

**To the Mayor and Members of the City Council****August 2, 2016**

Page 1 of 2

**SUBJECT: AMENDMENT NO. 1 TO AND CONSENT TO ASSIGNMENT OF ECONOMIC DEVELOPMENT PROGRAM AGREEMENT WITH WAL-MART STORES TEXAS, LLC AND WAL-MART REAL ESTATE BUSINESS TRUST**

On March 4, 2014, (M& C C-26697) the City Council authorized execution of an Economic Development Program Agreement (Agreement) with Wal-Mart Stores, Texas, LLC (Wal-Mart) under which Wal-Mart was to construct a 182,000 square foot SuperCenter and complete road improvements to Park Vista Boulevard by June 30, 2016 (Phase I). In addition, Wal-Mart was to complete 20,000 square feet of commercial and/or retail shell space on the property by June 30, 2019 (Phase II). In return, the City agreed to pay Wal-Mart certain Economic Development Program grants, as authorized by Chapter 380, Texas Local Government Code.

On January 6, 2015, (M& C C-27137) the City Council authorized an extension of both the Phase I Completion Deadline and the Phase II Completion Deadline by 6 months (to December 31, 2016 and December 31, 2019, respectively) in order to account for delays to the project due to a redesign of the Park Vista Road construction project.

On March 17, 2015 (M& C C-27226) the City Council authorized that the Phase I Completion Deadline and the Phase II Completion Deadline would automatically be further extended for 30 day periods for each month after March 31, 2015 that the City had not completed the necessary right-of-way acquisitions needed for the roadway improvements to incorporate roundabouts on Park Vista Boulevard at the intersections of Keller-Hicks Road, Golden Triangle Boulevard and Ray White Road. Park Vista Boulevard will be four lanes as it nears the intersections of Keller-Hicks Road and Golden Triangle Boulevard. It will then transition back down to a two lane section between Keller Hicks Road and Golden Triangle Boulevard and Golden Triangle Boulevard and Ray White Road.

Wal-Mart Stores continues to experience unforeseen delays in completing the road project due to required redesign of the infrastructure to incorporate City requested changes to lower costs. As a result, Wal-Mart Stores has requested that the Agreement be amended to more specifically allow the December 31, 2016 completion deadline to be extended by the time required to complete the road project.

In addition, due to changes in market forces since the effective date of the Agreement, Wal-Mart Stores has also requested that the definition of "Phase II Improvements" in the Agreement be amended to reduce the minimum square footage required for the commercial and/or retail space comprising the Phase II Improvements from 20,000 square feet to 12,000 square feet. The minimum of \$3,000,000.00 in Construction Costs that must be expended for the Phase II Improvements will not be revised.

The Agreement allows Wal-Mart to assign, transfer or otherwise convey any of its rights or obligations under the Agreement to an affiliated entity so long as Wal-Mart, the City and the affiliate execute a written agreement reflecting that arrangement. Wal-Mart intends to assign the Agreement to Wal-Mart Real Estate Business Trust, which is an affiliated entity, effective

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Page 2 of 2



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contemporaneously with the amendment. As a result, Wal-Mart Real Estate Business Trust will also be a party to the amendment.

Staff will place an M&C for City Council consideration on the August 9, 2016 agenda.

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

**David Cooke**  
**City Manager**