

Mayor and Council Communication

DATE: 03/25/25

M&C FILE NUMBER: M&C 25-0244

LOG NAME: 12ISF 4550 VILLAGE CREEK SETTLEMENT

SUBJECT

(ALL) Authorize Settlement and Payment in the Amount of \$3,405,000.00 as Full and Final Settlement of All Claims Related to the Lawsuit Entitled ISF 4550 Village Creek, LLC v. City of Fort Worth, Texas, Cause No. 4:24-cv-770 in the United States District Court for the Northern District of Texas, Fort Worth Division, Including the Acquisition of a Fee Simple Interest in Approximately 6.84 Acres of Land Located at 4550 Village Creek Road, Fort Worth, Tarrant County, Texas, 76119 from ISF 4550 Village Creek LLC, Pay Estimated Closing Costs in an Amount Up to \$50,000.00, Adopt Appropriation Ordinance, and Amend the Fiscal Year 2025 Adopted Budget

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize settlement and payment in the total amount of \$3,405,000.00 to ISF 4550 Village Creek, LLC for full and final settlement of all claims related to the lawsuit entitled ISF 4550 Village Creek, LLC v. City of Fort Worth, Texas, Cause No. 4:24-cv-770 in the United States District Court for the Northern District of Texas, Fort Worth Division;
2. In conjunction with the settlement, authorize the acquisition of a fee simple interest in approximately 6.84 acres of land located at 4550 Village Creek Road, Fort Worth, Tarrant County, Texas, 76119 from ISF 4550 Village Creek LLC and pay estimated closing costs in an amount up to \$50,000.00;
3. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Property Management Department of the General Fund in the amount of \$3,450,000.00 from available Fiscal Year 2024 Assigned Fund Balance for the purpose of funding the acquisition of a fee simple interest in approximately 6.84 acres of land located at 4550 Village Creek Road, Fort Worth, Tarrant County, Texas 76119 in settlement of the lawsuit entitled ISF 4550 Village Creek, LLC v. City of Fort Worth, Texas, Cause No. 4:24-cv-770 in the United States District Court for the Northern District of Texas, Fort Worth Division; and
4. Amend the Fiscal Year 2025 Adopted Budget.

DISCUSSION:

The City was sued in the lawsuit entitled ISF 4550 Village Creek, LLC v. City of Fort Worth, Texas, Cause No. 4:24-cv-770 in the United States District Court for the Northern District of Texas, Fort Worth Division for alleged damages resulting from rezoning the property. The parties have agreed to fully and finally settle all matters through the City’s purchase of the property for \$3,405,000.00 and closing costs.

As part of the Fiscal Year 2024 year-end process, the City Manager assigned \$56,507,497.00 from the Fiscal Year 2024 fund balance to address future capital shortfalls and library capital projects, as authorized by Mayor and Council (M&C) 25-0003. This assigned amount exceeds the General Fund reserve requirements and is composed of the following sources: \$9,472,519.00 from the sale of library property residuals, \$14,627,444.00 from capital project shortfalls funded by the remaining assigned fund balance from FY2023, \$7,690,534.00 from FY2024 budgetary savings, and \$24,717,000.00 from one-time interest earnings.

This action in the M&C will amend the Fiscal Year 2025 Adopted Budget, as approved in connection with Ordinance 27107-09-2024.

Approval of this M&C will reduce the Assigned Fund Balance for capital project as follows:

General Fund	Original Amount 25-0003	This M&C	Remaining Balance
FY2024 Assigned Fund Balance - Capital Project	\$47,034,978.00	(\$3,450,000.00)	\$43,584,978.00
FY2024 Assigned Fund Balance - Library Capital Projects	\$9,472,519.00	\$0	\$9,472,519.00
Total Remaining Assigned Fund Balance for Capital	\$56,507,497.00	(\$3,450,000.00)	\$53,057,497.00

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are currently available in the General Fund Fiscal Year 2024 Assigned Fund Balance and upon approval of the above recommendation(s) and adoption of the attached appropriation ordinance(s), funds will be available in the Property Management Department within the General Fund. Prior to an expenditure being incurred, the Property Management and the City Attorney's Office has the responsibility of verifying the availability of funds.

Submitted for City Manager's Office by: ALL ACMs 6122

Originating Business Unit Head: Leann Guzman 8973

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