

**FORT WORTH
STOCKYARDS
★ INC ★**

**222 W EXCHANGE AVE
FORT WORTH, TX 76164**

Date: July 31, 2024

From: Paul Paine, Fort Worth Stockyards, Inc.
To: Reginald Zeno, Chief Financial Officer
Via: Robert Sturns, Economic Development Director
Re: Operating Cash Flow (Seed Money) Advance for PID 11-Stockyards – Amend previous M&C 24-0551

On June 25, 2024, the City Council adopted Ordinance 26973-06-2024 (M&C 24-0551), approving an operating cash flow advance of up to \$100,000.00 for Fort Worth Stockyards, Inc., in accordance with Chapter 372.023 of the Texas Local Government Code and Section VI.11 (a) of the Operating Public Improvement District (O-PID) Policy. The initial terms for the disposition and repayment of seed money were set for May, June, and July 2024, not exceeding the fund balance for PID 11 - Stockyards (PID).

Section VI.11(a) of the O-PID policy defines operating cash flow (seed money) advance as follows:

a. Operating Cash Flow (Seed Money) Advance:

i. The Director of Economic Development may consider a written request for an advance of operating cash flow (i.e., seed money) from a Management Company if (1) the advance is requested as part of the establishment/creation of the O-PID or (2) when a new Management Company begins managing an existing O-PID. An operating cash flow advance is subject to approval by the Director of Finance and City Council.




Pursuant to Section 2.1(1) of City Secretary Contract Number 61465, between the City of Fort Worth ("City") and Fort Worth Stockyards, Inc. ("FWSI"), this memo confirms the previously agreed-upon disposition and repayment of seed money for three months (May, June, and July 2024) in an amount not exceeding the fund balance for PID 11 - Stockyards (PID) via M&C 24-0551. It also requests a revision to allow for the disbursement of seed money through September 30, 2025, in an amount not exceeding the fund balance for fiscal years 2024 through September 30, 2025. Appropriations for the Fort Worth Public Improvement District (PID) 11 – Stockyards will be managed through the annual budget process and require separate authorization by the Mayor and Council.

On May 1, 2024, Fort Worth Stockyards, Inc. (FWSI) assumed management of PID 11 – Stockyards, becoming the new management entity for the existing O-PID.

In accordance with Chapter 372.023 of the Texas Local Government Code and the O-PID Policy, the City typically issues disbursements to the PID Management Company as reimbursements for the prior month's expenses. The estimated average monthly reimbursement ranges between \$25,000.00 and \$30,000.00, provided the entity maintains sufficient operating cash flow to cover these expenses upfront.

Fort Worth Stockyards, Inc. (FWSI) lacks sufficient operating cash flow to cover initial expenses and is therefore requesting that Fort Worth PID 11 - Stockyards provide 100% seed money as disbursements through September 30, 2025. This advance will enable FWSI to establish its finances to a point where it can independently sustain the funding of PID 11 expenses thereafter, beginning with the October 1, 2025 (FY2026) activity and November reimbursement. FWSI commits to submitting required documentation to the City to support the disbursements for 100% of all expenses incurred through September 30, 2025. Revisions to the (CSC 61465) management agreement will reflect these changes starting October 1, 2025.

Paul Paine, President
Fort Worth Stockyards, Inc.

<p>City of Fort Worth:</p> <p>By:  Reginald Zeno (Aug 1, 2024 12:12 CDT)</p> <p>Name: Reginald Zeno Title: Chief Financial Officer</p> <p>Date: <u>Aug 1, 2024</u></p>	<p>FORT WORTH STOCKYARDS, INC., a Texas nonprofit corporation:</p> <p>By:  Paul Paine (Aug 1, 2024 09:17 CDT)</p> <p>Paul Paine President Date: <u>Aug 1, 2024</u></p>
<p>Approval Recommended:</p> <p>By:  Robert Sturns (Aug 1, 2024 11:33 CDT)</p> <p>Name: Robert Sturns Title: Economic Development Director</p>	