

Mayor and Council Communication

DATE: 01/14/20

M&C FILE NUMBER: M&C 20-0009

LOG NAME: 13ROCK_CREEK_RANCH_PID_FY2020

SUBJECT

Approve the Fiscal Year 2020 Budget and Assessment Rolls for Fort Worth Public Improvement District No. 17 (Rock Creek Ranch) and Adopt Appropriation Ordinance (COUNCIL DISTRICT 6)

RECOMMENDATION:

It is recommended that the City Council:

1. Approve the attached budget and assessment rolls for Fort Worth Public Improvement District No. 17 (Rock Creek Ranch) for fiscal year 2020; and
 2. Adopt the attached appropriation ordinance (i) increasing estimated receipts and appropriations in the Fort Worth Public Improvement District 17 - Rock Creek Ranch Fund (Fund) in the amount of \$118,800.00, from annual installment revenues, and (ii) increasing appropriations in the Fund in the amount of \$83,534.00, from use of fund balance, for the purpose of establishing the fiscal year 2019-2020 operating budget.
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DISCUSSION:

The Fort Worth Public Improvement District No. 17 (Rock Creek Ranch) (PID) was created pursuant to the PID Act (Chapter 372, Texas Local Government Code) and a resolution of the Mayor and City Council passed on December 13, 2016 to finance certain authorized improvements for the benefit of the property in the PID. Pursuant to the PID Act, the Service and Assessment Plan for a PID must be reviewed and updated annually and an annual budget must be established.

An initial Service and Assessment Plan (SAP) for the PID was approved by the City Council on August 15, 2017 for the Major Improvements (water and sewer) in both the Eastern and Western Improvement Areas of the PID and subsequently updated on June 5, 2018 to include certain Roadway Improvements to be provided in the Western Improvement Area.

The SAP identified the water, sewer, and roadway improvements; the costs thereof; the indebtedness to be incurred; and the manner of assessing the Assessed Property within the PID for the same. City Council approved the issuance and sale of Special Assessment Revenue Bonds, Series 2017 (Fort Worth Public Improvement District No. 17 – Rock Creek Ranch – Major Improvement Project) in the aggregate principal amount of \$12,685,000.00 and the sale of Special Assessment Revenue Bonds, Series 2018 (Fort Worth Public Improvement District No. 17 – Rock Creek Ranch – Roadway Improvement Project), in the aggregate principal amount of \$5,155,000.00. Each issuance of bonds include a limited amount of proceeds allocated to capitalized interest to be used toward initial repayments on the bonds as discussed more fully below.

As noted above, the SAP must be reviewed and updated annually. In addition, an annual budget must be approved in order for billing and payment to occur. The FY2020 budget has been finalized; however, the City and Developer are currently in conversation regarding portions of the SAP addressing the Major Improvements.

To ensure that assessments are billed and paid in a timely manner, staff is recommending that City Council approve the attached budgets for the Major Improvement and Roadway Improvement Annual Installments (See Tables B-5 and B-6), along with the corresponding assessment rolls that are attached (See Appendices A-1, A-2, and A-3).

As soon as the discussions regarding the SAP are concluded, an updated SAP will be presented for City Council consideration. Any updates or revisions to the SAP will not impact the FY2020 budget or assessment rolls, and the attachments to this M&C will be incorporated into the SAP document in substantially the same form.

Approval of this M&C will establish the fiscal year 2020 budget for the Rock Creek Operating Fund and the Assessment Rolls for tax year 2019 and fiscal year 2020.

The fiscal year 2019-2020 budget for the operating fund is summarized in the table below:

Revenues

Annual Installment Income	\$118,800.00
Use of Fund Balance	\$83,534.00

Total Revenues	\$202,334.00
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Expenditures

Administrative Expenses	\$113,538.00
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Delinquency & Prepayment Reserves	\$88,796.00
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Total Expenditures	\$202,334.00
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A portion of the proceeds from each series of bonds was deposited into a capitalized interest account for that series of bonds, and a portion of those funds will be used to pay interest on the bonds during the 2019-2020 fiscal year. The appropriation supporting those payments is included with the City's adopted debt service appropriation ordinance that is included with the annual City budget.

FY2020 debt service, less prepayments, on each series of bonds is summarized in the table below:

Revenues

Capitalized Interest

Major Improvements (Series 2017 Bonds)	\$618,375.43
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Roadway Improvements (Series 2018 Bonds)	\$249,431.78
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Use of Fund Balance	\$26,311.45
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Total Revenues	\$894,188.66
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Expenditures

Principal Payments Due September 1, 2020	\$0
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Interest Payments Due March 1, 2020

Major Improvements (Series 2017 Bonds)	\$319,860.27
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Roadway Improvements (Series 2018 Bonds)	\$127,199.06
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Interest Payments Due September 1, 2020

Major Improvements (Series 2017 Bonds)	\$319,860.27
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Roadway Improvements (Series 2018 Bonds)	\$127,199.06
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Total Debt Expenditures	\$894,118.66
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FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of this Mayor & Council Communication (M&C), the updated Rock Creek Ranch PID Service and Assessment Plan will be approved, and the Fiscal Year 2019-2020 Annual Budget for the Rock Creek PID Operating Fund will be established.

Submitted for City Manager's Office by: Kevin Gunn 2015

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