

Mayor and Council Communication

DATE: 02/11/25

M&C FILE NUMBER: M&C 25-0102

LOG NAME: 17QUAIL VALLEY/WALSH RANCH PID NO 16 DEV REIMBURSEMENT02/11/25

SUBJECT

(CD 3) Adopt Appropriation Ordinance Increasing Estimated Receipts and Appropriations in Fort Worth Public Improvement District No. 16 - Quail Valley Fund in the Amount of \$768,740.04, from Available Fund Balance, for the Purpose of Reimbursing the Developer for Eligible Costs Under Improvement Area No. 3 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 \$768,740.04, from available fund balance, for the purpose of reimbursing the developer eligible costs under the Improvement Area No.3 Reimbursement Agreement.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to appropriate funds for installment payments and assessment prepayments under the reimbursement agreement for Improvement Area No. 3 (IA #3) of the Fort Worth Public Improvement District No. 16 - Quail Valley (FWPID #16).

In September 2016, the City Council approved the creation of FWPID #16, encompassing approximately one-fourth of the entire Walsh Ranch property, as a vehicle to reimburse the developer for certain infrastructure costs. Full development of FWPID #16 will encompass multiple phases that occur over several years as phases of FWPID #16 are developed.

As outlined in the updated Service and Assessment Plan (M&C 22-0794) related to Ordinance No. 25775-09-2022 which levied IA #3 assessments, special assessments on property within IA #3 will pay for \$10,750,000.00 in improvements for roadway expenses.

In addition to the Public Improvement District (PID) funded improvements, the developers are constructing, without reimbursement from FWPID #16, additional improvements in IA #3 in the amount of \$26,441,518.00, bringing the total costs of improvements in IA #3 of FWPID #16 to \$37,191,518.00.

The developers are responsible for managing all construction and the associated agreements for the development of infrastructure improvements within the PID. The City will make payment to the developers in satisfaction of the reimbursement amount from the special assessments revenues, less any administrative fees, with assessments and reimbursement paid over a maximum period of thirty years for each improvement area.

The period of these reimbursements is the first of thirty collection periods for IA #3. Therefore, the interest rate for IA #3 collections is 5.55%.

This payment represents the only payment due under the terms of the Improvement Area No. 3 Reimbursement Agreement as Improvement Area #1-3 Bonds were approved for issuance on June 11, 2024 which replaced the Improvement Area No. 1 Reimbursement Agreement, the Improvement Area No. 2 Reimbursement Agreement, and the Improvement Area No. 3 Reimbursement Agreement.

Funding is available for appropriation in the fund balance of the FWPID #16 - Quail Valley Fund. The beginning fund balance is \$1,431,795.48 and the ending fund balance will be \$663,055.44.

FWPID #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 operating budget of the FWPID #16 - Quail Valley Fund. Prior to an expenditure being incurred, the Economic Development Department has the responsibility of verifying the availability of funds.

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