

**To the Mayor and Members of the City Council****January 9, 2018**

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SUBJECT: AMENDMENT NO. 3 TO ECONOMIC DEVELOPMENT PROGRAM AGREEMENT WITH CARLYLE/CYPRESS WEST 7th, LP TO REMOVE CERTAIN PARCELS FROM THE DEVELOPMENT

On July 31, 2007 (M&C C-22283) the City Council authorized the execution of an economic development program agreement (Agreement) (City Secretary Co. 36633, as amended) with Carlyle/Cypress West 7th LP (Developer) for the construction of a mixed-use project to be constructed in the vicinity of West 7th Street, Crockett Street, Norwood Street, and Foch Street. In return, the City agreed to pay Developer 15 annual economic development program grants in a maximum amount equal to 70% of the incremental real and business personal property taxes as well and 70% of the incremental sales taxes attributable to the project.

The Developer also made a commitment that 15% of rental residential units constructed would be set aside for lease at affordable rates, with two-thirds of those reserved being leased to qualifying households earning no more than 80 percent of the area median income, per HUD standards and one-third of those set aside for qualifying households earning no more than 60 percent of the area median income. In the parcels that now contain residential development, the ongoing annual commitment is being met.

However, there are 4 outlying tracts that were originally included in the Development Property as defined in the Agreement that have now been sold to other parties and developed for other non-residential purposes. Those parcels are outlined in the map on the following page. Because the Developer no longer has control over these 4 outlying parcels, the Developer has requested that those tracts be removed from the scope of the Agreement. In doing so, all taxes from those parcels will be retained by the City and will not be included in the calculation of the remaining annual economic development program grants paid by the City under the Agreement.

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Staff will place an M&C for City Council consideration on the January 23, 2018 agenda, recommending that the aforementioned parcels be removed from the agreement.

If you have any questions concerning this information, please contact Robert Sturns, Economic Development Director at 817-212-2663 or robert.sturns@fortworthtexas.gov.

David Cooke
City Manager