

Mayor and Council Communication

DATE: 05/12/26

M&C FILE NUMBER: M&C 26-0405

LOG NAME: 03QUAIL VALLEY PID FY2026 (NAI#4)

SUBJECT

(CD 3) Conduct Public Hearing to Consider the Levying of Special Assessments in Improvement Area No. 4 of Fort Worth Public Improvement District No. 16 Walsh Ranch/Quail Valley and Adopt Ordinance (1) Levying Special Assessments on the Property Located in Improvement Area No. 4 of the Walsh Ranch/Quail Valley Public Improvement District, (2) Approving Service and Assessment Plan Update for the Walsh Ranch/Quail Valley Public Improvement District, (3) Approving Assessment Roll for the Walsh Ranch/Quail Valley Public Improvement District, and (4) Ordaining Other Matters Related Thereto; Adopt a Resolution Approving Reimbursement Agreements with QUAIL VALLEY DEVCO IVB, LLC, QUAIL VALLEY DEVCO V, LLC and QUAIL VALLEY DEVCO VIA, LLC, for the Construction, Acquisition, and Financing of Improvements within Improvement Area No. 4 of the Fort Worth Public Improvement District No. 16 Walsh Ranch/Quail Valley; Authorize Execution of a Majority Landowner Agreement; and Authorize an Amendment to the Master Reimbursement Agreement to Reflect Previously Approved Updated Total Reimbursable Costs of Authorized Improvements

(PUBLIC HEARING - a. Staff Available for Questions: Crystal Hinojosa; b. Public Comment; c. Council Action: Close Public Hearing and Act on M&C)

RECOMMENDATION:

It is recommended that the City Council:

1. Conduct a public hearing concerning the proposed special assessments to be levied on the property located in Improvement Area No. 4 of the Walsh Ranch/Quail Valley Public Improvement District with collection to begin in Fiscal Year 2027;
2. Adopt the attached ordinance (1) levying special assessments on the property located in Improvement Area No. 4 of the Walsh Ranch/Quail Valley Public Improvement District, (2) approving the Service and Assessment Plan Update, (3) approving the Assessment Roll, and (4) ordaining other matters related thereto;
3. Adopt the attached resolution approving the Reimbursement Agreement with the Developers setting forth the terms governing the construction, acquisition and financing of the improvements in Improvement Area No. 4 of the Walsh Ranch/Quail Valley Public Improvement District, including the use of the special assessment revenues;
4. Authorize execution of a Majority Landowner Agreement with the Developers, outlining responsibilities associated with coordination of notices and payment of assessments for land in Improvement Area No. 4 that is not owned by Developers; and
5. Authorize an amendment to the Master Reimbursement Agreement for Public Improvement District No. 16 Walsh Ranch/Quail Valley to reflect updated total reimbursable costs of authorized improvements as approved by Resolution 6031-12-2024.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to conduct a public hearing, approve the Service and Assessment Plan, approve the Assessment Roll, authorize a Reimbursement Agreement with QUAIL VALLEY DEVCO IVB, LLC, QUAIL VALLEY DEVCO V, LLC and QUAIL VALLEY DEVCO VIA, LLC, (collectively, Developers), authorize execution of a Majority Landowner Agreement, and ordain other matters related thereto and intend to address Improvement Area No. 4 of the Walsh Ranch/Quail Valley PID, which is the fourth phase of development. In September 2016, the City Council approved the creation of the Walsh Ranch/Quail Valley Public Improvement District (PID), encompassing approximately one-fourth of the entire Walsh Ranch property, as a vehicle to reimburse developers for certain infrastructure costs. Full development of the Quail Valley PID will encompass seven phases that occur over several years as phases of the Quail Valley PID are developed.

On April 28, 2026, the City Council adopted Resolution No. 6296-04-2026 concerning certain matters related to the Quail Valley PID, including the following: (1) determining the costs of certain public improvements; (2) accepting a preliminary service and assessment plan update, including a proposed assessment roll; (3) directing the filing of the proposed updated assessment roll with the City Secretary; (4) calling for a public hearing to consider the ordinance levying special assessments on property located within the area defined as Improvement Area No. 4 of the Quail Valley PID; and (5) directing staff to publish and mail notice of this public hearing to the property owners liable for payment of the special assessment.

The proposed special assessments to be levied on each property in Improvement Area No. 4 of the Quail Valley PID. As outlined in the Service and Assessment Plan Update, improvements in the amount of \$24,190,000.00 are to be funded by the special assessments. The special assessments will be levied across 770 residential units (representing 450.6421 acres) and collected over a 30-year period. The 770 lots are divided into nine categories, with each category represented by lot width and/or type. Widths including categories as follows: 35 feet, 50 feet, 55 feet, 60 feet, 70 feet, 80 feet, One-Acre Custom, and two additional lot types including townhomes and 4-pack units. Assessments will be allocated as follows:

Lot Size	# of Lots	Annual Installment
35 feet	61	\$1,707.00

50 feet	158	2,150.00
55 feet	146	2,238.00
60 feet	143	2,642.00
70 feet	123	3,271.00
80 feet	17	3,773.00
One-Acre Custom	42	5,400.00
Townhome	52	1,546.00
4-pack Home	28	\$1,658.00

The above shown amounts are calculated using an interest rate of 6.60% per annum.

In addition to the \$24,190,000.00 of improvements funded by the special assessments, the developers are constructing, without reimbursement from the Quail Valley PID, additional improvements in the amount of \$38,297,848.00, bringing the total costs of improvements in the PID to \$62,487,848.00.

The Developers are responsible for managing all construction and the associated Agreements for the development of the lots and residential units within Improvement Area #4 of the Fort Worth Public Improvement District No. 16 (Walsh Ranch/Quail Valley). Beginning in 2027, the City will begin to make quarterly payments to the Developers in satisfaction of the Reimbursement Amount from the special assessments revenues, less any administrative fees, once the Developer submits payment requisitions. The Reimbursement Amount for Improvement Area No. 4 will be paid over a maximum period of 30 years. Until bonds, if any, are issued, the Developer will be entitled to interest on the unpaid Reimbursement Amount at the rate of 6.60 percent. If any portion of the Reimbursement Amount remains unpaid after the City has elected to issue bonds and those bonds have been repaid in full, the interest rate on the unpaid Reimbursement Amount will be the same as the interest rate on the bonds. It is anticipated that within five years, provided that the Developers have satisfied certain obligations designed to ensure the rapid development of the entire Fort Worth Public Improvement District No. 16 (Walsh Ranch/Quail Valley), the City will explore options to accelerate the reimbursement of the Developers by issuing debt secured by a portion of the special assessments.

In order to maintain the Developer's construction schedule, portions of the property in Improvement Area No. 4 have been sold to home developers and individual homeowners. As reflected in the Reimbursement Agreement, Developers have agreed to assume responsibility for the payment of PID assessments for properties already sold to individual homeowners. The Majority Landowner Agreement addresses the responsibilities of the Developers and City with respect to notices, assurances, and payment of assessments for property in Improvement Area No. 4 that is not owned by the Developers.

Lastly, on December 10, 2024, City Council adopted Resolution No. 6031-12-2024, acknowledging and approving an increase in total estimated reimbursable costs of authorized improvements in the District from \$47,000,000.00 to \$92,000,000.00 pursuant to the preclearance received from the Public Finance Division of the Office of the Attorney General of Texas. This M&C will formally authorize a corresponding amendment to the Master Reimbursement Agreement (CSC No. 49300) to reflect this updated estimate of the reimbursable costs of authorized improvements in the District.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that approval of this agreement will have no material effect on the Fiscal Year 2026 Budget. While no current year impact is anticipated from this action, any effect on expenditures and revenue will be budgeted in future Fiscal Years and will be included in the long-term financial forecast.

Submitted for City Manager's Office by:

Originating Business Unit Head: Christianne Simmons 6222

Additional Information Contact: Brady Kirk 8712