

City of Fort Worth, Texas

Mayor and Council Communication

DATE: 11/14/23

M&C FILE NUMBER: M&C 23-0966

LOG NAME: 17TIF16ADOPTPLAN

SUBJECT

(ETJ) Adopt Ordinance Approving the Project and Financing Plan for Tax Increment Reinvestment Zone No. 16, City of Fort Worth, Texas (Veale Ranch TIF)

RECOMMENDATION:

It is recommended that the City Council adopt the attached ordinance approving the Project and Financing Plan for Tax Increment Reinvestment Zone No. 16, City of Fort Worth, Texas (Veale Ranch TIF).

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to adopt an ordinance approving the final Project and Financing Plan ("Plan") for Tax Increment Reinvestment Zone Number 16, City of Fort Worth, Texas (Veale Ranch) ("TIRZ"). On September 12, 2023, the City Council adopted Ordinance No. 26420-09-2023, establishing the TIRZ and a governing Board of Directors ("Board").

PMB Veale Land Investors I, LP and other entities ("Developer") entered into an agreement with the City of Fort Worth ("City") on March 8th, 2023 for the development of approximately 5,200 acres consisting of parcels known as Veale Ranch/Team Ranch, Rolling V South, Rockbrook, and Ventana South (collectively, "Development"), which are located primarily within Fort Worth's extraterritorial jurisdiction in Parker County and Tarrant County (Fort Worth City Secretary Contract No. 59003) ("Development Agreement"). To accomplish the Development envisioned by the Developer and City and to provide financing for certain improvements, the City and Developer agreed to work together to create the Veale Ranch Public Improvement District ("PID") and the TIRZ. The Agreement provides that the Development will be constructed and annexed in phases (each an "Improvement Area") over a period of up to 50 years and that the PID assessments, TIRZ collections, and bond issuances will occur after annexation for 25 to 30-year periods for each Improvement Area in order to reimburse the Developer for certain authorized public improvements;

The TIRZ was established to accomplish the Development, including (i) offsetting or paying a portion of any assessments levied within the Development to achieve a desired tax rate equivalent for the PID for each Improvement Area; (ii) provide incremental funding for public infrastructure not funded by, or in lieu of, the PID; (iii) provide economic development incentives in alignment with the City's then current economic incentives policy; and (iv) further promote development within the boundaries of the TIRZ District.

At the Board's first meeting on October 18, 2023, it adopted the attached Plan for consideration by the City Council. With the Plan in place, the TIRZ will be in a position to help finance public infrastructure improvements in the area, such as road and access improvements and other public infrastructure improvements, excluding local residential streets and 8" residential water and sewer lines, to support the development of the Veale Ranch area.

State law requires City Council approval of a TIRZ's Plan through an ordinance before the Plan takes effect. Thus, staff recommends that the City Council adopt the attached ordinance approving the Plan for the TIRZ, as adopted by the TIRZ's Board.

The proposed Veale Ranch TIF is located in both the City's corporate limits and the City's extra-territorial jurisdiction.

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: William Johnson 5806

Originating Business Unit Head: Robert Sturns 2663

Additional Information Contact: Michael Hennig 6024

Crystal Hinojosa 7808