EVANS & ROSEDALE
FINANCING UPDATE

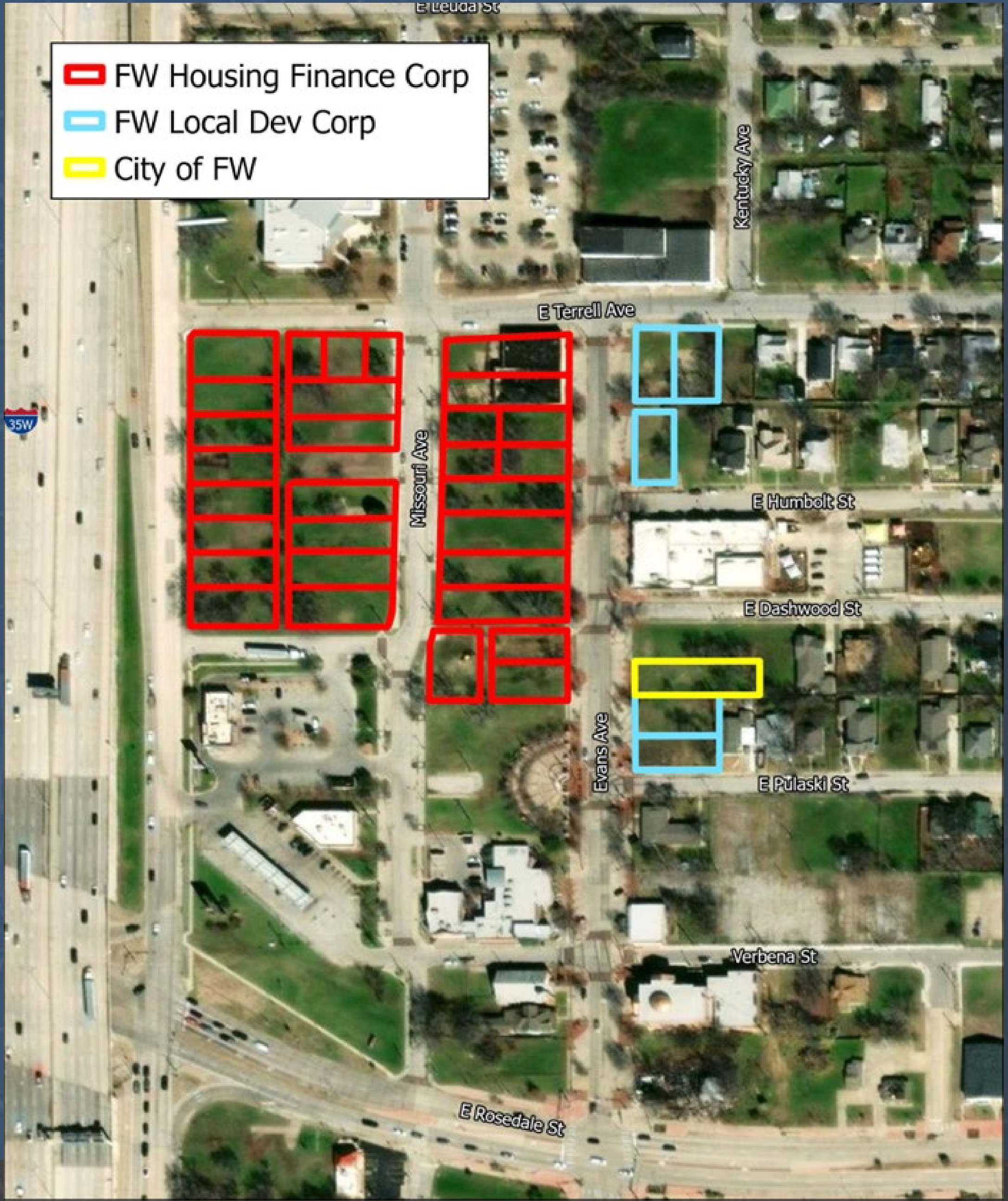
Presented by:
Martha Collins

October 14, 2025

Project Location

EVANS & ROSEDALE URBAN VILLAGE

Evans Avenue & E. Rosedale Street



<u>Sites owned by:</u>

FW Local Development Corp.

FW Housing Finance Corp.

City of Fort Worth

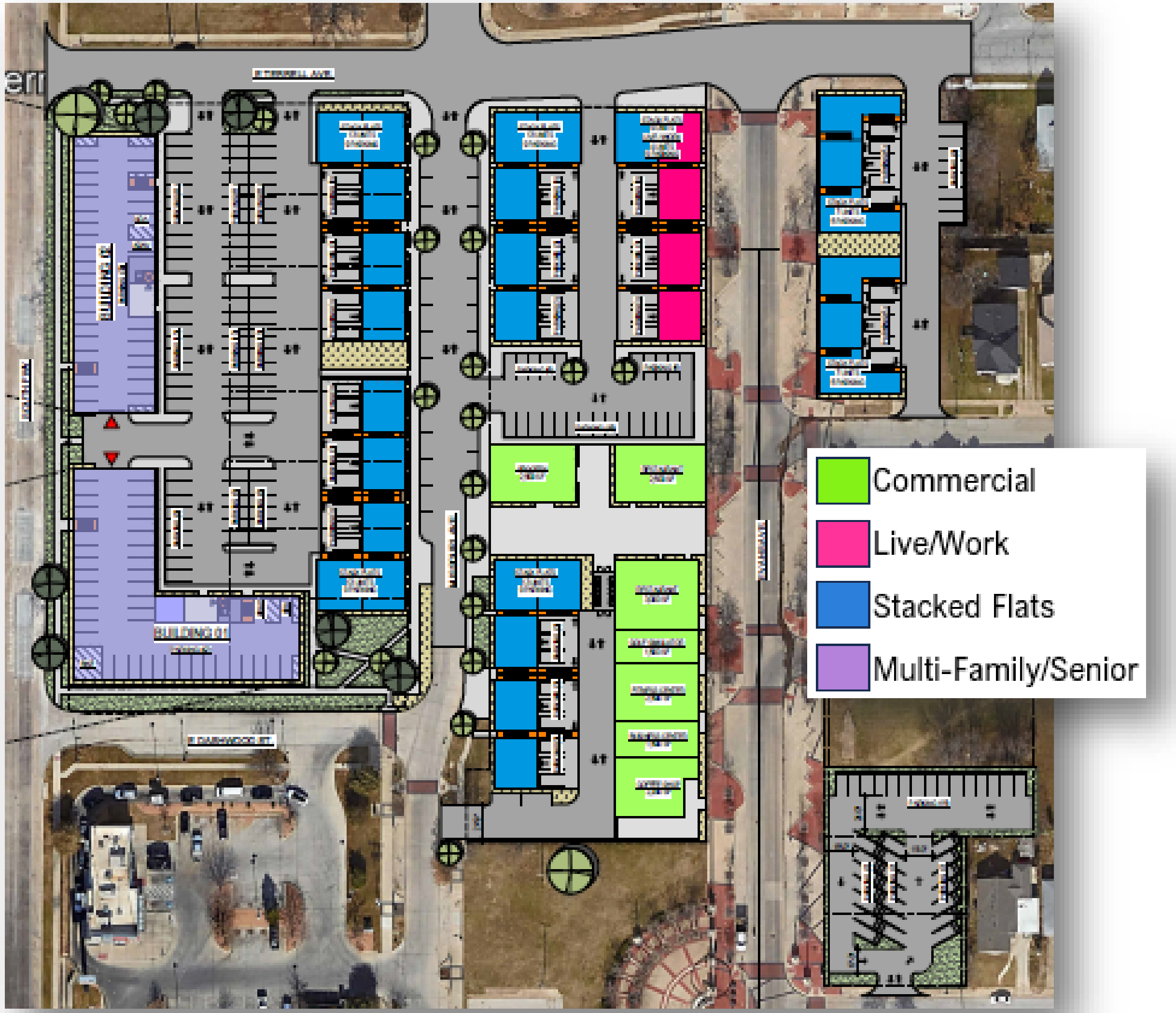
Project History

- Developer Selected: *August 2024*
- Community Engagement, Negotiations, and Communication Infrastructure: *August 2024 through April 2025*
- Initial Approvals: *April and May 2025*
- Purchase and Sales Agreements Signed: *May 30, 2025*
- *Pre-Development & Negotiations Continue*
- **Financing Structure Update: *Today – October 14, 2025***
- Real Estate Closing Deadline: *June 1, 2026, with one 60-day extension available*


ROYAL CAPITAL
A Venture & Holdings Company

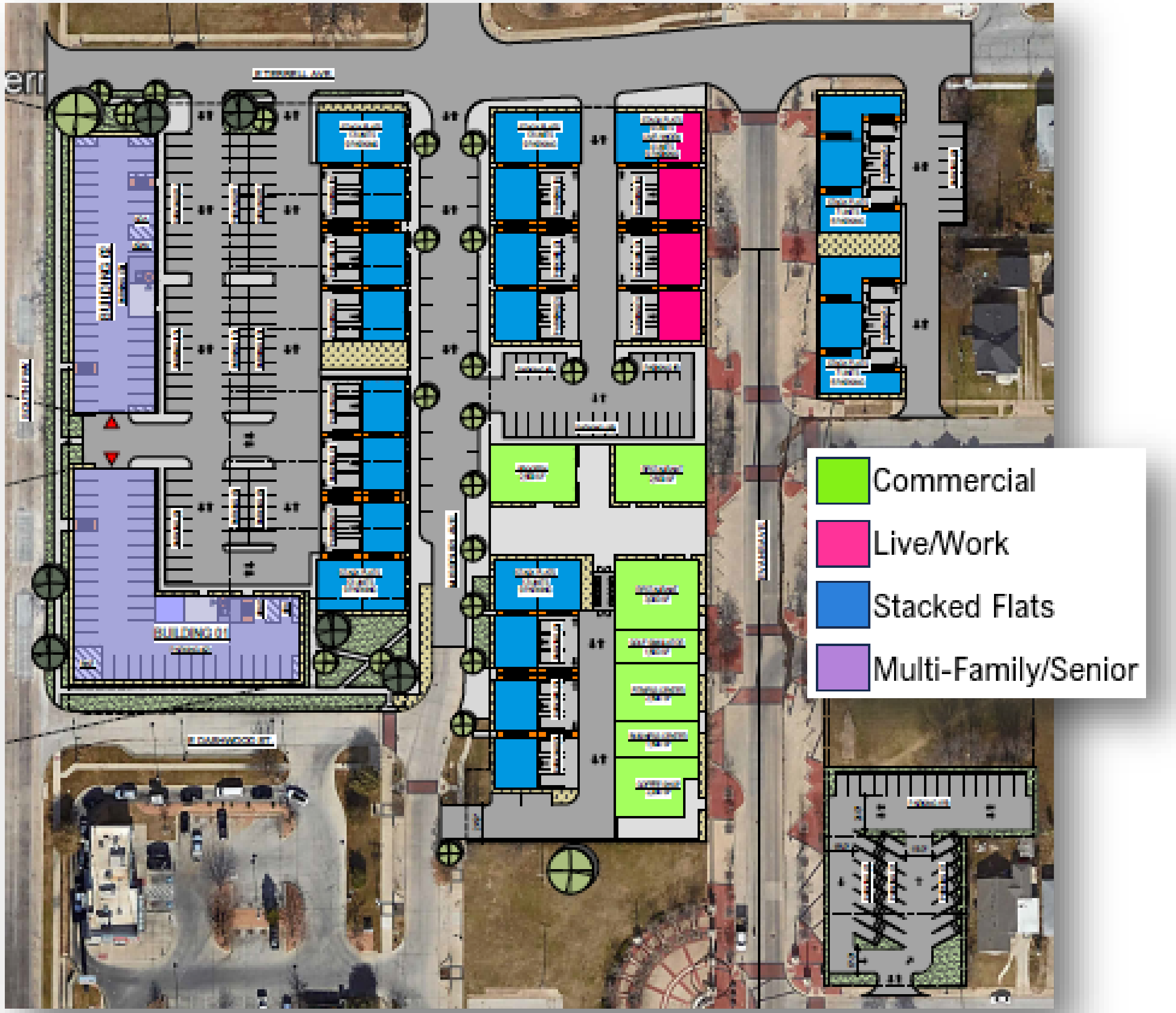
Project Overview

- Residential: Min 170 Units, Est. 181 Units
  - Multifamily (1st bldg.), marketed to active seniors with deeper affordability
  - Multifamily (2nd bldg.)
  - Stacked flats
  - Live-work
  - Mix avg at 60% AMI
- Commercial: 15,700 SF, minimum 3,000 SF and 1-year of grocer/market w/ essential fresh foods
  - Intended other uses (non-commitments): Restaurants (2), Fitness Center, Business Center, Coffee Shop, Small Business Suites
- Parking: min. of 283 spaces
  - Mix of surface/garage/street (54 max street)
- Parks & Common Space Enhancements



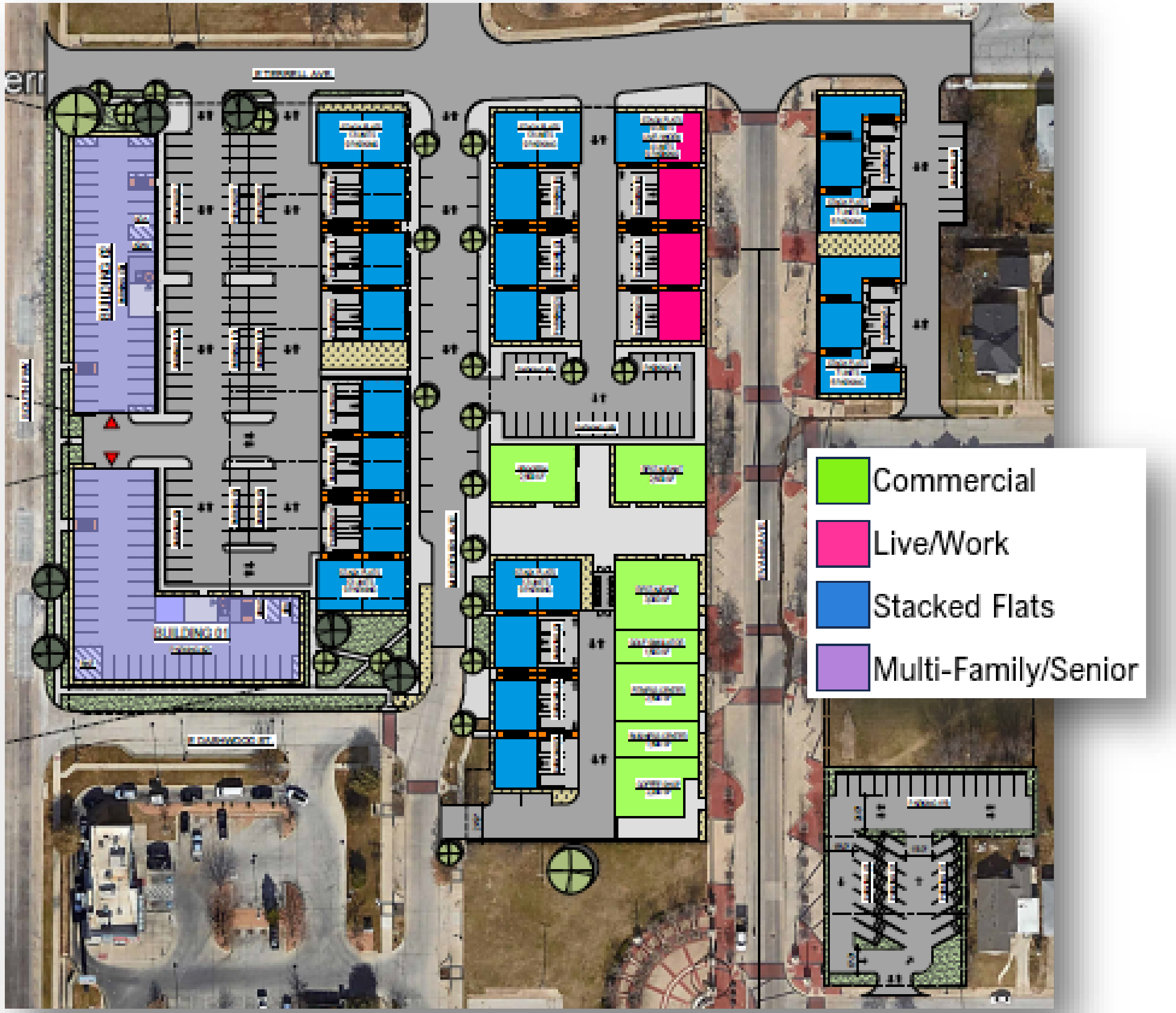
Developer Commitments

- <u>**$63M Total Investment**</u>
- <u>**$45M Hard Costs**</u>
- <u>**30% Small Business (SB) commitment and best faith efforts to hire local and within neighborhood**</u>



Non-Construction Commitments

- Continued community engagement
- **<u>30% SB goal, best efforts to hire in 76104</u>**
- Required set aside for local commercial tenants
- Culture and heritage considered throughout development
- Required grocer/market (min. 1-year of operation)
- Security plan for site
- Financial capacity demonstration prior to closing on land
- Longevity of uses right of first refusal for City – affordability & commercial



Proposed Incentives & Structure

- $7,000,000 TIF reimbursement for public infrastructure, **<u>Phased Reimbursement</u>**
- $2,500,000 in City or HFC Funding
- **<u>Replacing the 380 Grant</u>: $6,038,333 Tax Exemption Value net Payment in Lieu of Taxes (PILOT) to City**
  - **HFC Owns Land and is in Improvements Partnership for Tax Exemption**
  - **PILOT to City (100% of city taxes) and Net Cash Flow Split between HFC & LDC**
- $4,245,553 in Land Contribution
- Other: project facilitation for expedited processing and fee waivers expected

<u>Total: $19,783,866</u>

Sale of Lots

- 36 lots sold to developer **<u>then transferred back to the HFC as property owner</u>**
- Entities will be reimbursed by the City for project lots accordingly:
    - City of Fort Worth:
        - 1 lot: $112,500
    - FW Housing & Finance Corp.:
        - 30 lots: $3,595,977
    - FW Local Development Corp.:
        - 5 lots: $537,076
    - **Total: $4,245,553**

Proposed Structure

Fort Worth HFC
Ground Lessor

Evans and Rosedale Texas LLC

Ground Lessee

Managing Member SPE, LLC

0.01% Owner

Fort Worth Housing Finance Corporation
100% Owner

Class B Member

Evans and Rosedale MM, LLC 0.01% Member

Royal Capital Group, LLC
100% Owner

Kevin Newell
Founder and CEO
(100% Owner)

Investor Member

To Be Determined (99.99%)

Revenue Distribution Priority of Payment

1. Debt Service
2. PILOT to the City
3. LIHTC Investor (for Asset Management Fee)
4. Repayment to Developer for their contributions for development
5. Company Management Fee to Developer
6. 90% General Partner Split, 10% LIHTC Investor
   - Cash Flow Split:
     - Developer: 75% of Split
     - HFC/LDC: 25% of Split

Fiscal Summary

Revenue to Entities Over 15 Years

- Payment in Lieu of Taxes (PILOT) to the City: **$2,594,013 ($150,000/yr + 2% annual increase)**
- HFC/LDC Developer Fee (25% of GP Split): **$138,574 Estimated**

Total Estimated Revenue: $2,732,587

Fiscal Impact to City Over 15 Years

- Forgone Property Tax to City from Exemption: **$2,565,551**
- Difference between PILOT & forgone tax to city: **$28,462**

Total Increase to City/HFC/LDC from Change:

- City savings from 380 ($2,251,211) + PILOT and Fee ($2,732,587) = **$4,983,798**

Public Participation Summary:

- $4,245,553 for Land Contribution
- $7,000,000 from TIF 4 (2 Phases)
- $2,500,000 City/HFC Funding
- $6,038,333 Tax Exemption Value After PILOT

$19,783,866

Private/Public Ratio (with land)

- City Participation: 15% (22%)
- City Private/Public: 6.6:1 (4.5:1)
- Private/Public: 4:1 (3.2:1)

Benefits of Development

- Investment into Evans & Rosedale Urban Village and restoration of historic uses and neighborhood vibrancy
  - Culture and heritage considered in design & development
- Creation of a mix of 170-181 affordable units
  - Strategic marketing to reclaim or maintain senior demographic in neighborhood with deeper income restrictions in multifamily
- New commercial retail and live-work units along historic Evans Avenue commercial corridor
  - Best efforts for a market/grocer for healthy food options in neighborhood
- New programmable green space, gathering spots, and parks
- PILOT to the City – 100% of City Taxes
- Revenue going to HFC & LDC can be reinvested in additional projects
- Improved safety & security

Next Steps & Timeline

- Work Session: October 14, 2025
- City Council and HFC Approvals and LDC Briefing: October 28, 2025
- Agreements Finalized: End of 2025
- Real Estate Closing: By June 1, 2026
    - One 60-day Extension for August 1, 2026

Questions?

Thank you.