

City of Fort Worth
Economic Development Program Policy
for Grants and Loans Authorized by Chapter 380,
Texas Local Government Code

Effective March 21, 2023

1. GENERAL PROVISIONS.

1.1. Purpose

Chapter 380 of the Texas Local Government Code authorizes the City Council to establish and provide for the administration of one or more programs, including programs for the making of loans and grants of public money and providing personnel and services of the City, to promote economic development. This Policy is intended to establish a program and set forth guidelines and criteria for persons or entities interested in receiving economic development program grants or loans (collectively, “**380 Incentive**”) and other support from the City pursuant to Chapter 380 of the Texas Local Government Code (“**Economic Development Program**”).

1.2. General Eligibility Criteria

The terms and conditions of any 380 Incentive will be set forth in an Economic Development Program Agreement (an “**EDPA**”). Although the City will consider all applications for 380 Incentives that meet the eligibility requirements set forth in this Policy, it is especially interested in supporting projects that are expected to produce a meaningful impact on the City and its economy and that result in one or more of the following:

- Growth of business activity, employment, or investment in one of the City’s identified Target Industries;
- Creation of high-wage jobs;
- Significant Investment;
- Growth of business activity, employment, or Investment in the Central Business District;
- Revitalization with likelihood of ancillary development in a key employment node or specifically designated area of the City;
- Retention or expansion of an existing major employer; or
- Anchoring of a business expansion project with potential to generate additional supply chain activity.

1.3. Target Sectors

While the City is open to discussion on potential incentive opportunities for a variety of industries, the City is particularly interested in developing certain target sectors (each defined herein as a “**Target Sector**”). These Target Sectors have been specifically identified by the City for their strategic value in helping to strengthen, diversify, and advance the City’s economy:

- **Mobility** – Automotive, Distribution and E-commerce, Transportation and Logistics

- **Aerospace & Defense** – Aerospace Vehicles and Defense, Information Technology and Analytical Instruments
- **Energy** – Alternative Electric Power, Electric Power Distribution, Oil and Gas Operations
- **Culture** – Hospitality and Tourism, Performing Arts, Community Organizations
- **Anchors & Innovators** – Corporate Headquarters, Engineering, Life Sciences, Technology and Research

2. **DEFINITIONS:** See Exhibit “A”

3. **PROGRAM FOCUS I: STRATEGIC INDUSTRIES.**

A core responsibility of the City under its Economic Development Program and through related economic development activities, focuses on identifying, evaluating, and providing targeted support to opportunities in key industries that play a highly strategic role in Fort Worth’s regional economy now and in the future. These strategic industries strengthen the economic and industrial base of the community and allow for Fort Worth to ensure that it is well positioned for long-term economic competitiveness. The following programs are administered by the City’s Economic Development Department (“**Department**”) as part of this Economic Development Program to deliver targeted support to desired projects. This support is delivered to increase the attractiveness of Fort Worth as a destination for desired investment and industry growth or to offset certain competitive disadvantages that might otherwise prevent, stall, or curtail growth in the targeted industry.

3.1. **ELIGIBILITY REQUIREMENTS FOR TARGET SECTOR PROJECTS.**

To be considered for a 380 Incentive, a Target Sector project must commit to a minimum investment of at least \$25 million and the creation of new full-time jobs that meet a minimum annual average wage of \$55,000. The amount of a 380 Incentive will be based on a percentage of annual tax revenues that the City receives in a particular year, including ad valorem taxes on real property, ad valorem taxes on Business Personal Property, local sales taxes directly attributable to the project, or some combination thereof. The percentage of ad valorem taxes will be based on the maintenance & operations (M&O) tax rate of the City. The table below establishes the maximum percentage of annual tax revenues on which 380 Incentives to Target Sector projects will be based, in correlation with minimum Investment and employment levels:

Requirements for Target Sector Industries					
Maximum Term	Jobs Required	\$70 M + Investment	\$55 M - \$70 M Investment	\$40 M - \$54 M Investment	\$25 M - \$39 M Investment
3 - 5 years	50 – 100	40 % Incentive	40 % Incentive	40 % Incentive	40 % Incentive
6 – 7 years	100 – 250	50 % Incentive	50 % Incentive	50 % Incentive	N/A
8 – 9 years	250 - 400	60% Incentive	60% Incentive	N/A	N/A
10 years	400 +	70% Incentive	N/A	N/A	N/A

Any Target Sector Industry Project with Capital Investment over \$100 million and the creation of over 500 jobs exceeding the minimum annual average wage of \$55,000 will be eligible for an 80% 380 Incentive for a period of up to 15 years.

All Target Sector Industry Projects will be subject to a requirement to demonstrate hiring practices that prioritize recruitment and employment of Fort Worth Residents and will be required to demonstrate that at least thirty percent (30%) of employees associated with the project are Fort Worth Residents.

3.2. ELIGIBILITY CRITERIA FOR GENERAL PROJECTS.

Unless a project meets one of the other minimum eligibility criteria set forth in this Policy, in order to be considered for a 380 Incentive, an applicant must commit to a minimum Investment of at least \$25 million and creation of new full-time jobs that meet a minimum annual average wage of \$55,500. The amount of a 380 Incentive will be based on a percentage of annual tax revenues that the City receives in a particular year, including ad valorem taxes on real property, ad valorem taxes on Business Personal Property, local sales taxes directly attributable to the project, or some combination thereof. The percentage of ad valorem taxes will be based on the maintenance and operations (“M&O”) tax rate of the City. The table below establishes the maximum percentage of annual tax revenues on which 380 Incentives to General Sector Industry Projects may be eligible, in correlation with minimum Investment and employment levels:

Requirements for General Sector Industries					
Maximum Term	Jobs Required	\$70 M + Investment	\$55 M - \$70 M Investment	\$40 M - \$54 M Investment	\$25 M - \$39 M Investment
3 - 5 years	50 – 100	20 % Incentive	20 % Incentive	20 % Incentive	20 % Incentive
6 - 7 years	100 – 250	30 % Incentive	30 % Incentive	30 % Incentive	N/A
8 - 9 years	250 - 400	40% Incentive	40% Incentive	N/A	N/A
10 years	400 +	50% Incentive	N/A	N/A	N/A

Any General Sector Industry Project with Capital Investment over \$100 million and the creation of over 500 jobs exceeding the minimum annual average wage of \$55,000 will be eligible for a 60% 380 Incentive for a period of up to 15 years.

All General Sector Industry Projects will be subject to a requirement to demonstrate hiring practices that prioritize recruitment and employment of Fort Worth Residents and will be required to demonstrate that at least thirty percent (30%) of employees associated with the project are Fort Worth Residents.

3.3. ELIGIBILITY REQUIREMENTS FOR EXISTING BUSINESS EXPANSION PROJECTS.

The City desires to support the growth of business currently located in the City. In order to be considered for 380 Incentives, an Existing Business expansion project that is not eligible for 380 Incentives elsewhere in this Policy must commit to a minimum Investment of at least \$10

million and creation of at least 25 new full-time jobs with a minimum annual average employee Salary level of \$55,000. The amount of a 380 Incentive under this Section will be based on a percentage of annual tax revenues that the City receives in a particular year, including ad valorem taxes on real property, ad valorem taxes on Business Personal Property, local sales taxes directly attributable to the project, or some combination thereof, not to exceed 80%. The percentage of ad valorem taxes will be based on the M&O tax rate of the City.

Requirements for General Sector Industries					
Maximum Term	Jobs Required	\$55 M + Investment	\$40 M -\$54 M Investment	\$25 M - \$39 M Investment	\$10 M - \$24 M Investment
3 - 5 years	50 – 100	50 % Incentive	20 % Incentive	20 % Incentive	20 % Incentive
6 - 7 years	100 – 250	60 % Incentive	30 % Incentive	30 % Incentive	N/A
8 - 9 years	250 - 400	70% Incentive	40% Incentive	N/A	N/A
10 years	400 +	80% Incentive	N/A	N/A	N/A

All Existing Business expansion projects will be subject to a requirement to demonstrate hiring practices that prioritize recruitment and employment of Fort Worth Residents and will be required to demonstrate that at least thirty percent (30%) of employees associated with the project are Fort Worth Residents.

3.4. ELIGIBILITY REQUIREMENTS FOR MEGA PROJECTS.

A “Mega Project” can be within any industry; however, the City is especially interested in Fortune 1,000, Fortune Global 500, or Inc. 5000 designated firms, pursuing development or redevelopment opportunities within the City. Projects granted this designation must commit to at least one of the following (with the exception of data centers or other unique low employment/high capital investment projects which must have a minimum investment of \$50 million):

- Commits to a minimum Investment of at least \$250 million;
- Commits to hire at least 1,500 full-time employees; *or*
- Commits to a minimum annual payroll of at least \$150 million.

The amount of a 380 Incentive under this Section will be based on a percentage of annual tax revenues that the City receives in a particular year, including ad valorem taxes on real property, ad valorem taxes on Business Personal Property, local sales taxes directly attributable to the project, or some combination thereof, not to exceed 85%. The percentage of ad valorem taxes will be based on the M&O tax rate of the City.

Additionally, or as an alternative to the 380 Incentives that are based on a percentage of annual tax revenues, qualified projects may be eligible to receive a grant of cash funds from the Economic Development Initiatives Fund (“EDIF”) in accordance with the EDIF Policy.

3.5 TEMPORARY OFFICE SPACE

For any projects that meet the eligibility criteria set forth in Sections 3.1-3.4 of this Policy, the City may, in its sole discretion, provide applicants with certain temporary office space for a

limited period of time during the construction of the applicant’s new facilities for the project. Such temporary office space may be provided to the applicant without charge, subject to certain terms and conditions. Details and total value will be subject to final negotiations.

3.6. PROJECT FACILITATION.

The City recognizes the importance of moving expeditiously through necessary site review and permitting processes for any new development, relocation, or expansion. The urgency of such processes is particularly important to competitive projects or those that face specific challenges with respect to project timeline. To ease project design efforts and to reduce associated time requirements for projects that are designated for enhanced project facilitation by the Department, certain staff time and other City resources may be specifically allocated to a project (“**Project Facilitation**”). Depending on the project, this might involve direct support by senior-level City staff beyond that which would be typically provided to other projects. In all cases in which a project has been designated for such treatment, projects will have a dedicated Project Facilitator in the Development Services Department who is trained in guiding construction projects throughout the permitting and development process.

4. PROGRAM FOCUS II: FOUNDATIONAL COMPETITIVENESS.

A second core responsibility of the City under its Economic Development Program and through related economic development activities, focuses on ensuring a strong foundation for the local economy, including a sound and competitive business environment with infrastructure, institutions, and a built environment capable of supporting sustainable long-term growth for the benefit of the entire community. While these interests may be advanced by the broader efforts of the City, as a whole, the following targeted programs are designed to address specific near- and long-term needs that, when addressed, will provide a stronger foundation for a more competitive local and regional economy.

4.1. CENTRAL BUSINESS DISTRICT PROGRAMS

The Central Business District (“**CBD**”) represents a unique area of the community that plays a highly distinct role in the overall health and operation of the City’s local and regional economy. As commonly found in other major cities throughout the United States, the CBD serves as the primary commercial center of the community, plays an important role in shaping the community’s identity, culture, and brand, and produces spillover effects for all portions of the City. Therefore, programs that provide targeted support to the CBD are both necessary in response to its unique circumstances and desirable for the near-term and long-term impact that can be produced for the City, as a whole.

4.1.1. ELIGIBILITY REQUIREMENTS FOR CERTAIN TARGET SECTOR PROJECTS IN THE CENTRAL BUSINESS DISTRICT.

An applicant in a Target Sector that locates in the CBD (“**CBD TS Business**”) may be eligible for 380 Incentives if the applicant meets the following criteria: (i) employs a minimum of 50 permanent full-time employees at the proposed site; (ii) pays a minimum annual salary of \$55,000 to those employees; and (iii) meets the criteria for an Existing

Business or relocates from outside the Dallas-Fort Worth Metropolitan Statistical Area. If the CBD TS Business does not own the real property on which the project will be located, then the property owner may need to be included in the EDPA.

If the CBD TS Business locates its project in an existing building in the CBD, the maximum amount of the 380 Incentives will equal (based on the M&O tax rate of the City):

- Up to 80% of the CBD TS Business's incremental Business Personal Property taxes for a maximum of 15 years; *or*
- Up to 80% of the CBD TS Business's incremental real property taxes in a proportional share to the amount of space within the building that is occupied by the CBD TS Business for up to 10 years.

If the CBD TS Business locates its project in a new building in the CBD for which a building permit has not been obtained as of the date of the incentive application, the maximum amount of the 380 Incentives will equal:

- Up to 80% of net new real property taxes (specifically excluding any Business Personal Property taxes) in a proportional share to the amount of space within the building that is occupied by the CBD TS Business for up to 15 years, subject to the following requirements:
 - CBD TS Business must be a Fortune 1,000 or Inc. 5000 corporate or regional headquarters;
 - A minimum of 100,000 square feet must be occupied by the CBD TS Business;
 - The CBD property must be new construction in order to house the CBD TS Business; *and*
 - A minimum of \$100 million must be invested in Hard Construction Costs associated with the new construction.

A CBD TS Business locating in a new building in the CBD will only be eligible for 380 Incentives if it meets all the above-referenced criteria.

4.1.2 ELIGIBILITY FOR REDEVELOPMENT PROJECTS ON CENTRAL BUSINESS DISTRICT SURFACE PARKING LOTS.

The City encourages and supports redevelopment of surface parking lots in the CBD and its major arterial roads of East Lancaster and Jacksboro Highway with buildings that will support compatible businesses in the CBD and associated commercial corridors. In order to be considered for a 380 Incentive, a project must redevelop a surface parking lot in the CBD that occupies at least 30% of the area of the City block on which it is located. The amount of a 380 Incentive under this Section will be based on a percentage of annual tax revenues that the City receives in a particular year, including ad valorem taxes on real property, ad valorem taxes on Business Personal Property, local sales taxes directly attributable to the project, or some combination thereof, not to exceed 40%, for a period of no more than 5 years; provided, however, that if the redevelopment project

involves two or more surface parking lots owned by unrelated parties, the maximum 380 Incentive percentage available for the project will be 45%. The percentage of ad valorem taxes will be based on the M&O tax rate of the City.

4.1.3 RELOCATION SUPPORT FOR MAJOR OFFICE TENANTS.

Companies proposing to enter into a new lease of at least 50,000 square feet of Class A office space in the CBD may be eligible for targeted support under this Policy subject to evaluation of project characteristics and strategic impact. All such projects will be reviewed on a case-by-case basis. To support eligible projects, and in place of or in addition to 380 Incentives that are based on annual tax revenues received by the City, the City may elect to provide a grant of cash funds from the EDIF so long as it complies with the EDIF Policy.

4.2 ELIGIBILITY REQUIREMENTS FOR FULL-SERVICE HOTELS.

In addition to direct contributions to the local economy as part of the broader hospitality industry, full-service hotels play a particularly meaningful role in support of efforts to achieve broader economic development objectives for the City. Leisure properties in or near key cultural districts can serve to enhance the attractiveness or impact of that district as an asset for the community. Hotels that serve business travel can play an important role in promoting greater exposure of the City to investors, executives, and professionals in other industries that may be targeted for growth by the City and, functionally, they can serve as a temporary base of operations for those wishing to do business in the City. Other hotels add necessary capacity to host major conventions or events and, by that additional capacity, improve the type, quality, exposure, or industry brought to City by such conventions or events.

In recognition of the role that full-service hotels play in the broader local economy, the City is engaged in a sustained effort to encourage expanded inventory and higher quality of full-service hotels in the City. In support of these efforts, the City will consider providing 380 Incentives to full-service hotel projects, including the hotel portion of mixed-use projects. Projects will be evaluated on a case-by-case basis in relation to their location, the evolving conditions and offerings of the established hotel market in Fort Worth, historical adaptive reuse or preservation, and expected contributions by the proposed project to other related economic development objectives of the City.

The following matrix presents the minimum features required by the City for a full-service hotel project to be eligible for 380 Incentives:

Hotel Rooms	Full Service Restaurant	Ballroom* Size	Meeting* Space	Boardroom* Space	Room Block Agreement
200 rooms	Yes	6,000 sq. ft.	2,400 sq. ft.	500 sq. ft.	Yes
250 rooms	Yes	7,500 sq. ft.	4,000 sq. ft.	500 sq. ft.	Yes
300 rooms	Yes	10,000 sq. ft.	6,000 sq. ft.	500 sq. ft.	Yes

* Hotel projects located within the CBD that are 12 stories or taller may qualify for a reduction or reconfiguration of conference space requirements. To be eligible for such adjustments, the applicant must demonstrate that sufficient parking has been secured to serve the needs of the hotel, whether through a

shared parking agreement, provision of new parking, or the installation of equipment or infrastructure that supports the use of car sharing services or other shared transportation services.

The amount of any 380 Incentives under this Section will be based on a percentage of annual tax revenues that the City receives in a particular year, including hotel occupancy taxes, ad valorem taxes on real property, ad valorem taxes on Business Personal Property, local sales taxes directly attributable to the project, or some combination thereof, not to exceed 80%.

4.3. AFFORDABLE HOUSING FOR MIXED-USE DEVELOPMENT PROJECTS.

All Mixed-Use Development Projects subject to an EDPA that contain rental residential units must make a commitment to provide affordable housing as follows:

- At least 10% of all rental residential units must be set aside exclusively for lease to qualifying households whose adjusted incomes do not exceed the then-current eighty percent (80%) income limits established by the U.S. Department of Housing and Urban Development (“HUD”) at rents that are affordable to such households.
- At least 10% of all rental residential units must be set aside exclusively for lease to qualifying households whose adjusted incomes do not exceed the then-current sixty percent (60%) income limits established by HUD at rents that are affordable to such households.

4.4. OPEN SPACE PRESERVATION.

The City, through its Open Space Conservation Program, may, as part of an EDPA, agree to acquire or otherwise secure an equal amount of acreage of undeveloped land offsite as is found in the building footprint of project facilities. Such acreage will be permanently dedicated for conservation as an offset to land development necessary to the project. Through the use of this program, it is the City’s intent to support efforts to achieve net carbon neutrality and other related sustainable development objectives. The proposed open space development offset will be a discretionary program available to projects during the term of the proposed EDPA. The amount and value of any such land acquisition will be optional to the project and any costs necessary to the acquisition of such land will be deducted from the total value of authorized City tax incentives approved for the project along with a deduction for administration and maintenance of preserved land which will be equal to 10% of the value of the acquisition costs.

4.5. CITY-OWNED PROPERTY.

Projects involving property that, either prior to project start or after project completion, is owned by the City or one of its component units, will be eligible to receive 380 Incentives for the purpose of project finance or facilitation. Such property may include, but is not limited to, real property and leasehold interests. The delivery of 380 Incentives to such projects will require approval by the City Council.

5. PROGRAM FOCUS III: FULL STRENGTH FORT WORTH.

A third core responsibility of the City under its Economic Development Program and through related economic development activities, focuses on tapping into the full potential of neighborhoods and districts throughout the City so that the City can compete at full strength. Doing so requires the joint efforts of multiple City departments and community partners. The following targeted programs are administered by the Department as part of this Economic Development Program. They are designed to provide specific support for projects and initiatives that advance revitalization, economic productivity, equitability, and commercial opportunity in historically disadvantaged districts and corridors as well as in locations that may significantly impact surroundings in a manner that advance the City's long-term aims for community development.

5.1. COMMITMENT FOR UTILIZATION OF BUSINESS EQUITY FIRMS

All projects receiving 380 Incentives are subject to the City's Business Equity Ordinance (Chapter 20, Article X of the City Code) and must make a commitment to utilize Business Equity Firms (as those terms are defined in the Business Equity Ordinance) for a minimum of 15% of all construction costs (both hard and soft) associated with the project. Failure to meet the goal will result in a reduction in the calculation of the maximum 380 Incentive each by 10 percentage points.

5.2. ELIGIBILITY REQUIREMENTS FOR CATALYTIC DEVELOPMENT PROJECTS.

A "Catalytic Development Project" is a business or real estate development project that meets the following criteria:

- Located within either a Designated Investment Zone, an Urban Village, or an identified Revitalization Area (as depicted in Exhibits "B", "C", and "D", respectively), or the CBD;
- Commits to at least \$5 million in Investment; and
- Complies with at least one of the following requirements:
 - Mixed-Use Development;
 - Fills a gap, such as a grocery store in a food desert or a childcare facility, as determined by City staff based on goals set forth in the City's then-current Comprehensive Plan or other statistical data or relevant documentation;
 - Located along a commercial corridor or within an urban village, as identified in the City's then-current Comprehensive Plan;
 - Generates significant job opportunities in the area, as determined by City staff based on then-current employment data; or
 - Helps create a hub of entrepreneurial activity, positioning the City to attract entrepreneurs and high-growth companies, as determined by City staff based on goals and recommendations set forth in the City's Economic Development Strategic Plan, the City's then-current Comprehensive Plan, or on other statistical data or relevant documentation.

All Catalytic Development Projects will be eligible for consideration for 380 Incentives. The amount of a 380 Incentive under this Section will be based on a percentage of annual tax revenues that the City receives in a particular year, including ad valorem taxes on real property, ad valorem taxes on Business Personal Property, local sales taxes directly attributable to the project, or some combination thereof, not to exceed 80%. The percentage of ad valorem taxes will be based on the M&O tax rate of the City. In place of or in addition to 380 Incentives that are based on annual tax revenues received by the City, the City may elect to provide a grant of cash funds from the EDIF so long as it complies with the EDIF Policy.

Notwithstanding the foregoing, an applicant for a Mixed-Use Development that commits to at least \$5 million in Investment and whose residential component comprises rental units (i.e., apartments) that meets the affordable housing commitments set forth in Section 4.3 will be considered as a “Catalytic Project” eligible for 380 Incentives even if it is located outside of a Designated Investment Zone.

Any Catalytic Development Project located in the CBD that includes rental residential units may, at the discretion of the Department^{4.3}; provided, however, that in such instances the total aggregate value of 380 Incentives will be capped at an amount equal to the value of public improvements associated with the project. (*See* Section 311.008(b)(4)(B) for examples of public improvements).

Additionally, Catalytic Development Projects proposed to occur on property that is owned by the City will be eligible to receive a grant of funds in an amount not to exceed the purchase price or the lease rate of the property that is due to be received by the City in concert with the proposed project. Such projects will qualify as a Catalytic Development Project irrespective of their location, provided that all other criteria of this Section are met. In such instances in which the value of City-owned property is the sole form of support under this Policy, only requirements specified under this section will apply (except as otherwise required under Chapter 380 of the Texas Local Government Code) and any additional project requirements or minimums will be negotiated on a case-by-case basis.

5.3. ELIGIBILITY REQUIREMENTS FOR TRANSIT ORIENTED DEVELOPMENTS.

The City encourages and supports the construction of Transit Oriented Developments. In order to be considered for 380 Incentives, a Transit Oriented Development project must commit to at least \$5 million in Investment. The amount of a 380 Incentive under this Section will be based on a percentage of annual tax revenues that the City receives in a particular year, including ad valorem taxes on real property, ad valorem taxes on Business Personal Property, local sales taxes directly attributable to the project, or some combination thereof, not to exceed 50%, for a period of no more than 7 years. The percentage of ad valorem taxes will be based on the M&O tax rate of the City.

6. ECONOMIC DEVELOPMENT INITIATIVES FUND INCENTIVES (EDIF).

From time-to-time, the City may have cash reserves available as part of the EDIF to incentivize businesses that commit to increase employment at salary levels desired by the City. These cash

reserves will be utilized to make cash grants, either upfront or following attainment of certain performance metrics, or loans.

All industries will be considered, but strong consideration will be given to applicants that derive the majority of its revenues from the Target Sectors outlined in Section 1.3 (subject to additional requirements outlined below).

Existing Businesses will only be eligible for 380 Incentives under this Section if the City is able to verify that they are receiving competing offers to relocate their operations outside of the City.

The following table reflects the maximum level of 380 Incentives available to a qualifying business under this Section based on the required minimum Salaries for net new full-time permanent jobs. All jobs must be filled and maintained for a minimum of 3 years in order to qualify. Remedies for enforcement of this requirement will be established in the Economic Development Program Grant Agreement.

Minimum Annual Wage Rate	Maximum Amount Per New Position
\$65,800 - \$80,389	\$1,000
\$80,390 - \$94,949	\$1,500
\$94,950 - \$109,499	\$2,000
\$109,500 or above	\$2,500

7. PROGRAM FOCUS IV: INNOVATION AND ENTREPRENEURSHIP.

A fourth core responsibility of the City under its Economic Development Program and through related economic development activities, focuses on promoting innovation and entrepreneurship to build a sustainable, competitive advantage for the City that fuels growth in economic productivity and drives the future of the City’s economy. Doing so requires the joint efforts of multiple City departments and community stakeholders. The following targeted programs are administered by the Department as part of this Economic Development Program.

7.1. ELIGIBILITY REQUIREMENTS FOR RESEARCH AND DEVELOPMENT PROJECTS.

The City seeks to promote increased research and development activity and investment in the City. In support of this effort and recognizing that such research and development activities are not always associated with the delivery of new taxable sales or property, the City offers qualified projects the ability to earn 380 Incentives that are based on the value of annual research and development activity. While the 380 Incentives are earned on the basis of annual research and development activity, the ultimate value of 380 Incentives received are determined on the basis of incremental property taxes generated by either the applicant or an assignee, with the understanding that an assignee’s property need not be the location of the project site.

Applicants within a Target Industry are eligible to receive 380 Incentives equal to a percentage of certain qualified expenses relating to ongoing research and development activities that take place in the City. Qualified Expenses outside the City will not be considered.

The City may provide 380 Incentives for a period of up to 15 years equal to up to 50% of Qualified Expenses that are reported for a given year during a period of up to 10 years. At no time will the amount of any 380 Incentives exceed 75% of annual incremental real property and Business Personal Property taxes received by the City in the preceding year from the subject property of an applicant or an assignee. The maximum amount of each 380 Incentive under this Section will be determined by the location in which the Target Industry research and development project is located, as set forth in the table below:

	Maximum Potential R&D Reimbursement
CBD/ Innovation District	Equal to 50% of Qualified Expenses
Designated Investment Zones	Equal to 35% of Qualified Expenses
Other City Location	Equal to 25% of Qualified Expenses

A Target Industry business receiving 380 Incentives pursuant to this Section may assign, sell, or transfer its right to receive the 380 Incentives to any party it wishes, subject to execution of a written agreement between the City, the Target Industry business, and the assignee party memorializing this arrangement. The Target Industry Business will still be required to submit any reports and documentation required by the EDPA in order for the City to verify the amount of each 380 Incentive. The amount of any transferred or assigned 380 Incentives will be reduced by 5 percentage points to account for the City’s additional administrative costs in overseeing the program.

In the event an assignee advances funds to the Target Industry business within the first 24 months following execution of the EDPA, the assignee may, subject to terms expressed in the EDPA, have the right to receive 380 Incentives equal to up to 75% of its annual incremental real and Business Personal Property ad valorem tax received by the City in an amount equal to the lesser of the amount advanced or 15% of the Program Cap for a period of up to 10 years. No property that is zoned Residential by the City shall be permitted to be included as part of an assignee’s subject property except where such zoning may be changed to facilitate new development (example: a property zoned for Single-Family Detached subsequently rezoned for Industrial in connection with new development). Properties that are zoned Mixed-Use (including any part of a form-based code) or properties that are zoned Planned Development may be included as part of an assignee’s subject property.

7.2. ELIGIBILITY REQUIREMENTS FOR TECHNOLOGY COMPANY PROJECTS.

The City wishes to encourage and promote the development of technology businesses. In order to be considered for 380 Incentives, a Technology Company project must employ at least 5 individuals.

The maximum amount of any 380 Incentives to a Technology Company will be:

- Up to 80% of net new real property taxes on owned or leased facilities for up to 5 years;
- Up to 80% of net new Business Personal Property taxes for up to 5 years; *or*
- Up to \$10,000 for each new full-time job in first three years of operation with annual salary over \$65,800.

The percentage of ad valorem taxes will be based on the M&O tax rate of the City.

8. ECONOMIC DEVELOPMENT PROGRAM CALCULATION.

8.1. Improvements Required.

All applicants for 380 Incentives must deliver or construct the minimum Capital Investment expenditure by the deadline established in the EDPA.

8.2. Percentage and Amount.

Although this Policy establishes the maximum calculations for 380 Incentives that may be available for a particular type of project, the specific amount of a particular EDPA will be negotiated on a case-by-case basis and the amount of the 380 Incentives may be less than the maximum amounts specified in this Policy, based on the review criteria set forth in Section 10.3. The calculation of a 380 Incentive for any project that meets the requirements of this Policy will be negotiated on a case-by-case basis and governed solely by the terms and conditions of the EDPA.

9. ECONOMIC DEVELOPMENT PROGRAM IMPLEMENTATION.

9.1. Term.

Although this Policy establishes the maximum term of EDPAs that may be available to certain types of projects, the actual term of any particular EDPA will be negotiated on a case-by-case basis and may be less than the maximum available term specified in this Policy, based on the review criteria set forth in Section 10.3.

9.2. Compliance.

Unless otherwise provided in the EDPA, the City will review and determine the recipient's compliance with the terms and conditions of the EDPA for a full calendar year prior to the first year in which the first 380 Incentive will be payable ("**First Compliance Review Year**"). The First Compliance Review Year will either be the full calendar year in which a final certificate of occupancy is issued for the improvements required by the EDPA (or if a certificate of occupancy is not required for some or all of the improvements, then such other written confirmation of completion of such improvements) for the real property and Business Personal

Property investment required by the EDPA or the following calendar year, as negotiated and set forth in the EDPA. The first 380 Incentive will be paid in the calendar year following the Compliance Review Year. In other words, the degree to which the recipient meets the commitments set forth in the EDPA will determine the amount of the 380 Incentive payable in the following year. The City will continue to review and determine the recipient's compliance with the terms and conditions of the EDPA for each subsequent calendar year, which findings will govern the amount of each subsequent 380 Incentive, until expiration of the EDPA.

10. ECONOMIC DEVELOPMENT PROGRAM APPLICATION PROCEDURES.

Each 380 Incentive application will be processed in accordance with the following standards and procedures:

10.1. Submission of Application

The Department is responsible for promulgating the application for 380 Incentives (“**Application**”). Applicants desiring to receive 380 Incentives must complete and submit an Application to the Department. Among other things, the Application must include documentation that there are no delinquent property taxes due for the subject property. In addition, applicants whose projects include, either in whole or in part, the renovation of one or more existing structures, must provide a detailed description and cost estimates for the contemplated renovations.

10.2. Application Fee

An applicant must pay a non-refundable application fee \$2,500 (“**Application Fee**”).

10.3. Application Review and Evaluation

The Department will review an Application for accuracy and completeness. Once complete, the Department will evaluate an Application based on the proposed merit and value of the project, including, the guidelines and criteria established by this Policy, which include, without limitation, the following:

- Types and number of new jobs created, including: respective Salaries, and employee benefits packages such as health insurance, day care provisions, retirement packages, transportation assistance, employer-sponsored training and education, any other benefits and whether all benefits are offered on an equal and non-discriminatory basis to all employees;
- Percent of construction contracts committed to (i) Fort Worth Companies and (ii) BEFs;
- Financial viability of the project;
- The reasonably projected increase in the value of the tax base;

- Costs to the City (such as infrastructure participation, etc.);
- Type of industry and activities associated at the project site;
- If the company is foreign owned and/or includes capital investment sources from outside the United States;
- Other items that the City may determine to be relevant with respect to the project.

10.4. Consideration by the City Council

The City Council retains sole authority to approve or deny any EDPA and is under no obligation to approve any Application or EDPA.

11. GENERAL POLICIES AND REQUIREMENTS.

Notwithstanding anything to the contrary herein, the following general terms and conditions govern this Policy:

11.1. The City will not grant 380 Incentives for any development project in which a building permit application has been filed with the City’s Development Services Department.

11.2. An applicant for a 380 Incentives must provide evidence to the City that demonstrates that 380 Incentives are necessary for the financial viability of the development project proposed.

11.3. An applicant 380 Incentives must provide Salary and employee benefit information for all positions of employment to be located in any facility covered by the Application as well as a copy of the applicant’s written non-discrimination policy applicable to the applicant’s employees.

11.4. As part of the consideration for any 380 Incentives, the City will have the right to (i) review and verify the applicant’s financial statements and records related to the development project and the amount of any 380 Incentives that may be payable in any given year; and (ii) conduct an on-site inspection of the development project in order to verify compliance with the terms and conditions of the EDPA.

Exhibit “A”
DEFINITIONS

Business Personal Property -- Any taxable tangible personal property other than inventory and supplies that (i) is subject to ad valorem taxation by the City; (ii) is located on the property subject to an EDPA; (iii) is owned or leased by the party to the EDPA; and (iv) was not located in the City prior to the year in which the EDPA was executed.

Capital Investment - Expenditures for real property improvements such as, without limitation, new facilities and structures, site improvements, infrastructure improvements, facility expansion, facility modernization, and utility installation. Capital Investment does NOT include land acquisition costs or the cost or value of any improvements existing on the property prior to the City Council’s authorization of execution of an EDPA.

Catalytic Development Project – A development that meets the prerequisites set forth in Section 5.2.

Central Business District – A geographic area within the City, also referenced as Downtown, as defined in the Fort Worth Comprehensive Plan.

Comprehensive Plan - The City of Fort Worth’s official guide for making decisions about growth and development. The Plan is a summary of the goals, objectives, policies, strategies, programs, and projects that will enable the city to achieve its mission of focusing on the future, working together to build strong neighborhoods, develop a sound economy, and provide a safe community.

Designated Investment Zone –The geographic area within the City containing those census tracts (i) that are eligible for community development block grants (CDBG), as defined and determined by the United States Department of Housing and Urban Development (HUD), meaning that fifty-one percent (51%) or more of residents have low to moderate incomes and (ii) those census tracts that have a poverty rate of 20% or higher, as shown in the map of Exhibit “B” of this Policy.

Economic Development Initiatives Fund (EDIF) –The special revenue fund established pursuant to the City of Fort Worth Economic Development Initiatives Fund Policy and incorporated into the City of Fort Worth Adopted Budget to make cash funds available for the purpose of supporting economic development activities within the City.

Existing Business – A business that was operating within the corporate limits of the City prior to the effective date of this Policy.

Fort Worth Resident – An individual whose primary residence is located in the corporate boundaries of the City of Fort Worth.

Innovation District – Geographic areas where leading-edge anchor institutions and companies cluster and connect with start-ups, business incubators, and accelerators that are physically compact, transit-accessible, and technically-wired, and offer mixed-use housing, office, and retail.

Investment – The aggregate of Capital Investment and Personal Property Investment.

Mega Project- A project meeting the prerequisites set forth in Section 3.4.

Mixed-Use Development Project – A development project in which a facility or facilities will be constructed or renovated such that (i) at least twenty percent (20%) of the total gross floor area will be used as residential space and (ii) at least ten percent (10%) of the total gross floor area will be used for office, restaurant, entertainment and/or retail sales and service space. In the event that all or any portion of the residential space is rental (i.e. apartments), there must be at least fifty (50) units.

Personal Property Investment – The value of Business Personal Property installed on a development site by a date certain, as determined solely by the appraisal district having jurisdiction over the development site.

Program Cap – The maximum amount of 380 Incentive award available over the term of 380 Incentive Term.

Qualified Expenses – Those expenses classified as qualified expenses under Internal Revenue Code Section 41 (the Research and Experimentation Tax Credit) and any other expenses identified and agreed to by the City in an EDPA as direct expenses for utility patent generation, technology commercialization, or spinoff incubation costs.

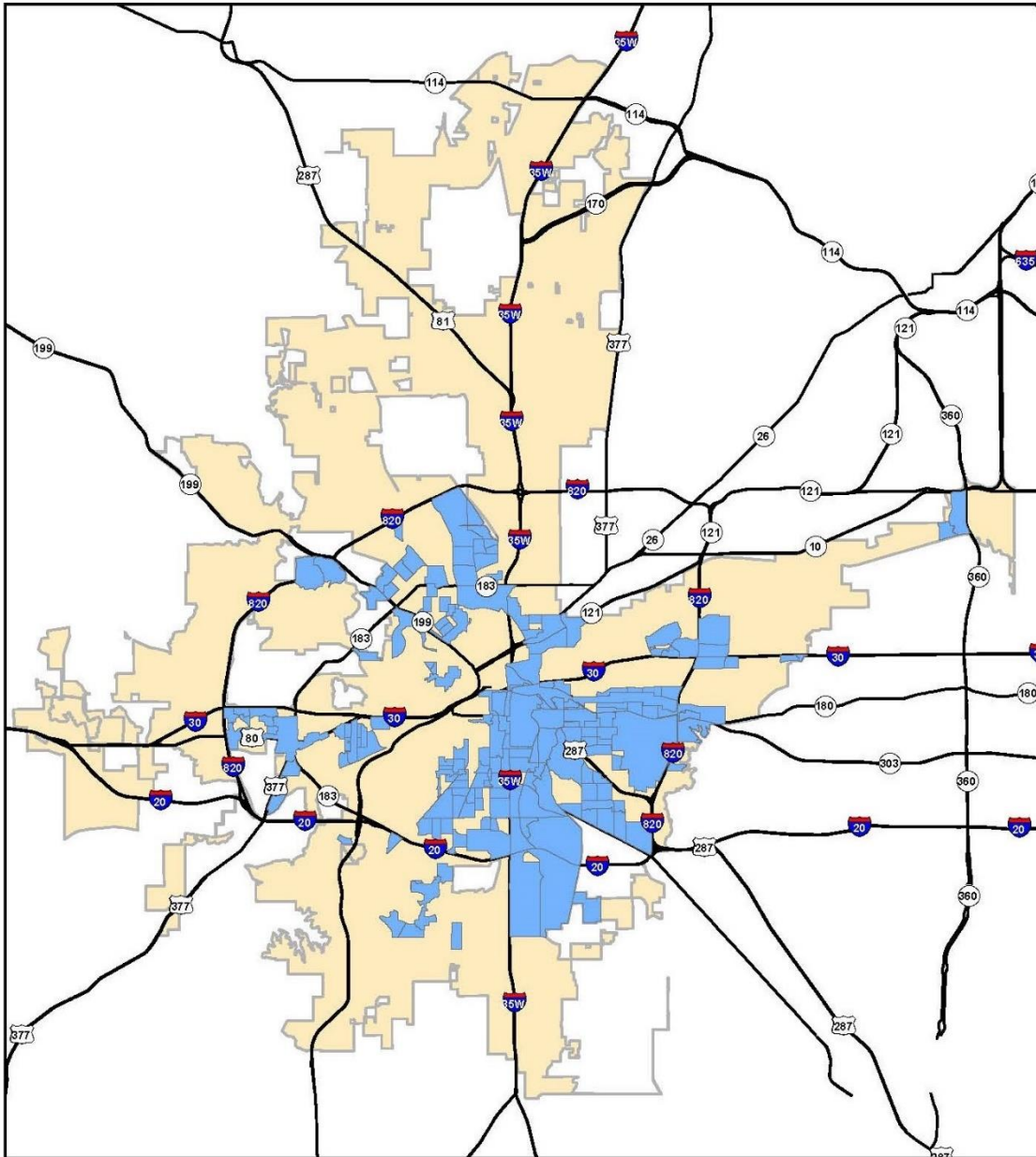
Salary – A cash payment or remuneration made to a full-time employee, including paid time off, commissions, and non-discretionary bonuses. A Salary does not include any benefits, such as health insurance or retirement contributions by the employer, reimbursements for employee expenses, or any discretionary bonuses.

Target Sector– A business providing services in the sectors specifically identified in Section 1.3.

Technology Company – A company working in an industry with a high concentration of workers in STEM (Science, Technology, Engineering, and Mathematics) occupations, including, but not limited to, design, prototype development and testing, preliminary manufacturing and product marketing.

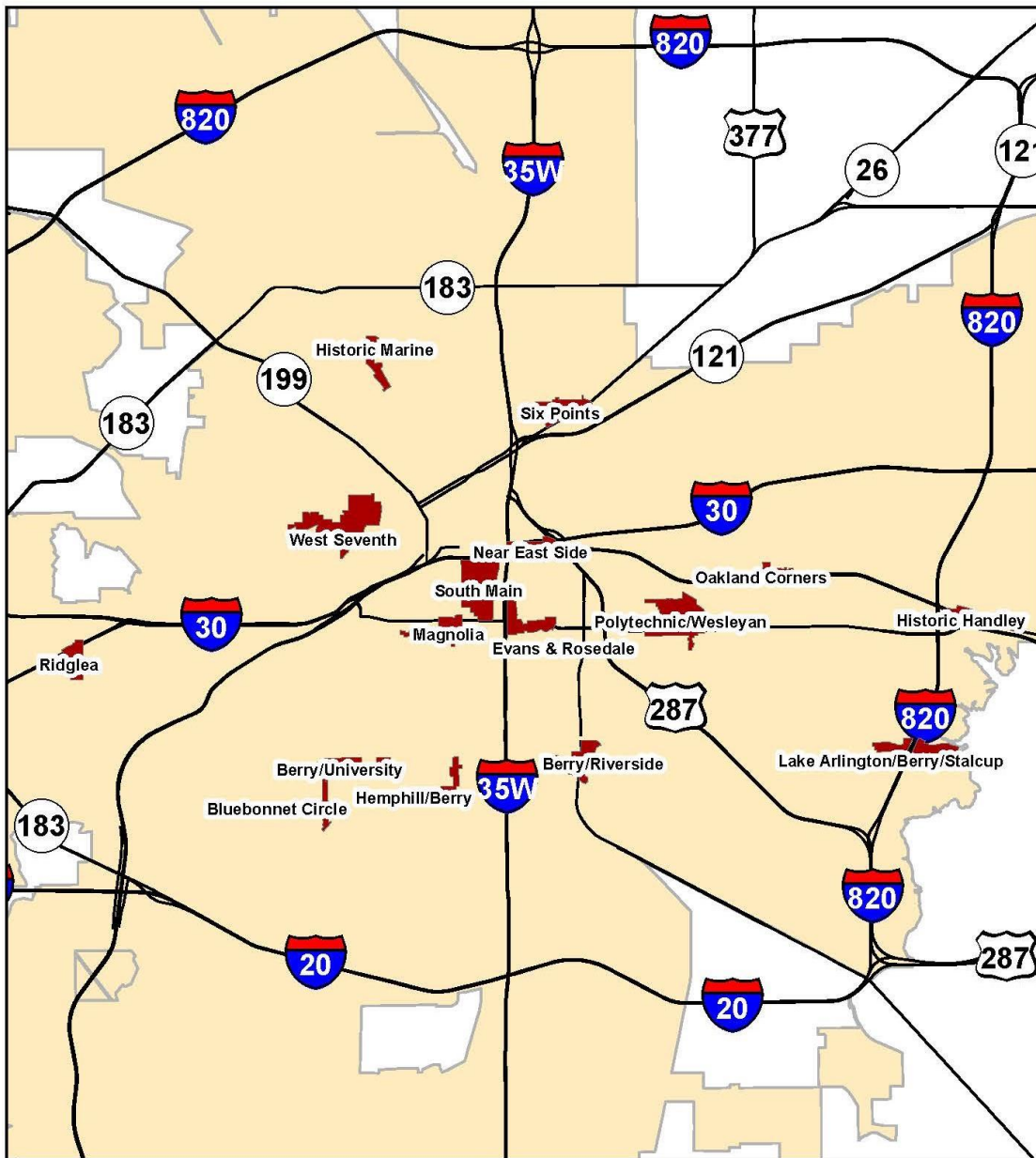
Transit Oriented Development - A Mixed-Use Development located within one-half mile of a commuter rail line station and in which all buildings will be at least 3 stories in height.

Exhibit "B"
DESIGNATED INVESTMENT ZONES



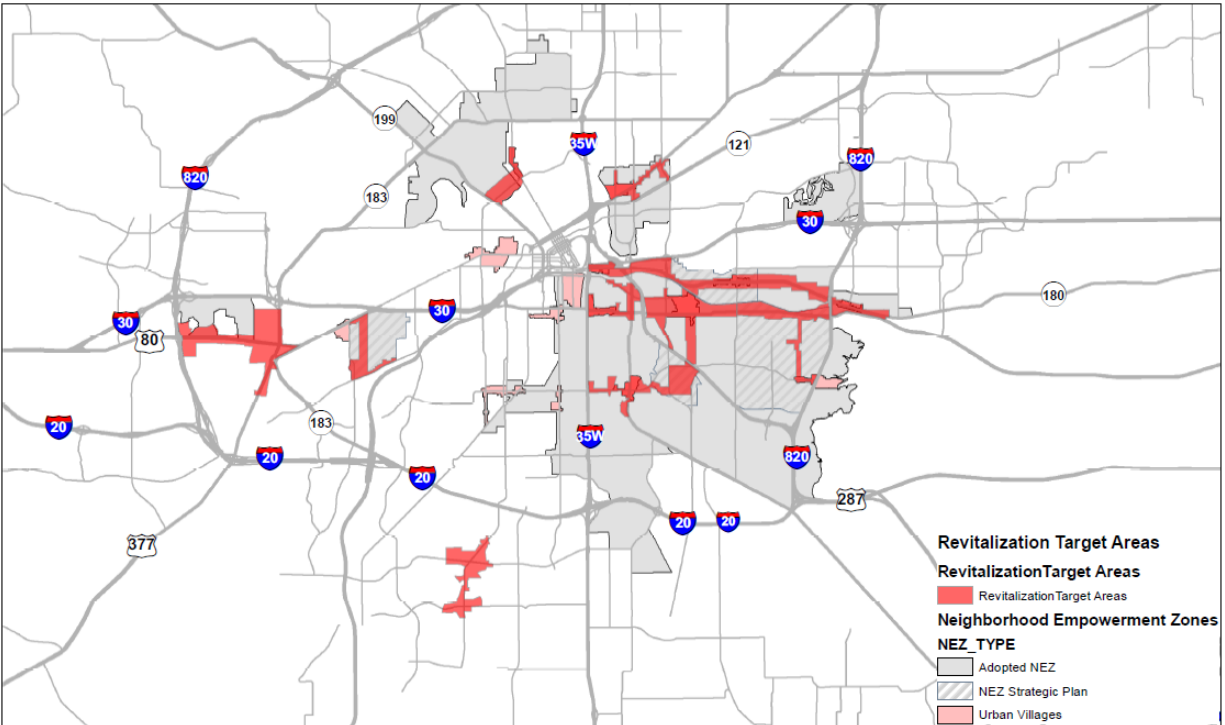
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Exhibit "C"
URBAN VILLAGES



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Exhibit "D"
REVITALIZATION TARGET AREAS



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