

# Mayor and Council Communication

**DATE:** 12/01/20

**M&C FILE NUMBER:** M&C 20-0907

**LOG NAME:** 13ROCK CREEK PID SERVICE AND ASSESSMENT PLAN UPDATE

## **SUBJECT**

(CD 6) Conduct a Public Hearing to Consider the Amended and Restated Service and Assessment Plan for Fort Worth Public Improvement District 17 – Rock Creek Ranch and Adopt Ordinance Approving the Amended and Restated Service and Assessment Plan for the Fort Worth Public Improvement District 17 – Rock Creek Ranch, Which Includes Amended Assessment Rolls (Continued from a Previous Meeting)

(PUBLIC HEARING - a. Report of City Staff: John Samford; b. Public Comment; c. Council Action: Close Public Hearing and Act on M&C)

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## **RECOMMENDATION:**

It is recommended that the City Council:

1. Conduct a public hearing concerning the Amended and Restated Service and Assessment Plan for Fort Worth Public Improvement District 17 – Rock Creek Ranch; and
2. Adopt the attached ordinance approving the Amended and Restated Service and Assessment Plan for the Fort Worth Public Improvement District 17 – Rock Creek Ranch, which includes amended assessment rolls.

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## **DISCUSSION:**

The purpose of this Mayor and Council Communication (M&C) is to consider the adoption of an ordinance approving an Amended and Restated Service and Assessment Plan for Fort Worth Public Improvement District No. 17 (Rock Creek Ranch) (PID) that does not impact the total amount of assessments to be collected within the PID. Notice of this hearing was mailed to the property owner and published in the Star-Telegram pursuant to Chapter 372 of the Texas Local Government Code (Act) and Resolution No. 5304-11-2020, adopted by City Council on November 17, 2020.

The PID was created pursuant to Chapter 372 of the Texas Local Government Code (Act) and Resolution No. 4724-12-2016 (December 16, 2016) to finance certain authorized improvements for the benefit of the property in the PID. Pursuant to the Act, the Service and Assessment Plan (SAP) for a PID (as updated and/or amended from time-to-time) must be reviewed and updated annually for the purpose of determining the annual budget for the authorized improvements.

An initial Service and Assessment Plan (SAP) for the PID was approved by the City Council on August 15, 2017 (Ordinance No. 22832-08-2017). The SAP identified the water and sewer major improvements to be provided by the PID, the costs of the major improvements, the indebtedness to be incurred for the major improvements, and the manner of assessing the assessed property within the PID for the costs of the major improvements. On that same date, 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, to finance, refinance, provide or otherwise assist in the acquisition, construction and maintenance of the major improvements that benefited the property in the PID.

On June 5, 2018, the City Council approved an update to the SAP, identifying certain roadway improvements to be provided by the PID for the benefit of property in the Western Improvement Area of the PID, the costs of the roadway improvements, the indebtedness to be incurred for the roadway improvements, and the manner of assessing property in the Western Improvement Area for the costs of the roadway improvements (Ordinance No. 23243-06-2018). Immediately following that action, City Council approved the issuance and 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 to finance, refinance, provide or otherwise assist in the acquisition, construction and maintenance of the roadway improvements that benefited the Western Improvement Area within in the PID. Updated budget and assessment rolls for the PID were adopted for subsequent years (M&C 20-0009 and 20-0857).

Since the last update of the SAP, several determination have been made by both the owner of the property that is the subject of the PID ("Property") and City staff, namely: (1) certain identified areas within the PID will not receive a benefit from either the sewer or the water portion of the major improvements and (2) the owner of Property is contemplating a sale of said property to an unaffiliated third party. Although no sale has been completed as of the date that this M&C was placed on the agenda, it is anticipated that the sale may be completed before the date on which City Council acts upon the ordinance and SAP. Therefore, staff has attached two ordinances to this M&C, each covering separate scenarios based on whether the property at issue is sold prior to the date of final action by the City Council.

City Council will move to approve this M&C with one of the following options included:

- [Option 1:] The attached Ordinance and Amended and Restated SAP reflects the ownership of the Property remaining with the current owner.
  - The Amended and Restated SAP reflects the following:

- The exclusion from the sewer assessment of those properties within the PID that will not receive a benefit from the sewer portion of the major improvements.
- Revisions to the corresponding assessment rolls based on the above exclusions.

OR

- [Option 2:] The attached Ordinance and Amended and Restated SAP reflects a sale to the third-party purchaser prior to final action by the City Council on the ordinance and SAP.
  - The Amended and Restated SAP reflects the following:
    - The exclusion from the sewer assessment of those properties within the PID that will not receive a benefit from the sewer portion of the major improvements.
    - The exclusion from the water assessments of those properties within the PID that will not receive a benefit from the water portion of the major improvements.\*
    - Revisions to the corresponding assessment rolls based on the above exclusions.
    - Establishment of a maximum special assessment per unit and to account for changes in the development plan as a result of the sale.

\*Neither of the originally attached ordinances reflect the impact of certain properties within the PID being excluded from receiving a benefit from the water portion of the major improvements. Because of differences in elevation within the PID, a portion of the property will be in a higher pressure plane than the PID-funded water infrastructure, but the exact service boundary between the lower and higher pressure plane will depend on specific development plans, including proposed layout of streets and changes in grading. A determination regarding where to draw the boundary must be made when the property is sold and the current in gross, whole-PID assessment is converted to per-lot-type assessments subject to maximum assessment rates. If the planned sale is completed before City Council action, staff will present an updated Amended and Restated SAP for consideration. If the sale does not occur prior to the date Council acts on this M&C, a revised SAP will be presented for consideration via subsequent M&C at a future date when a property sale occurs and triggers assessment allocation and the establishment of maximum assessment rates.

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 approval of these recommendations will have no material effect on City funds.

**Submitted for City Manager's Office by:** Jay Chapa      5804

**Originating Business Unit Head:**                      Reginald Zeno      8517

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Expedited