

Mayor and Council Communication

DATE: 11/14/23

M&C FILE NUMBER: M&C 23-0961

LOG NAME: 21OS-PARD 153 ACRE ACQUISTION - 6501 WILBARGER

SUBJECT

(CD 5) Authorize the Acquisition of a Fee Simple Interest in Approximately One Hundred and Fifty-Three Acres of Land Located at 6501 Wilbarger Street, Fort Worth, Tarrant County, Texas 76119 in the James W. Daniel Survey, Abstract 395, Tract 1A and 2, the Handley Heights South Addition, Block 6, Lot 17B and 18B, and the J A Creary Survey, Abstract 269, Tract 2C01 from Susan Olcott and Michael Olcott in the Amount of \$5,600,000.00 to Align with the Goals of the Lake Arlington Master Plan for Open Space and Parkland at Lake Arlington, Authorize the Payment of Closing Costs in an Amount Up to \$80,000.00, and Adopt Appropriation Ordinance (2022 Bond Program)

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize the acquisition of a fee simple interest in approximately 153 acres of land located at 6501 Wilbarger Street, Fort Worth, Tarrant County, Texas 76119 from Susan Olcott and Michael Olcott in the amount of \$5,600,000.00;
2. Authorize the payment of closing costs in an amount up to \$80,000.00;
3. Adopt the attached appropriation ordinance adjusting appropriations in the 2022 Bond Program Fund by increasing estimated receipts and appropriations in the OSAcq-Olcott Lake Arl Project (City Project No. 105071) in the amount of \$4,290,000.00 and decreasing estimated receipts and appropriations in the Open Space Appropriations Project (City Project No. PA0001) by the same amount;
4. Authorize the City Manager or his designee to accept the conveyance and execute and record the appropriate instruments;
5. Dedicate approximately 42 acres of the property as parkland with the area to be determined at a later date; and
6. Conserve approximately 111 acres of the property as natural area with the ability to sell a portion of the property for sustainable development at a later date.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to seek approval to acquire land located at 6501 Wilbarger Street in a joint acquisition between the Park & Recreation Department (PARD) 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, and the Open Space Conservation Program in accordance with the program's mission to preserve high quality natural areas in Fort Worth. This acquisition aligns with objectives outlined in the Lake Arlington Master Plan, including preserving the shoreline for a public trail and selling a portion of the property in the future for sustainable, trail-oriented development.

The Open Space Working Group assessed the property utilizing the Open Space Tool (mapping) which identifies the majority of the property as "very high" to "high" priority for conservation based on available data. Conservation of this property supports the Open Space Conservation Program goals including ecosystem preservation, the protection of floodplains and water quality, providing the ability to spur future economic development, improving equitable access to open space, and providing future recreational opportunities that can improve community health.

Mary S. Olcott and Michael C. Olcott (Seller) have agreed to sell the properties for \$36,601.00 per acre for a total purchase price of \$5,600,000.00. The purchase price is supported by an independent appraisal. The mineral estate will not be acquired and the deed will contain a surface use 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 closing costs in an amount up to \$80,000.00.

\$4,100,000.00 of the total purchase price, closing costs in an amount up to \$80,000.00, an estimated \$10,000.00 to cover capitalizable staff salary charges, and an estimated \$100,000.00 to cover pre-acquisition costs such as appraisal, survey, and environmental investigations will be provided from the 2022 Bond Program Fund in the Open Space Conservation Program (OSAcq-Olcott Lake Arl City Project No. 105071). The remaining \$1,500,000.00 will be paid for by the Acq-6501 Wilbarger St City Project No. 105001 within the PARD Dedication Fees Fund. Out of the total 153 acres, approximately 42 acres of the property will be dedicated as parkland while the remaining acreage will remain a natural area under the Open Space Conservation Program, with the exact boundaries to be determined at a later date in conjunction with master planning efforts. Master planning efforts will also identify a portion of the property that could be sold in the future for sustainable development once the existing gas wells on the property are decommissioned. The portion of the property identified for a potential future sale would be sold for mixed-use and/or trail-oriented development, which would be compatible with and provide significant economic opportunity to the area while preserving the Lake Arlington shoreline under public ownership. Environmental investigations are currently in progress and the findings will be reviewed and cleared before closing.

This acquisition is also included in the 2022 Bond Program. The City's Extendable Commercial Paper (ECP) (M&C 22-0607; Ordinance 25675-08-2022) provides liquidity to support the appropriation. Available resources will be used to make any interim progress payments until debt is issued. Once debt associated with the acquisition is sold, debt proceeds will reimburse the interim financing source in accordance with the statement expressing official Intent to Reimburse that was adopted as part of the ordinance canvassing the bond election (Ordinance 25515-05-2022).

The following table demonstrates the funding for the acquisition:

Fund	Original Appropriations	Prior Budget Change	Current Budget Change	Revised Appropriations
34027 – 2022 Bond Program Fund – 22050099 Prop E Open Spaces (City Project No. PA0001)	\$15,000,000.00	-\$3,002,000.00	-\$4,290,000.00	\$7,708,000.00
34027 – 2022 Bond Program Fund – 22050099 Prop E Open Spaces (City Project No. 105071)	\$0.00	\$0.00	\$4,290,000.00	\$4,290,000.00
30110 - PARD Dedication Fees Fund (City Project No. 105001)	\$1,500,000.00	\$0.00	\$0.00	\$0.00

Property Acquisition Allocation:

Project	Acquisition Expense
TPW - OSAcq-Olcott Lake Arl (City Project No.105071)	\$4,100,000.00
PARD - Acq.. - 6501 Wilbarger St (City Project No. 105001)	\$1,500,000.00
Closing Costs/Pre-Acquisition Expenses	\$190,000.00
Total	\$5,790,000.00

Any unused funding upon project completion will be returned to the Open Space Appropriations Project (City Project No. PA0001) and the PARD Dedication Fees Fund (City Project No. 105001), respectively. In the future, if a portion of the property that is not dedicated as parkland is sold for development, the resulting revenue would be reimbursed to the Open Space Appropriations Project (City Project No. PA0001) to be used to facilitate future open space conservation.

All 153 acres, consisting of both open space and dedicated parkland, will be maintained by PARD. As of August 2023, the cumulative total of all previously approved M&Cs increased PARD's maintained acreage by an estimated 183 acres and estimated annual maintenance by \$1,018,096.00 beginning in Fiscal Year 2025. This acquisition is estimated to increase the department's maintenance responsibilities by 153 acres, more or less, with an annual cost of \$17,000.00.

This property is located in COUNCIL DISTRICT 5.

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 2022 Bond Program Fund and in the Acq. - 6501 Wilbarger St project within the PARD Dedication Fees Fund and upon approval of the above recommendations and adoption of the attached appropriation ordinance, funds will be available in the 2022 Bond Program Fund for the OSAcq-Olcott Lake Arl and in the PARD Dedication Fees Fund for the Acq. - 6501 Wilbarger St project to support the approval of the above recommendations and acquisition of land. Prior to an expenditure being incurred, the Transportation & Public Works and Park & Recreation Departments have the responsibility of verifying the availability of funds.

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