

Mayor and Council Communication

DATE: 06/28/22

M&C FILE NUMBER: M&C 22-0515

LOG NAME: 21 4610 HWY 1187

SUBJECT

(CD 6) Authorize the Acquisition of a Fee Simple Interest in Approximately 21.45 Acres of Land Located at 4610 and 4700 Highway 1187 from The Estate of John Louis Merrill or Assigns for a Total Purchase Price of \$3,000,000.00, Pay Estimated Closing Costs in an Amount Up to \$35,000.00, Authorize Up to Three Thirty-Day Seller's Temporary Residential Leasebacks, Adopt the Attached Appropriation Ordinances, Dedicate the Property as an Addition to Rock Creek Ranch Park, and Amend the Fiscal Year 2022-2026 Capital Improvement Program

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize the acquisition of a fee simple interest in approximately 21.45 acres of land located at 4610 and 4700 Highway 1187 from The Estate of John Louis Merrill or assigns situated in the J. M. Muhlinghaus Survey, Abstract 1157, the D. Muhlinghaus Survey, Abstract 1082, and the McKinney & Williams Survey, Abstract 1119 in Tarrant County, Texas for a total purchase price of \$3,000,000.00 and pay estimated closing costs in an amount up to \$35,000.00;
2. Authorize up to three thirty-day seller's temporary residential leasebacks;
3. Authorize the City Manager or designee to accept the conveyance, to execute the necessary contract of sale and purchase, and to execute and record the appropriate instruments;
4. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the PARD Dedication Fees Fund in the amount of \$617,884.00, from available funds, for the purpose of funding the Rock Creek Ranch Expansion project (City Project No. 104090) to include a post-acquisition site assessment;
5. Adopt the attached appropriation ordinance adjusting estimated receipts and appropriations in the PARD Dedication Fees Fund, by increasing receipts and appropriations in the Rock Creek Ranch Expansion project (City Project No. 104090) in the amount of \$2,482,116.00, and decreasing estimated receipts and appropriations in the PARD New Enhancements Programmable Project (City Project No. P00132) by the same amount; and
6. Dedicate the property as parkland upon conveyance as an addition to Rock Creek Ranch Park; and
7. Amend the Fiscal Year 2022-2026 Capital Improvement Program.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to seek approval to acquire land located at 4610 and 4700 Highway 1187 in accordance with the *Neighborhood and Community Park Dedication Policy* and the Park, Recreation, and Open Space Master Plan, which calls for the provision of adequate park and recreational areas in the form of Neighborhood-Based Parks and Community-Based Parks.

On September 14, 2021 (M&C 21-0672), the City Council authorized the creation of Rock Creek Ranch park consisting of the purchase of a 270-acre fee simple interest and a 5.577-acre donation. Upon City Council approval of this acquisition, the 21.45 acres of land will be added to the existing 275.577-acre Rock Creek Ranch Park, making the park a total of 297.027 acres, more or less.

The Estate of John Louis Merrill (the Seller) has agreed to sell the property, approximately 21.45 acres, more or less, for a total purchase price of \$3,000,000.00. The purchase price is subject to an independent appraisal. The mineral estate will not be acquired and the deed will contain a surface waiver for the exploration of the mineral estate. The City has agreed to provide the seller with up to three thirty-day temporary residential leasebacks. The real estate taxes will be pro-rated with the seller being responsible for taxes due up to the closing date. The City will pay the estimated closing costs in an amount up to \$35,000.00.

The 21.45-acre purchase includes an existing house and appurtenances. PARD has included \$65,000.00 in Park Dedication Fees funds to conduct an assessment of the existing structures as well as the feasibility of demolition, if necessary.

Project Budget	
Purchase Price	\$3,000,000.00
Closing Costs	\$ 35,000.00
Site Assessment	\$ 65,000.00
Total:	\$3,100,000.00

Funding for this project was not included in the Fiscal Years 2022-2026 Capital Improvement Program due to the pending status of this property. The action in this M&C will amend the Fiscal Years 2022-2026 Capital Improvement Program as approved in connection with Ordinance No. 25073-09-2021, Section 6, page 23.

Capital Fund Name	Project Name	FY2022 CIP	Authority	Budget Change (Increase/Decrease)	Revised FY2022 Budget
		Appropriations			
PARD Dedication Fees Fund	P00132 PARD New Enhancements	\$19,060,779.00	This M&C	\$ (2,482,116.00)	\$ 16,578,663.00

Operations & Maintenance

As of April 30, 2022, the cumulative total of all previously approved M&Cs increased the department's acreage by an estimated 65.949 acres and estimated annual maintenance by \$418,331.00 beginning in FY2023. This purchase is estimated to increase the department's acreage by 21.45 acres, and annual maintenance by \$18,685.00, with one-time costs in the amount of \$76,500.00 for a maintenance utility vehicle and to identify and secure property boundaries.

The maintenance costs included in M&C 21-0672, approved in September 2021 for the acquisition of the 275.77-acre Rock Creek Ranch Park, were developed based on the property being held in reserve/inactive status. Although the park site remains in reserve status, additional funds will be requested as part of the FY2023 budget development process to address the increase in maintenance and park activities.

The financial records of the City will be updated to reflect this dedication of property as parkland based upon the Capital Assets Policy contained within the Financial Management Policy Statements.

This property is located in COUNCIL DISTRICT 6.

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 Community Park Units C1, C2, and C4 projects within the PARD Dedication Fees Fund and the PARD New Enhancements programmable project within the PARD Dedication Fees Projects Fund (City Project No. P00132) and upon approval of the above recommendations and adoption of the attached appropriation ordinances, funds will be available in the PARD Dedication Fees Fund for the Rock Creek Ranch Park Expan project (City Project No. 104090). Prior to an expenditure being incurred, the Park & Recreation Department has the responsibility of verifying the availability of funds.

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