

# CITY COUNCIL AGENDA



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|                 |   |                       |               |                        |                                    |
|-----------------|---|-----------------------|---------------|------------------------|------------------------------------|
| <b>DATE:</b>    | 4/11/2023   | <b>REFERENCE NO.:</b> | **M&C 23-0284 | <b>LOG NAME:</b>       | 17ARPA FWTC INNOVATION PARTNERSHIP |
| <b>CODE:</b>    | G   | <b>TYPE:</b>          | CONSENT       | <b>PUBLIC HEARING:</b> | NO                                 |
| <b>SUBJECT:</b> | (CD 9 / Future CD 9) Approve Allocation from the American Rescue Plan Act State and Local Fiscal Recovery Funds in the Amount of \$2,000,000.00 to Provide Services by the Fort Worth - Tarrant County Innovation Partnership that Support the Growth and Success of the Texas A&M University System Research and Innovation Hub and the Surrounding Area, Amend Mayor and Council Communication 22-1076 to Revise the Appropriation Ordinance and Source of Funding from Tarrant County and Adopt Appropriation Ordinances |                       |               |                        |                                    |

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### **RECOMMENDATION:**

It is recommended that the City Council:

1. Approve the allocation of \$2,000,000.00 from the American Rescue Plan Act State and Local Fiscal Recovery Funds for the Texas A&M University System Research and Innovation Hub;
2. Amend Mayor and Council Communication 22-1076 to revise the appropriation ordinance and source of funding from Tarrant County;
3. Adopt the attached appropriation ordinance adjusting estimated receipts and appropriations by decreasing estimated receipts and appropriations in the Grants Operating Federal Fund in the amount of \$2,000,000.00 and increasing estimated receipts and appropriations in the Grants Operating Other Fund by the same amount, for the purpose of funding the TXAMU Innovation Project (City Project No. 104766); and
4. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Grants Operating Federal Fund in the amount of \$2,000,000.00 for the purpose of funding the TXAMU Innovation Project (City Project No 104766).

### **DISCUSSION:**

On December 13, 2022, the City Council approved Mayor and Council Communication(M&C) 22-1076 authorizing the execution of an Interlocal Agreement between the City of Fort Worth, Tarrant County and Fort Worth Now to partner on the creation of an entity to assist with the synchronization and success of the Texas A&M System Research and Innovation Hub which consists of the new Texas A&M Law & Education building and two additional Texas A&M occupied buildings (Innovation Hub) and surrounding district-wide vision. The entity will work with developer(s), Texas A&M University System (TAMUS), corporate tenants, entrepreneurs, and local stakeholders to maximize the impact of the collaboration between the City of Fort Worth (City) and Tarrant County (County), local industries and top research, education, and workforce training assets of the Texas A&M system.

To leverage existing resources, the City and County will utilize the current and mostly inactive Fort Worth Now non-profit corporation by legally amending it to become the Fort Worth - Tarrant County Innovation Partnership (FWTCIP), retaining Jarratt Watkins, the current Executive Director of Fort Worth Now to assist with modifying the legal name, amending the bylaws with its new purpose, and creating a new board of directors. The new board of directors will be led by the City and County appointees. This new entity will help spark a vibrant innovation district that attracts world-class tenants and partners, creates partnerships between TAMUS, the City, County, and corporate tenants to build a thriving downtown innovation ecosystem. The Innovation Hub will be a major opportunity for economic development and growth in the City and County. Initial key areas of focus and services to be provided by the FWTCIP will include, but not limited to the following;

#### **Real Estate Development Support**

Serve as lead in coordinating planning efforts to integrate TAMUS designed and constructed building with developer/City efforts to design and construct the Research and Innovation Building and Gateway Conference Center Building and associated spaces (plaza, parking, etc.).

Coordinate the activities of partners involved in the development of the Innovation Hub and surrounding area.

Participate in commercial tenant/partner recruitment.

Provide coordination on behalf of all parties in connection with negotiations of the development agreement between the City, TAMUS and chosen Innovation Hub developer.

### Research and Innovation

Promote to local, regional and national industry partners the commercialization opportunities associated with the Innovation Hub.

Work with local and state partners supporting entrepreneurs' efforts throughout the community.

### Stakeholder and Community Engagement

Secure local and regional philanthropy to help support the TAMUS Urban Campus development through fund raising associated with business opportunities emerging from the Innovation Hub.

Coordinate partner engagement and community stakeholder meetings.

### Economic Development

Assist with planning efforts to support future growth of the TAMUS Urban Campus and surrounding district-wide vision.

Coordinate with City, County and Chamber economic development groups the opportunities for the use of incentives to help development in and around the TAMUS Urban Campus.

In consideration of the services to be performed by FWTCIP, the City and County have agreed to pay up to \$4,000,000.00 spread out over the four-year term of a Services Agreement with FWTCIP from funding provided by both the City and Tarrant County. Funds will be used for setting up the new entity and providing services outlined in the agreement. Under the terms of the Agreement, the County will make available a total amount not to exceed \$2,000,000.00 to the City for purposes of paying FWTCIP under the Services Agreement, and remit payment to the City in four equal payments of \$500,000.00 beginning annually on or about January 31, 2023 and ending on or about January 31, 2026. The City will make available an amount not to exceed \$2,000,000.00 for purposes of paying FWTCIP under the Services Agreement, for a total budget of \$4,000,000.00.

Under the previously approved M&C 22-1076, it was indicated that both the City and the County would be utilizing American Rescue Plan Act (ARPA) dollars under Section 603(c)(1)(C) of Title VI of the Social Security Act (added by ARPA) to fund their respective participation in the Innovation Hub. Tarrant County has now elected to provide their \$2,000,000.00 allocation from another funding source, so the previously approved appropriation ordinance will need to be amended to revise the funding account from the Grants Operating Federal Fund to the Grants Operating Other Fund. The City portion of \$2,000,000.00 will come from the already set aside \$5,000,000.00 in ARPA funding dedicated to the Innovation Hub.

### Allocation of ARPA Subtitle M Funding

Responding to the negative health and economic impacts of the coronavirus pandemic is a specifically identified use of ARPA dollars under Section 603(c)(1)(C) of Title VI of the Social Security Act (added by ARPA). Treasury Department guidance specifically notes that these Fiscal Recovery Funds can be deployed for the provision of government services in support of the economic recovery of the City and community.

Providing matching funds for eligible joint projects with other agencies was also determined to be a qualified priority by City Management for ARPA funding as approved by the City Council by M&C 21-0445 on June 22, 2021. ARPA funds must be committed by December 31, 2024 and spent by December 31, 2026.

Approval of this M&C will allocate \$2,000,000.00 for Fiscal Year 2023 in the American Rescue Plan Act project in the Grants Operating Federal Fund budget for transfer to the TXAMU Innovation Project. Necessary reporting and documentation requirements will be followed to ensure the City can comply with all reporting requirements of the ARPA legislation.

The following chart reflects the current status for allocation of the City's ARPA funding under Subtitle M and incorporates each ARPA M&C on the October 19, 2021 Council Agenda:

|                                   |                  | M&C's   |
|-----------------------------------|------------------|---|
| Total CFW ARPA Subtitle M Funding | \$173,745,090.00 | 21-0445 362021 AMERICAN RESCUE PLAN                               |
| Allocations Approved To-Date      | 6,000,000.00     | 21-0794 25ARPA-VFW-TDG  |
| Allocations Approved To-Date      | 1,000,000.00     | 21-0805 13ARPA-ADMINISTRATION                                     |
| Allocations Approved To-Date      | 4,245,533.42     | 21-0810 17ARPA ALLOCATIONS EVANS & ROSEDALE REDEVELOPMENT         |
| Allocations Approved To-Date      | 2,400,000.00     | 21-0811 17ARPA ALLOCATIONS UNTHSC TECHSTARS                       |
| Allocations Approved To-Date      | 10,100,000.00    | 21-0814 19ARPA ALLOCATIONS TO HOUSING AND HUMAN SERVICES PROJECTS |
| Allocations Approved To-Date      | 3,000,000.00     | 21-0809 19ARPA ALLOCATION CDFI FRIENDLY AMERICA                   |

|                               |                |  |
|-------------------------------|----------------|--|
| Allocations Approved To-Date  | 300,000.00     | 21-0820 25ARPA-WRMC MURAL PLAQUES                                  |
| Allocations Approved To-Date  | 6,400,000.00   | 21-0935 21ARPA-PEG FUNDING-FUTURE CITY HALL                        |
| Allocations Approved To-Date  | 8,000,000.00   | 21-0908 23ARPA-VACCINATIONS AND TESTING                            |
| Allocations Approved To-Date  | 4,560,000.00   | 21-0913 25ARPA-PED\\_CAPITAL\\_RESTORE                             |
| Allocations Approved To-Date  | 52,000,000.00  | 21-0934 21ARPA-FWCC EXPANSION FUNDING & PROJECT MANAGEMENT         |
| Allocations Approved To-Date  | 3,000,000.00   | 22-0268 17ARPA CENTER FOR TRANSFORMING LIVES                       |
| Allocations Approved to-Date  | 5,000,000.00   | 22-0270 19ARPA ALLOCATION FOR PERMANENT SUPPORTIVE HOUSING         |
| Allocations Approved to-Date  | 7,091,047.00   | 22-0368 04ARPANEIGHBORHOOD WIFI CARES RATIFICATION/ARPA ALLOCATION |
| Allocations Approved to-Date  | 3,595,000.00   | 22-0366 04ARPA INFRASTRUCTURE PROGRAM                              |
| Allocations Approved to-Date  | 3,675,000.00   | 22-0367 04ARPA CYBERSECURITY PROGRAM                               |
| Allocations Approved to-Date  | 16,000,000.00  | 22-0789 MMA INFRASTRUCTURE – STREETLIGHTS & PEDESTRIAN SAFETY      |
| Allocations Approved to-Date  | 2,500,000.00   | 22-0789 MMA INFRASTRUCTURE – COBB & HIGHLAND HILLS PARKS           |
| Allocations Approved to-Date  | 3,200,000.00   | 22-0789 TARRANT AREA FOOD BANK FACILITY                            |
| Allocations Approved to-Date  | 2,000,000.00   | 22-0789 POLICE AND FIRE COVID WORKER'S COMPENSATION CLAIMS         |
| Allocations Approved to-Date  | 1,458,372.00   | 22-0789 POLICE COVID HEALTH EXPENDITURES                           |
| Allocations Approved to-Date  | 750,000.00     | 22-0789 VISIT FORT WORTH SPECIAL EVENT FUNDING                     |
| Allocations Approved to-Date  | 4,411,080.00   | 22-0789 UNITED WAY ONE SECOND COLLABORATIVE                        |
| Allocations Approved to-Date  | 8,000,000.00   | 22-0789 DEEPLY AFFORDABLE HOUSING INFRASTRUCTURE & DRAINAGE        |
| Allocations Approved to-Date  | 1,500,000.00   | 22-0789 FORT WORTH ZOO ROAD REPAIR, EROSION CONTROL, BROADBAND     |
| Allocations Approved to-Date  | 200,000.00     | 22-0789 TX WESLEYAN ON-CAMPUS PUBLIC UTILITY RELOCATION            |
| Allocations Approved to-Date  | 1,925,000.00   | 22-0789 WILL ROGERS MC AIR HANDLER REPLACEMENT                     |
| Allocations Approved to-Date  | 5,950,000.00   | 22-0789 WILL ROGERS MC CONCOURSE, LOBBY AND RESTROOM UPDATES       |
| Pending Allocation            | \$2,000,000.00 | 17ARPA FWTC INNOVATION PARTNERSHIP (This M&C)                      |
| Remaining Unallocated Balance | \$3,484,057.58 |  |

**FISCAL INFORMATION/CERTIFICATION:**

The Director of Finance certifies that funds are available in the Grants Operating Federal Fund, and upon approval of the above recommendations, funds will be available in the current operating budgets, as appropriated, of the Grants

Operating Federal and Grants Operating Other Funds' TXAMU Innovation Project. The Economic Development Department shall be responsible for ensuring that only expenditures allowable under the American Rescue Plan Act are charged to the ARPA funding source.

**TO**

| Fund | Department ID | Account | Project ID | Program | Activity | Budget Year | Reference # (Chartfield 2) | Amount |
|------|---------------|---------|------------|---------|----------|-------------|----------------------------|--------|
|------|---------------|---------|------------|---------|----------|-------------|----------------------------|--------|

**FROM**

| Fund | Department ID | Account | Project ID | Program | Activity | Budget Year | Reference # (Chartfield 2) | Amount |
|------|---------------|---------|------------|---------|----------|-------------|----------------------------|--------|
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**Submitted for City Manager's Office by:** William Johnson (5806)

**Originating Department Head:** Robert Sturns (2663)

**Additional Information Contact:** Robert Sturns (2663)

**ATTACHMENTS**

- [17ARPA FWTC INNOVATION PARTNERSHIP funds availability.pdf](#) (CFW Internal)
- [M&C\\_17FW\\_TC\\_INNOVATION\\_PARTNERSHIP\\_22-1076.pdf](#) (Public)
- [ORD.APP 17ARPA FWTC INNOVATION PARTNERSHIP\\_21001\\_AO23\(r4\).docx](#) (Public)
- [ORD.APP 17ARPA FWTC INNOVATION PARTNERSHIP\\_21003\\_AO23\(r3\).docx](#) (Public)