

Mayor and Council Communication

DATE: 03/03/20

M&C FILE NUMBER: M&C 20-0121

LOG NAME: 20OLD CFA FEE STRUCTURE

SUBJECT

Adopt Ordinances Appropriating a Total of \$5,700,000.00 in the Government Community Facilities Agreement Fund and the Water & Sewer Community Facilities Agreement Fund for Certain Community Facilities Agreement Projects in Fiscal Year 2020 and Delegating Authority to the City Manager, or His Designee, on Receipt of Payments, to Effect Transfers within each Fund Up to its Budgeted Total (ALL COUNCIL DISTRICTS)

RECOMMENDATION:

It is recommended that the City Council:

1. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the amount of \$3,700,000.00 in the Government Community Facilities Agreement ("CFA") Fund, from available funds, and delegating authority to the City Manager, or his designee, on receipt of payment, to effect transfers within the Fund up to its budgeted total in support of CFA agreements during fiscal year 2020 that were commenced under the old CFA structure; and
 2. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the amount of \$2,000,000.00 in the Water & Sewer Community Facilities Agreement Fund, from available funds, and delegating authority to the City Manager, or his designee, on receipt of payment, to effect transfers within the Fund up to its budgeted total in support of CFA agreement during fiscal year 2020 that were commenced under the old CFA structure.
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DISCUSSION:

The purpose of this Mayor and Council Communication is to establish the financial framework to support implementation during Fiscal Year 2020 of Community Facilities Agreements that do not require City contributions and that began their infrastructure review prior to the current fee structure being adopted by City Council with M&C G-19532. The prior fee structure will be honored for these Community Facilities Agreements through June 1 2020.

As development occurs throughout the City of Fort Worth, developers enter into contracts with the City to undertake private construction of public infrastructure, such as roads or water lines (community facilities), needed to support private development plans. Under the terms of the City's standard Community Facilities Agreement (CFA), the developer is responsible for the construction of facilities in accordance with City standards and must also cover the costs of inspection and material testing by the City to ensure City standards are being met. The funds to cover the City's costs are collected from the developers on a project by project basis in the form of a Developer Contribution and deposited into the funds identified above.

By reviewing the past year's revenues and expenditures, Staff can budget for developer contributions based on the anticipated annual receipts. However, the specifics of the actual projects and the amount of revenue and expense attributable to each project will not be known until each CFA is executed.

To provide necessary authority to administer the CFA program, Staff recommends the City Council adopt the attached ordinances, which appropriate \$3,700,000.00 in the Government Community Facilities Agreement Fund and \$2,000,000.00 in the Water & Sewer Community Facilities Agreement Fund, representing the anticipated revenues and appropriations for Fiscal Year 2020. The ordinances also delegate authority to the City Manager, acting directly or through a designee, following the actual receipt or availability of such monies, to enact and make the transfers and allocations of such appropriations to individual projects in an amount equal to the funds received for that project. For example, if a developer enters into CFAs to construct roads and water/sewer lines to support a particular development and the anticipated inspection and testing costs are \$20,000.00 for the road CFA and \$30,000.00 for the water/sewer CFA, the City Manager, acting directly or through a designee, would be able to establish projects within the Enterprise Resource Planning System with budgetary authority for the respective amounts (\$20,000.00 in the Government Community Facilities Agreement Fund and \$30,000.00 in the Water & Sewer Community Facilities Agreement Fund). As each specified project is set up and budgeted, the amount remaining in the Non-Departmental Project in the Fund would be reduced. As capital funds, once appropriated, the budgeted amounts would remain in the assigned CFA project until the money has been expended or the project is completed. Annual re-appropriation would not be required.

The delegated authority granted by the attached ordinance is subject to the restriction that the total amount of all such transfers may not exceed the annual amount appropriated for that fund and is also subject to the requirement that the City Manager, acting directly or through a designee, periodically report the transfers and allocations to the City Council throughout the Fiscal Year. In addition, the delegated authority is also subject to receipt of funds from the developers.

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 upon approval of the above recommendation and adoption of the attached appropriation ordinances, funds will be available in the current capital budgets as appropriated of the Government Community Facilities Agreement Fund (Govt Community Facilities Agmt) and the Water & Sewer Community Facilities Agreement Fund (W&S Community Facilities Agmt).

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