

Mayor and Council Communication

DATE: 05/18/21

M&C FILE NUMBER: M&C 21-0339

LOG NAME: 13QUAIL_VALLEY_PID_FY2021_REIMBURSEMENT

SUBJECT

(CD 3) Adopt Attached Appropriation Ordinance in the Fort Worth Public Improvement District No. 16 - Quail Valley Fund in the Amount of \$1,171,882.00, from Fund Balance, for the Purpose of Reimbursing the Developer for Eligible Costs Under the Fort Worth Public Improvement District No. 16 - Quail Valley - Improvement Area No. 1 Reimbursement Agreement

RECOMMENDATION:

It is recommended that the City Council adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Fort Worth Public Improvement District No. 16 - Quail Valley Fund in the amount of \$1,171,882.00, from fund balance, for the purpose of reimbursing eligible costs to the developer under the Quail Valley Public Improvement District - Improvement Area No. 1 Reimbursement Agreement.

DISCUSSION:

In September 2016, the City Council approved the creation of the Quail Valley Public Improvement District (PID), encompassing approximately one-fourth of the entire Walsh Ranch property, as a vehicle to reimburse the developer for certain infrastructure costs. Full development of the Quail Valley PID will encompass multiple phases that occur over several years as phases of the Quail Valley PID are developed. This Mayor and Council Communication (M&C) is intended to satisfy eligible reimbursements to the developer for Improvement Area No. 1 of the Quail Valley PID, which is the first phase of development providing the necessary appropriations to satisfy a portion of the reimbursement amount eligible to be repaid from fund balance to the developer in the amount of \$1,171,882.00 from the Fort Worth PID No. 16 - Quail Valley Fund.

As outlined in the previously adopted Service and Assessment Plan (M&C 20-0562), improvements in the amount of \$6,350,000.00 are to be funded by special assessments on property within Improvement Area No. 1, including \$5,712,973.00 for paving expenses and \$637,027.00 for landscaping expenses. In addition to the \$6,350,000.00 of improvements funded by the special assessments, the developers are constructing, without reimbursement from the Quail Valley PID, additional improvements in the amount of \$23,168,594.00, bringing the total costs of improvements in Improvement Area No. 1 of the PID to \$29,518,594.00.

The developers are responsible for managing all construction and the associated agreements for the development of the lots and residential units within the Quail Valley PID. The City will begin to make quarterly payments to the developers in satisfaction of the reimbursement amount from the special assessments revenues, less any administrative fees. The reimbursement amount for Improvement Area No. 1 will be paid over a maximum period of 30 years. Until bonds, if any, are issued, the developer will be entitled to interest on the unpaid reimbursement amount at the rate of six percent in years 1 and 2, and five percent in years 3 through 30. If any portion of the reimbursement amount remains unpaid after the City has elected to issue bonds, the interest rate on the unpaid reimbursement amount shall be the same as the interest rate on the bonds. It is anticipated that within five years, provided that the developers have satisfied certain obligations designed to ensure the rapid development of the entire Quail Valley PID, the City will explore options to accelerate the reimbursement of the developers by issuing debt secured by a portion of the special assessments.

This Public Improvement District #16 is located in COUNCIL DISTRICT 3.

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 fund balance within the FWPID #16 - Quail Valley Fund and upon approval of the above recommendation and adoption of the attached appropriation ordinance, funds will be available in the FWPID #16 - Quail Valley Fund. Prior to an expenditure being incurred, the Financial Management Services Department has the responsibility of verifying the availability of funds.

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