

Mayor and Council Communication

DATE: 09/14/21

M&C FILE NUMBER: M&C 21-0672

LOG NAME: 214850 HIGHWAY 1187

SUBJECT

(CD 6) Authorize the Acquisition of a Fee Simple Interest in Approximately 270 Acres of Land Located at 4850 Highway 1187 from Conglomerate Gas II, L.P., Crestview Farm 250, L.P. and ShennaCo Holdings, LLC in the Amount of \$25,000.00 per Acre for an Estimated Total Purchase Price of \$6,750,000.00, Pay One-Half of the Estimated Closing Costs in an Amount Up to \$70,000.00, Accept the Donation of Approximately Five and One-Half Acres of Additional Land from Conglomerate Gas II, L.P. and an In-Kind Donation Valued at \$68,500.00 from ShennaCo Holdings LLC, Dedicate the Property as Parkland to be Known as Rock Creek Ranch Park, Adopt the Attached Appropriation Ordinances, and Amend the Fiscal Year 2021-2025 Capital Improvement Program (2018 Bond Program)

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize the acquisition of a fee simple interest in approximately 270 acres of land located at 4850 Highway 1187, Fort Worth, Texas 76102 and situated in the Juan Albirado Survey, Abstract No. 4, the J.W. Haynes Survey, Abstract No. 787, the J.M. Muhlinghaus Survey, Abstract No. 1082, the J.M. Muhlinghaus Survey, Abstract No. 1157, and the McKinney and Williams Survey, Abstract No. 1119 from Conglomerate Gas II, L.P., Crestview Farm 250, L.P. and ShennaCo Holdings LLC in the amount of \$25,000.00 per acre for a total estimated purchase price of \$6,750,000.00 and pay one-half of the estimated closing costs in an amount up to \$70,000.00;
2. Accept the donation of approximately 5.5 acres of additional land situated in the Juan Albirado Survey, Abstract No. 4 and the J.M. Muhlinghaus Survey, Abstract No. 1157 from Conglomerate Gas II, L.P.;
3. Accept an in-kind donation valued at \$68,500.00 from ShennaCo Holdings LLC to represent the difference between the stipulated fair market value of a portion of the property and the purchase price of \$25,000.00 per acre;
4. Authorize the City Manager or designee to accept the conveyance, to execute the necessary contract of sale and purchase, and to execute and record the appropriate instruments;
5. Dedicate the property as parkland upon conveyance to be named Rock Creek Ranch Park;
6. Adopt the attached appropriation ordinance adjusting estimated receipts and appropriations in the 2018 Bond Program Fund by increasing receipts and appropriations in the Rock Creek Ranch project (City Project No. 103448) in the amount of \$1,919,000.00 and decreasing receipts and appropriations in the Park Land Acquisition Programmable project (City Project No. PB0011) by the same amount;
7. Adopt the attached appropriation ordinance adjusting estimated receipts and appropriations in the General Gas Lease Capital Projects Fund by increasing receipts and appropriations in the Rock Creek Ranch project (City Project No. 103448) in the amount of \$1,000,000.00 and decreasing receipts and appropriations in the Open Space Appropriations project (City Project No. PA0001) by the same amount;
8. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the PARD Dedication Fees Fund in the Rock Creek Ranch project (City Project No. 103448) in the amount of \$3,901,000.00 from available funds; and
9. Amend the Fiscal Year 2021-2025 Capital Improvement Program.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to seek approval to acquire land located at 4850 Highway 1187 in accordance with the *Neighborhood and Community Park Dedication Policy* and the Park, Recreation and Open Space Master Plan, which calls for the provision of adequate park and recreational areas in the form of Neighborhood-Based Parks and Community-Based Parks.

The Park & Recreation Department (PARC) conducted an assessment of potential properties in southwest Fort Worth for parkland acquisition. The proposed 270-acre site is located in Park Planning District 1 which is under-served in community-based parkland. This acquisition will create a new community park in the southwest sector of the City.

Conglomerate Gas II, L.P., Crestview Farm 250, L.P., and ShennaCo Holdings, LLC (collectively, the Seller) have agreed to sell the property, approximately 270 acres, more or less, for \$25,000.00 per acre, for an estimated total purchase price of \$6,750,000.00. The Seller has also agreed to donate approximately five and one-half acres of property valued at \$140,000.00 from Conglomerate Gas II, L.P. to the City, as depicted in blue on the attached map. Additionally, the City has agreed to accept an in-kind donation valued at \$68,500.00 from ShennaCo Holdings LLC to represent the difference between the stipulated fair market value of a portion of the property, as depicted in red on the attached map, (\$65,000.00 per acre) and the purchase price of \$25,000.00 per acre. The purchase price will be subject to an independent appraisal. The mineral estate will not be acquired and the deed will contain a surface waiver for the exploration of the mineral estate. The real estate taxes will be pro-rated with the seller being responsible for taxes due up to the closing date. The City will pay one-half of the estimated closing costs in an amount up to \$70,000.00.

The City has agreed to allow the seller to reserve one sixty-foot-wide non-exclusive access easement to provide access from Highway 1187 to the remainder of the seller's land not being purchased by the City. The access easement will terminate upon the completion of a public road providing access to the remainder of the seller's land not being purchased by the City. In addition, the seller will reserve three non-exclusive easements (not to exceed fifty feet wide) for future underground utilities to serve the seller's adjacent property.

Funding for this project was included in the Fiscal Year (FY) 2021-2025 Capital Improvement Program for project PA0001. In order to administratively track the spending of all funding sources in one project, appropriation ordinances are needed to move appropriations from the programmable projects to the jointly funded static project. Additional funding in the amount of \$1,000,000.00 in Open Space Appropriations Program funding (City Project No. PA0001) will be utilized to implement the conservation of 40 acres of the site, to be determined at the park master planning phase, thereby supporting the goal of the Open Space Conservation Program to protect high-quality natural space in Fort Worth and \$3,831,000.00 in Park Dedication Fees funds are needed to acquire the property. The actions in this M&C will amend the FY2021-2025 Capital Improvement Program, as approved, in connection with Ordinance No. 24446-09-2020.

This project is included in the 2018 Bond Program. Available resources within the General Fund will be used to provide interim financing until debt is issued. Once debt associated with the project is sold, bond proceeds will reimburse the General Fund in accordance with the statement expressing official Intent to Reimburse that was adopted as part of the ordinance canvassing the bond election (Ordinance No. 23209-05-2018) and subsequent actions taken by the Mayor and Council.

The park will be held in reserve status until development occurs. The operating costs for the park to be maintained in reserve status are estimated to begin in the first quarter of FY2022. A summary of increased PARD operating & maintenance (O&M) costs are as follows:

O&M	FY2022
PARD Maintenance	\$12,070.00
PARD Forestry	\$5,792.00
Total	\$17,862.00

As of July 31, 2021, the cumulative total of all previously approved M&Cs increased the department's acreage by an estimated 42.85 acres and estimated annual maintenance by \$308,857.00 beginning in FY2022. Rock Creek Ranch Park is estimated to increase the department's acreage by 280 acres, more or less, and annual maintenance by \$17,862.00. When the site is developed, additional funding will be requested for maintenance operations of future facilities and the resultant increase in use.

This property is located in COUNCIL DISTRICT 6.

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 Open Space Appropriations programmable project within the General Gas Lease capital Prj Fund and Unspecified projects within the PARD Dedication Fees Fund and upon approval of the above recommendations and adoption of the attached appropriation ordinances, funds will be available in the General Gas Lease capital Prj Fund, PARD Dedication Fees Fund and 2018 Bond Program Funds for the Acq-Rock Creek Ranch project. Prior to an expenditure being incurred, the Park & Recreation Department has the responsibility of verifying the availability of funds.

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

Originating Business Unit Head: Steve Cooke 5134
Richard Zavala 5704

Additional Information Contact: Ricky Salazar 8379
David Creek 5744

Expedited