

Mayor and Council Communication

DATE: 02/28/23

M&C FILE NUMBER: M&C 23-0156

LOG NAME: 2020CD9 STREET REPAIR AND RECONSTRUCTION AMENDMENT#2

SUBJECT

(CD 9 / Future CD 9) Adopt Resolution Authorizing Execution of Amendment Number Two to the Funding Agreement with Fort Worth South, Inc. dba Near Southside, Inc. in the Amount of \$3,000,000.00 for the Street Repair and Reconstruction Program for a Revised Amount of \$16,000,000.00, Authorize Acceptance of Funds in an Amount Up to \$3,000,000.00 from Tax Increment Reinvestment Zone No. 4., Adopt Appropriation Ordinance; and Amend the Fiscal Year 2023-2027 Capital Improvement Program

RECOMMENDATION:

It is recommended that the City Council:

1. Adopt the attached resolution authorizing execution of Amendment Number Two to the Funding Agreement with Fort Worth South, Inc. dba Near Southside, Inc. (City Secretary Contract 45858), in the amount of \$3,000,000.00 for the Street Repair and Reconstruction Program for a revised amount of \$16,000,000.00;
2. Authorize acceptance of funds in the amount up to \$3,000,000.00 from Tax Increment Reinvestment Zone Number 4;
3. Adopt the attached appropriation ordinance increasing the estimated receipts and appropriations in the Tax Increment Reinvestment Zone (TIRZ) - General Capital Fund in the amount up to \$3,000,000.00, transferred from the Tax Increment Reinvestment Zone (TIRZ) #4 - Southside Medical District Fund, for the purpose of funding the Round 5-Council District 9 Street Repair and Reconstruction Program project (City Project No. 103969); and
4. Amend Fiscal Year 2023-2027 Capital Improvement Program.

DISCUSSION:

On August 5, 2014, Mayor and Council Communication (M&C) C-26906, the City Council authorized Resolution No. 4342-08-2014 authorizing a Funding Agreement with Near Southside, Inc. Contract No. 45858, in the amount of \$10,000,000.00 for Council District 9 Street Repair and Reconstruction Program. Over four years, the program leveraged funding in an amount up to \$5,000,000.00 from the Tax Increment Reinvestment Zone No. 4 (Southside TIF). The City of Fort Worth matched the funds in an amount up to \$5,000,000.00 using 2014 Bond Program-Grant Matches Funds. The program included 50 street segments to be constructed in four sequential projects.

On December 3, 2019 (M&C 19-0347), the City Council authorized Resolution No. 5151-12-2019 authorizing execution of Amendment Number 1 to the Funding Agreement with Near Southside, Inc., in the amount of \$3,000,000.00 for the Street Repair and Reconstruction Program for a revised amount of \$13,000,000.00 to complete the original scope of the program. Funding for this amendment was split equally between Southside TIF and the City of Fort Worth at an amount of \$1,500,000.00 each.

This M&C will increase the Tax Increment Reinvestment Zone No. 4 ("Southside TIF") participation in this program in the amount of \$3,000,000.00. These additional funds will help in closing the funding gap due to City and *Southside* TIF adding street segments to the program, as well as *due to* increased costs resulting from the complexity of urban street reconstruction and coordination with dozens of private developments. This amendment will also include the funding needed to construct a new street connection between Henderson and Adams Streets at the I-30 ramp (Rami Trail) as part of this program. These additional funds will be allocated on a 60/40 participation (Southside TIF/City of Fort Worth, respectively) increasing the commitment for a total of up to \$9,500,000.00. The City participation will not change for a total amount of \$6,500,000.00

Funding for the Round 5 of the program project was not included in the Fiscal Year (FY) 2023-2027 Capital Improvement Program due to insufficient funding to complete the original scope. The action in this M&C will amend the FY2023- 2027 Capital Improvement Program.

This program is located in COUNCIL DISTRICT 9 / Future COUNCIL DISTRICT 9.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are currently available in the TIRZ #4 - Southside Med Dist Fund and upon approval of the above recommendations and adoption of the attached appropriation ordinance, funds will be available in the TIRZ - General Capital Fund for the Round 5-CD9 Street Repair Prog project. Prior to an expenditure being incurred, the Transportation & Public Works Department has the responsibility of verifying the availability of funds.

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