

Mayor and Council Communication

DATE: 02/25/25

M&C FILE NUMBER: M&C 25-0139

LOG NAME: 06AMENDMENT TO CREATION AGREEMENT - MORNINGSTAR RANCH MUD #2

SUBJECT

(ETJ/Parker County) (CD 3) Authorize Execution of Third Amendment to Creation Agreement for Morningstar Ranch Municipal Utility District No. 2 to Extend the Deadline for the District to Annex Additional Property into the District's Boundaries

RECOMMENDATION:

It is recommended that the City Council authorize the City Manager to execute the Third Amendment to the Creation Agreement for Morningstar Ranch Municipal Utility District No. 2 to extend the deadline for the District to annex additional property into the District's boundaries

DISCUSSION:

FG Aledo Development, LLC, a Texas limited liability company, and FFWF Holdings, Inc., a Texas corporation (collectively Owner), own and are developing approximately 1,087 acres of land in Fort Worth's extraterritorial jurisdiction in Parker County as a single-family residential development known as Morningstar Ranch. At the request of the prior owner, the City Council consented to the creation of Morningstar Ranch Municipal Utility District No. 1 originally encompassing 380.316 acres of land and Morningstar Ranch Municipal Utility District No. 2 originally encompassing 356.829 acres of land on December 4, 2007. The districts were created by action of the Texas Commission on Environmental Quality.

In March 2017, 176.613 acres of land were excluded from District No. 2 and annexed by District No. 1.

On January 26, 2021 the City Council approved Resolution No. 5336-01-2021 consenting to the annexation of approximately 350.42 acres of land (the Additional Property) by District No. 2. Upon annexation of the Additional Property by District No. 2, District No. 1 encompasses approximately 556.929 acres of land and District No. 2 encompasses approximately 530.213 acres of land

On May 4, 2021 (Mayor & Council Communication 21-0309), the City Council authorized the execution of a 2021 Utility Agreement and 2021 Development Agreement for Morningstar Ranch and the Second Amendment to the Creation Agreement for Morningstar Ranch Municipal Utility District No. 2. The Second Amendment to the Creation Agreement for Morningstar Ranch Municipal Utility District No. 2 provided that the amendment would terminate and be of no further force or effect as of January 2, 2022 if the District did not annex the additional property on or before that date.

The District was unable to annex the additional property into the District by January 1, 2022. City staff recommends that the agreement be amended to extend the deadline for the District to annex the property into the District to January 1, 2023.

This M&C will not affect the contractual timelines the City has for annexing property in the District into the City for Full purposes.

The Morningstar Ranch development is located in the ETJ of Parker County and in FUTURE COUNCIL DISTRICT 3.

A Form 1295 is not required because: This contract will be with a governmental entity, state agency or public institution of higher education: Morningstar Ranch Municipal Utility District No. 2

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that approval of the recommendation will have no material effect on City funds.

Submitted for City Manager's Office by: Dana Burghdoff 8018

Originating Business Unit Head: D.J. Harrell 8032

Additional Information Contact: