

# Mayor and Council Communication

**DATE:** 03/31/26

**M&C FILE NUMBER:** M&C 26-0222

**LOG NAME:** 60MORNINGSTAR NORTH INDIGO SKY WATER LINE OVERSIZING

**SUBJECT**

(CD 3) Authorize Execution of a Community Facilities Agreement with City Participation in an Amount Up to \$1,456,341.20 with FG Aledo Development, LLC for Oversizing Two 16-Inch Water Mains for Anticipated Future Growth in West Fort Worth, Adopt Resolution Expressing Official Intent to Reimburse Expenditures from Proceeds of Future Debt, and Adopt Appropriation Ordinance to Effect a Portion of Water's Contribution to the Fiscal Years 2026-2030 Capital Improvement Program

**RECOMMENDATION:**

It is recommended that the City Council:

1. Authorize execution of a Community Facilities Agreement with City participation in an amount up to \$1,456,341.20 with FG Aledo Development, LLC for oversizing two 16-inch water main for anticipated future growth in West Fort Worth;
2. Adopt the attached resolution expressing official intent to reimburse expenditures with proceeds of future enterprise fund debt for the Community Facilities Agreement-Morningstar North Indigo Sky project; and
3. Adopt the attached appropriation ordinance adjusting estimated appropriations in the Water and Sewer Commercial Paper Fund by decreasing estimated appropriations in the W&S Commercial Paper project (City Project No. UCMLPR) in the amount of \$1,670,601.00 and increasing estimated appropriations in the Community Facilities Agreement Bucket programmable project (City Project No. P00001) by the same amount for the purpose of funding the Community Facilities Agreement CFA-Morningstar North Indigo Sky project (City Project No. 105613) and to effect a portion of Water's contribution to the Fiscal Years 2026-2030 Capital Improvements Program.

**DISCUSSION:**

The purpose of this Mayor and Council Communication (M&C) is to: (1) authorize execution of a Community Facilities Agreement (CFA) with FG Aledo Development, LLC (Developer) with City Participation in an amount up to \$1,456,341.20, (2) adopt a resolution expressing official intent to reimburse expenditures with proceeds of future enterprise fund debt for the CFA- Morningstar North (N.) Indigo Sky project, and (3) adopt an appropriation ordinance to effect a portion of Water's Contribution to the Fiscal Years 2026-2030 Capital Improvement Program (CIP).

Developer is constructing the Morningstar North Indigo Sky development project located north of Old Weatherford Road and east of Farmer Road 3325. The Developer is required to extend approximately 4,725 linear feet of 12-inch West Side V (WS5) water main and 4,690 linear feet of 8-inch West Side IV (WS4) water main to serve the development. The Water Department will participate in oversizing approximately 4,725 linear feet from 12-inch to 16-inch water main and approximately 4,690 linear feet from 8-inch to 16-inch water main for anticipated future growth in the area. City Participation in construction costs shall be calculated in accordance with the City's Unit Price Ordinance.

The Morningstar North Indigo Sky water line project is assigned City Project No. 105613 and Accela System Record IPRC24-0170.

In accordance with Chapter 212, Subchapter C of the Texas Local Government Code, the City's participation in the contract is exempt from competitive bidding requirements because the contract is for oversizing public improvements being constructed by the Developer, the Developer will execute a performance bond to cover the total project cost, including all of the City's cost participation, and the City's cost participation will be determined by ordinance. The oversizing of the water main will be in accordance with the City's Unit Price Ordinance.

The City's cost participation in the oversizing of the water main is estimated to be in an amount up to \$1,456,341.20 as shown in the table below. Payments to the Developer are estimated to be: \$1,428,393.47 for construction costs, and \$3,947.40 for Infrastructure Plan Review Center (IPRC) fees. The City's cost participation also includes \$24,000.33 to cover the City's portion of construction inspection service fees, water lab fees, and administrative material testing fees. An additional \$214,259.02 in contingency funds will cover the City's portion of any change orders.

The following table shows the cost-sharing breakdown for the project between all parties:

A. Public Improvements	Developer Cost	City Cost	Total Cost
1. Water Improvements	\$2,244,955.53	\$1,428,393.47	\$3,673,349.00
Contingency	\$0.00	\$214,259.02	\$214,259.02
2. Sewer Improvements	\$816,264.00	\$0.00	\$816,264.00

3. Drainage	\$2,394,572.50	\$0.00	\$2,394,572.50
4. Paving	\$2,691,048.60	\$0.00	\$2,691,048.60
5. Street Lighting	\$578,685.42	\$0.00	\$578,685.42
6. Bridge Improvements	\$1,534,284.20	\$0.00	\$1,534,284.20
B. Inspections & Testing			
1. Construction Inspection Fee	\$169,188.75	\$18,798.75	\$187,987.50
2. Admin Material Testing Fee	\$42,166.80	\$4,685.20	\$46,852.00
3. Water Lab Fee	\$4,647.38	\$516.38	\$5,163.75
4. IPRC Plan Review Fees	\$35,526.60	\$3,947.40	\$39,474.00
Total Project Cost	\$10,511,339.78	\$1,670,600.22	\$12,181,939.99

The reimbursement of the City participation is not a lump sum amount and may be less than the stated amount depending upon the actual quantities and unit prices from the Notice of Final Completion package, commonly referred to as the Green Sheet package.

It is the practice of the Water Department to appropriate its Capital Improvement Plan (CIP) throughout the Fiscal Year (FY), instead of within the annual budget ordinance, as projects commence, additional funding needs are identified, and to comply with bond covenants. The actions in the M&C will appropriate funds in support of the Water's portion of the City of Fort Worth's Fiscal Years 2026-2030 CIP.

Available cash within the Water and Sewer portfolio and the City's portfolio along with the appropriation authority authorized under the Callable Commercial Paper Program (CP) will be used to provide interim financing for this project until debt is issued. Once debt associated with this project is sold, bond proceeds will be used to reimburse the Water and Sewer portfolio and the City's portfolio in accordance with the attached Reimbursement Resolution.

Funding is available in the Commercial Paper project within the Water & Sewer Commercial Paper Fund for the purpose of funding the CFA Bucket programmable project for the CFA-Morningstar N. Indigo Sky project.

Funding for the CFA-Morningstar N. Indigo Sky project is as depicted in the table below:

Fund	Existing Appropriations	Additional Appropriations	Project Total
W&S Commercial Paper - Fund 56026	\$0.00	\$1,670,601.00	\$1,670,601.00
Total	\$0.00	\$1,670,601.00	\$1,670,601.00

SMALL BUSINESS (SB) GOAL: A small business goal was not required as this procurement is exempt under the small business ordinance.

This project is in Council District 3.

**FISCAL INFORMATION / CERTIFICATION:**

