

City of Fort Worth, Texas

# Mayor and Council Communication

DATE: 08/26/25

M&C FILE NUMBER: M&C 25-0764

LOG NAME: 03QUAIL\_VALLEY\_PID\_FY2026

SUBJECT

(CD 3) Approve Updated Five-Year Service and Assessment Plan and Fiscal Year 2026 Budget in the Amount of \$1,592,931.00 for Walsh Ranch Public Improvement District and Adopt Appropriation Ordinance

RECOMMENDATION:

It is recommended that the City Council:

1. Approve the attached updated five-year service and assessment plan and annual budget for Fiscal Year 2026 for Walsh Ranch PID Custodial; and

2. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Walsh Ranch PID Custodial Fund by a total of \$1,592,931.00, of which \$1,538,931.00 is from assessment revenue and \$54,000.00 from reducing fund balance, for the purpose of funding Walsh Ranch PID Custodial.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to consider a budget and updated service and assessment plan (SAP) for Walsh Ranch Public Improvement District (PID) Custodial.

In September 2016, the City Council approved the creation of the Walsh Ranch/Quail Valley PID, which encompasses approximately one-fourth of the entire Walsh Ranch property, as a vehicle to reimburse the developer for a portion of certain infrastructure costs (M&C G-18842). PIDs are governed by Chapter 372 of the Texas Local Government Code, which requires review and update of a PID's SAP on an annual basis and establishment of an annual budget.

Full development of the PID will encompass multiple phases that occur over several years as phases of the PID are developed. In May 2017, the City Council approved a master reimbursement agreement for the PID (City Secretary Contract No. (CSC) 49300). The master reimbursement agreement provides for total principal reimbursement for all phases of the PID of up to \$47,000,000.00, sets deadlines for commencing collection of assessment revenues in all phases of the PID, and establishes basic conditions associated with possible issuance of future debt (bonds) (M&C C-28197).

The SAP/update and ordinances levying assessments for Improvement Area Nos. 1, 2, and 3 were approved in 2017, 2020, and 2022, respectively, along with a reimbursement agreement for each Improvement Area identifying the maximum reimbursement amount for that phase (M&Cs C-28211, 20-0618, and 22-0794). The Improvement Area No. 1 reimbursement agreement (CSC 49302) provides that \$6,350,000.00, plus interest and administrative costs, will be funded out of special assessments on Improvement Area No. 1 of the PID. The Improvement Area No. 2 reimbursement agreement (CSC 54447) provides that \$5,850,000.00, plus interest and administrative costs will be funded out of assessment on Improvement Area No. 2. The Improvement Area No. 3 reimbursement agreement (CSC 59679) provides that \$10,750,000.00, plus interest and administrative costs will be funded out of assessment on Improvement Area No. 3. The remaining \$24,050,000.00 of potential reimbursement for the Walsh Ranch/Quail Valley PID could be allocated to future phases/improvement areas.

In July 2024, the City issued the Fort Worth, Texas Special Assessment Revenue Bonds, Series 2024 in the aggregate amount of \$18,186,000.00 to replace the Improvement Area #1 Reimbursement Agreement, the Improvement Area #2 Reimbursement Agreement, and the Improvement Area #3 Reimbursement Agreement.

For each improvement area, the developer is also constructing, without reimbursement from the PID, other improvements that meet PID-eligibility under state law. The ratio of total PID-eligible improvement costs to reimbursement amount for Improvement Area Nos. 1, 2, and 3 is greater than 3 to 1.

This M&C and the attached SAP are intended to serve as the SAP update and annual budget for fiscal year 2026.

The Fiscal Year 2026 budget, as summarized in the table below, will be funded by special assessments collected on property within Improvement Area No. 1 of the PID.

Revenues	Amount
Annual Installment Income	\$425,690.00
Available Reserve Fund Income	\$3,000.00
Available Administrative Funds	\$15,000.00
Total Revenues	\$443,690.00

<b>Expenditures</b>	<b>Amount</b>
Bond Debt Service	\$385,581.00
Administrative Expenses	\$34,000.00
Additional Interest for Reserves	\$21,109.00
<b>Total Expenditures</b>	<b>\$443,690.00</b>

The Fiscal Year 2026 budget, as summarized in the table below, will be funded by special assessments collected on property within Improvement Area No. 2 of the PID.

<b>Revenues</b>	<b>Amount</b>
Annual Installment Income	\$350,518.00
Available Reserve Fund Income	\$3,000.00
Available Administrative Funds	\$15,000.00
<b>Total Revenues</b>	<b>\$368,518.00</b>
<b>Expenditures</b>	<b>Amount</b>
Bond Debt Service	\$315,411.00
Administrative Expenses	\$33,000.00
Additional Interest for Reserves	\$20,107.00
<b>Total Expenditures</b>	<b>\$368,518.00</b>

The Fiscal Year 2026 budget, as summarized in the table below, will be funded by special assessments collected on property within Improvement Area No. 3 of the PID.

<b>Revenues</b>	<b>Amount</b>
Annual Installment Income	\$762,723.00
Available Reserve Fund Income	\$3,000.00
Available Administrative Funds	\$15,000.00
<b>Total Revenues</b>	<b>\$780,723.00</b>
<b>Expenditures</b>	<b>Amount</b>
Bond Debt Service	\$694,499.00
Administrative Expenses	\$42,000.00
Additional Interest for Reserves	\$44,224.00
<b>Total Expenditures</b>	<b>\$780,723.00</b>

<b>Improvement Area</b>	<b>Assessment Revenue</b>	<b>Fund Balance</b>	<b>Total</b>
No. 1	\$425,690.00	\$18,000.00	\$443,690.00
No. 2	\$350,518.00	\$18,000.00	\$368,518.00
No. 3	\$762,723.00	\$18,000.00	\$780,723.00
<b>Total:</b>	<b>\$1,538,931.00</b>	<b>\$54,000.00</b>	<b>\$1,592,931.00</b>

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 recommendations and adoption of the Fiscal Year 2026 Budget by the City Council, funds will be available in the Fiscal Year 2026 operating budget, as appropriated, in the Walsh Ranch PID Custodial Fund. Prior to an expenditure being incurred, the FWLab Department has the responsibility to validate the availability of funds.

**Submitted for City Manager's Office by:**

**Originating Business Unit Head:** Christianne Simmons 6222

**Additional Information Contact:** Brady Kirk 8712

