainment District, and Arlington Ballpark District Developer Holding Company, LLC, relative to the development of property located at the southeast corner of East Randol Mill Road and Nolan Ryan Expressway as a residential/mixed-use project and development of property at the northeast corner of East Randol Mill Road and Nolan Ryan Expressway as an office building project.

## **PRIOR BOARD OR COUNCIL ACTION**

On December 17, 2019, the Board of Directors for Tax Increment Reinvestment Zone Number Five approved Resolution No. 19-05 authorizing the Chair of the Board of Directors of Tax Increment Reinvestment Zone Number Five to execute a TIRZ 5 Economic Development and Reimbursement Agreement by and among the City of Arlington, Texas, Tax Increment Reinvestment Zone Number Five, City of Arlington, Texas – Entertainment District, and Arlington Ballpark District Developer Holding Company, LLC, relative to the development of property located at the southeast corner of East Randol Mill Road and Nolan Ryan Expressway as a residential/mixed-use project and the development of property at the northeast corner of East Randol Mill Road and Nolan Ryan Expressway as an office building Project.

On December 17, 2019, by Resolution No. 19-355, City Council authorized the City Manager or his designee to execute the Economic Development Performance Agreement between the City of Arlington, Tax Increment Reinvestment Zone Number Five- Entertainment District, and Arlington Ballpark District Developer Holding Company, LLC, relative to the development of property located at the southeast corner of East Randol Mill Road and Nolan Ryan Expressway as a residential/mixed-use project and development of property at the northeast corner of East Randol Mill Road and Nolan Ryan Expressway as an office building project.

On April 28, 2020, by Resolution No. 20-107, City Council authorized the City Manager or his designee to execute a First Amendment to the TIRZ 5 Economic Development and Reimbursement Agreement by and among the City of Arlington, Texas, Tax Increment Reinvestment Zone Number Five, City of Arlington, Texas – Entertainment District, and Arlington Ballpark District Developer Holding Company, LLC, to amend certain provisions of the Agreement pertaining to the Funding Date, timing of reimbursement for certain Permitted Project Costs, and payment of Grants.

## **ANALYSIS**

In December 2019 the City Council and Board of Directors for Tax Increment Reinvestment Zone Number Five took action to pursue a public-private partnership with Cordish Companies and their partners, the Texas Rangers, to continue to build on the economic momentum in the Entertainment District through the development of both a residential/mixed-use project and an office building ("Project"). The proposed resolution

authorizes the Chair of the Board of Directors for Tax Increment Reinvestment Zone Number Five to execute an amendment to the Economic Development and Reimbursement Agreement for the Project, making modifications to the Agreement to address the impact of the current market conditions on the timeline for the Project.

**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  
Economic Development Director  
817-459-6114  
[Bruce.Payne@arlingtontx.gov](mailto:Bruce.Payne@arlingtontx.gov)

**Tax Increment Reinvestment Zone Number Five, City of Arlington, Texas-  
Entertainment District**

**TIRZ Number Five Resolution No. TIRZ 20-\_\_\_\_\_**

**A resolution authorizing Chair of the Board of Directors to execute the First Amendment to the TIRZ 5 Economic Development and Reimbursement Agreement by and among the City of Arlington, Texas, Tax Increment Reinvestment Zone Number Five, City of Arlington, Texas – Entertainment District, and Arlington Ballpark District Developer Holding Company, LLC, relative to the development of property located at the southeast corner of East Randol Mill Road and Nolan Ryan Expressway as a residential/mixed-use project and the development of property at the northeast corner of East Randol Mill Road and Nolan Ryan Expressway as an office building project**

WHEREAS, on December 17, 2019, the Board of Directors for Tax Increment Reinvestment Zone Number Five approved Resolution No. 19-05 authorizing the Chair of the Board of Directors of Tax Increment Reinvestment Zone Number Five to execute a TIRZ 5 Economic Development and Reimbursement Agreement by and among the City of Arlington, Texas, Tax Increment Reinvestment Zone Number Five, City of Arlington, Texas – Entertainment District, and Arlington Ballpark District Developer Holding Company, LLC (hereafter “TIRZ 5 Economic Development and Reimbursement Agreement”); and

WHEREAS, on December 17, 2019, the City Council approved Resolution No. 19-355 authorizing the City Manager or his designee to execute the TIRZ 5 Economic Development and Reimbursement Agreement; and

WHEREAS, the Parties desire to amend certain provisions of the TIRZ 5 Economic Development and Reimbursement Agreement pertaining to the Funding Date, timing of reimbursement for certain Permitted Project Costs, and payment of Grants; and

WHEREAS on April 28, 2020, the City Council approved Resolution No. 20-107 authorizing the City Manager or his designee to execute the First Amendment to the TIRZ 5 Economic Development and Reimbursement Agreement; NOW THEREFORE

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF TAX INCREMENT REINVESTMENT ZONE NUMBER FIVE, CITY OF ARLINGTON, TEXAS - ENTERTAINMENT DISTRICT:

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 governing body and as part of its official record.

II.

That the Chair of the Board of Directors is authorized to execute a First Amendment to the TIRZ 5 Economic Development and Reimbursement Agreement by and among the City of Arlington, Texas, Tax Increment Reinvestment Zone Number Five, City of Arlington, Texas – Entertainment District, and Arlington Ballpark District Developer Holding Company, LLC,

III.

A substantial copy of the First Amendment to the TIRZ 5 Economic Development and Reimbursement Agreement is attached hereto as Exhibit “A” and incorporated herein for all intents and purposes.

PRESENTED on the 22 day of May, 2020, at a meeting of the Board of Directors of Tax Increment Reinvestment Zone Number Five, City of Arlington, Texas - Entertainment District, and passed and approved on the 22 day of May, 2020, of \_\_ ayes and \_\_ nays.

ATTEST:

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Bruce Payne  
Economic Development Director

**Exhibit "A"**

**FIRST AMENDMENT TO THE  
TIRZ 5 ECONOMIC DEVELOPMENT AND REIMBURSEMENT AGREEMENT**

**THIS FIRST AMENDMENT TO THE TIRZ 5 ECONOMIC DEVELOPMENT AND REIMBURSEMENT AGREEMENT** (this “**Amendment**”) dated **December 17, 2019** (the “**EDPA**”) is executed by the **CITY OF ARLINGTON, TEXAS** a home-rule city and municipal corporation of Tarrant County, Texas (the “**City**”), **TAX INCREMENT REINVESTMENT ZONE NUMBER FIVE, ARLINGTON, TEXAS (“TIRZ”)**, and **ARLINGTON BALLPARK DISTRICT DEVELOPER HOLDING COMPANY, LLC**, a Delaware limited liability company (“**Developer**”) as of this \_\_\_\_ day of \_\_\_\_\_, 2020 (the “**Execution Date**”). All capitalized terms used and not defined herein have the meaning ascribed to them in the Agreement (as defined below).

**WITNESSETH:**

**WHEREAS**, the Parties have entered into that certain TIRZ 5 Economic Development and Reimbursement Agreement, dated as of December 17, 2019 (the “**Agreement**”), pursuant to which the City and TIRZ, in order to induce Developer to develop property located near the intersection of Randol Mill Road and Nolan Ryan Expressway, will provide Developer with reimbursement for certain Permitted Project Costs and payment of Grants, subject to the terms and conditions of the Agreement; and

**WHEREAS**, the Parties intend to amend certain provisions of the Agreement pertaining to the Funding Date, timing of reimbursement for certain Permitted Project Costs, and payment of Grants; and

**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. **Definitions.** The definition of Funding Date and Reimbursement Payments set forth in Section 1 of the Agreement are hereby deleted in its entirety and replaced with the following:

u. “Funding Date” means November 1, 2021, as same may be extended pursuant to Section 6(e)(iv) of this Agreement.

jj. “Reimbursement Payments” means the reimbursement payments to be paid from TIRZ and/or City to Developer as provided for in Section 5 from Available Funds.

2. **Public Improvement Reimbursement.** Section 5(b) of the Agreement is hereby amended and restated as follows:

b. Subject to the last sentence of this Section 5 (b), from and after the date that Developer has provided City with a notice (the “**Developer JV Execution Notice**”) that

BPP Properties Developer LLC, or an Affiliate thereof, and Arlington Ballpark District Developer Holding Company Investors, LLC have executed the limited liability company agreement for Developer, City and TIRZ shall make reimbursement to Developer for documented Permitted Project Costs for the Parking Facility (exclusive of the Residential Parking Area) and Site Improvements by payment to Developer of one (1) or more Reimbursement Payments from Available Funds. No more frequently than once every thirty (30) days Developer may request a Reimbursement Payment for documented Permitted Project Costs for the Parking Facility (exclusive of the Residential Parking Area) and Site Improvements incurred and not previously reimbursed until such time as all Permitted Project Costs for the Parking Facility (exclusive of the Residential Parking Area) and Site Improvements have been reimbursed or the cumulative total of all Reimbursement Payments equals Thirty Three Million and 00/100 Dollars (\$33,000,000.00) for the Parking Facility (exclusive of the Residential Parking Areas) and Seven Million Five Hundred Thousand and 00/100 Dollars (\$7,500,000.00) for the Site Improvements. Notwithstanding the above, prior to the issuance of TIRZ Bonds, which the decision is in the sole and absolute discretion of the City Council, that produces a minimum of Sixteen Million Six Hundred Thousand 00/100 Dollars (\$16,600,000.00) in Available Proceeds to the end that Forty Nine Million Six Hundred Thousand 00/100 Dollars (\$49,600,000.00) in Available Funds are available to be drawn down by Developer for the development, construction and completion of the Parking Facility (exclusive of the Residential Parking Areas) and the Site Improvements and the satisfaction in full of the TIRZ's obligation to reimburse Arlington Stadium Hotel Creek Developer, LLC for the project costs to which it is entitled to be reimbursed under the Development and Reimbursement Agreement, the Developer may not seek Reimbursement Payment(s) in excess of Three Million Dollars (\$3,000,000.00).

3. **Real Estate Matters.** Section 6(e)(iv) of the Agreement is hereby amended and restated as follows:

iv. If all the actions and agreements and instruments described in Section 6(e)(iii) above with regard to the Mixed-Use Building and/or the Parking Facility have not been taken, with regard to actions, and finalized and signed, with regard to agreements and instruments by all the parties thereto by the initial Funding Date, Developer shall have the right, by notice to the City and the TIRZ, to extend the initial Funding Date for twelve (12) months to take such actions and finalize and execute such agreements and instruments (the "**Extended Funding Date**"). If all the actions and agreements and instruments described in Section 6(e)(iii) above with regard to the Mixed-Use Building and/or the Parking Facility have not been taken, with regard to actions, and finalized and signed, with regard to agreements and instruments by all the parties thereto by the Extended Funding Date, Developer shall have the right, by notice to the City and TIRZ, to extend the Extended Funding Date for up to three (3) additional twelve (12) month periods to take such actions and finalize and execute such agreements and instruments provided the following have been satisfied: (a) Developer has provided City with the Developer JV Execution Notice, (b) at least 75% percent complete construction documents have been prepared for the Parking Facility, the Mixed-Use Building, and Site Improvements to be located on or adjacent to the Mixed-Use Building Site and Parking Facility Site (c) Developer or an

Affiliate (or its contractor or construction manager) has filed for all necessary permits and approvals associated with the development and construction of the Parking Facility, the Mixed-Use Building, and Site Improvements to be located on or adjacent to the Mixed-Use Building Site and Parking Facility Site and is diligently pursuing the issuance of same, (d) Developer and an Affiliate has entered into a construction contract or construction management agreement with a general contractor or construction manager for the construction of the Parking Facility and Site Improvements to be located on or adjacent to the Mixed-Use Building Site and Parking Facility Site and has entered into a construction contract or construction management agreement with a general contractor or construction manager for the construction of the separate Mixed-Use Building, and (e) Developer has provided assurances to the City Representative of the availability of funds to pay all Project Costs for the Mixed-Use Building.

4. **Grants**. Section 7(a) of the Agreement is hereby amended and restated as follows:

(a) The City shall provide Developer with the City Economic Development Grant in the amount of Eleven Million and 00/100 Dollars (\$11,000,000.00) to be used by Developer on Permitted Project Costs. Upon execution of this Agreement, the City shall commit Eleven Million and 00/100 Dollars (\$11,000,000.00) of lawfully available and committed funds to be used to pay the City Economic Development Grant and for no other purposes. The City Economic Development Grant shall be paid to Developer in one or more installments at the request of Developer any time after the date that the Developer has provided the City with the Developer JV Execution Notice, provided that prior to Closing Developer may not seek installment(s) in excess of the amount of Permitted Project Costs incurred by Developer for the Mixed-Use Building (and Office Building if Developer has elected to develop the Office Building prior to Closing). Developer shall provide the City with substantiation of Permitted Project Costs incurred for any installments sought prior to Closing. Under no circumstances shall the cumulative total of all installments exceed Eleven Million and 00/100 Dollars (\$11,000,000.000).

5. **Applicable Law**. 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**

EXECUTED on this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

**CITY OF ARLINGTON, TEXAS**

By: \_\_\_\_\_  
TREY YELVERTON, CITY MANAGER

ATTEST:

\_\_\_\_\_  
ALEX BUSKEN, City Secretary

APPROVED AS TO FORM:

By: \_\_\_\_\_  
TERIS SOLIS, City Attorney

**TAX INCREMENT REINVESTMENT ZONE  
NUMBER FIVE**

By: \_\_\_\_\_  
Chair

WITNESS

By: \_\_\_\_\_

**DEVELOPER:**

**ARLINGTON BALLPARK DISTRICT  
DEVELOPER HOLDING COMPANY,  
LLC** , a Delaware limited liability company

By: Arlington Ballpark District Developer  
Holding Company Investors, LLC, a Member

By: \_\_\_\_\_

Name: Charles F. Jacobs

Title: Authorized Person

WITNESS:

By: \_\_\_\_\_

And

By: BPP Properties Developer LLC, a Member

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

# HOTEL, CONVENTION CENTER, AND ADJACENT DEVELOPMENT



TIRZ 5 Meeting

May 22, 2020



# HOTEL AND CONVENTION CENTER

PROJECT COMPONENT	HOTEL	CONVENTION CENTER	PARKING FACILITY	UNDERGROUND EXPO SPACE
<b>Land Ownership</b>	City	City	City	City
<b>Improvements Ownership</b>	Private	City	City	City
<b>Private Funding</b>	\$325 Million	\$200 Million	Developer to advance fund parking facility	Developer to advance fund expo space
<b>Public Incentive</b>	Performance-based incentives over 30-year term	Rebate of amount equivalent to 50% of annual property taxes, \$15M set-aside for maintenance over 30 years, \$10M for Expo space	\$25 Million reimbursed from excess non-city TIRZ increment over 30-year term	\$10 Million one-time economic development grant

# HOTEL AND CONVENTION CENTER

## **Economic Development Performance Agreement- Second Amendment:**

- Extends the project commencement date from December 1, 2020 to June 1, 2021
- Extends the project completion date from December 31, 2023 to June 30, 2024
- Modifies the conditions that must be satisfied for payment of the \$10M grant for the Underground Expo Space from execution of a sublease and permits for Convention Center to execution of a sublease and permits for the Parking Facility

# RESIDENTIAL/MIXED USE/OFFICE BUILDING

PROJECT COMPONENT	OFFICE BUILDING	RESIDENTIAL/MIXED USE	PARKING FACILITY
<b>Land Ownership</b>	JV from Rangers leasehold	JV from Rangers leasehold	City
<b>Improvements Ownership</b>	Private	Private	City
<b>Private Funding</b>	Approx. \$100 Million	Approx. \$100 Million	\$0
<b>Public Incentive</b>	100% of excess City TIRZ increment over life of TIRZ (2052) plus \$11 million one-time initial grant		\$33 Million TIRZ Bond

# ASSOCIATED PUBLIC IMPROVEMENTS

PROJECT COMPONENT	JOHNSON CREEK PARK IMPROVEMENTS	RESIDENTIAL/MIXED USE PUBLIC IMPROVEMENTS
<b>Description</b>	Landscaping and amenity improvements to Johnson Creek Linear Park	Streetscape, Lighting, Pedestrian Amenities
<b>Cost</b>	\$11.8 Million	\$7.5 Million
<b>Funding Mechanism</b>	\$9.1M TIRZ bond, \$2.7M excess non-City TIRZ increment (previously approved)	\$7.5M TIRZ Bond

# RESIDENTIAL/MIXED USE/OFFICE BUILDING

## **TIRZ 5 Economic Development Reimbursement Agreement- First Amendment:**

- Extends the Funding Date (date upon which the TIRZ bonds should be sold) from November 1, 2020 to November 1, 2021
- Provides ability for Developer to further extend the Funding Date if certain conditions are satisfied:
  - ✓ Joint venture agreement with Rangers has been executed
  - ✓ 75% complete construction drawings are prepared
  - ✓ Developer has applied for all necessary permits and approvals to build project
  - ✓ Developer has entered into a construction contract with a general contractor for the project
  - ✓ Developer has provided City with assurances on availability of funds to pay project costs
- Limits ability to seek reimbursement from \$33M funding for parking garage
  - Joint venture agreement with the Rangers must be executed, capped at \$3M until TIRZ bonds are sold
- Limits ability to seek reimbursement from \$11M funding for residential/mixed use
  - Joint venture agreement with Rangers must be executed

# QUESTIONS

