

City of Fort Worth, Texas

Mayor and Council Communication

DATE: 09/30/25 M&C FILE NUMBER: M&C 25-0945

LOG NAME: 60MORNINGSTAR NORTH OFFSITE SEWER

SUBJECT

(CD 3) Authorize Execution of a Community Facilities Agreement with FG Aledo Development, LLC, with City Participation in an Amount Up to \$8,226,491.34 for Oversizing Approximately 18,000 Linear Feet of Sewer Mains to Various Pipe Sizes for Anticipated Future Growth in West Fort Worth, and Adopt Appropriation Ordinance to Effect a Portion of Water’s Contribution to the Fiscal Years 2025-2029 Capital Improvement Program

RECOMMENDATION:

It is recommended that the City Council:

- 1. Authorize the execution of a Community Facilities Agreement with FG Aledo Development, LLC, with City participation in an amount up to \$8,226,491.34, for oversizing approximately 18,000 linear feet of sewer mains to various pipe sizes for anticipated future growth located in west Fort Worth; and
- 2. Adopt the attached appropriation ordinance adjusting estimated receipts and appropriations in the Water & Sewer Rev Bonds Series 2023 Fund by decreasing estimated receipts and appropriations in the Commercial Paper project (City Project No. UCMLPR) in the amount of \$9,363,022.00 and increasing estimated receipts and appropriations in the CFA Bucket Programmable project (City Project No. P00001) by the same amount for the purpose of funding the Community Facilities Agreement – CFA Morningstar N Offsite sew project (City Project No.105677) and to effect a portion of Water’s contribution to the Fiscal Years 2025-2029 Capital Improvements Program.

DISCUSSION:

FG Aledo Development LLC (Developer) is constructing the Morningstar North Offsite Sewer development project located north of Old Weatherford Road and east of Farm-to-Market (FM) 3325. The Water Department is requesting to oversize approximately 18,000 linear feet of various pipe sizes for anticipated future growth in the area. The construction costs for the sewer mains are estimated to be allocated at 17.9% for the Developer and 82.1% for the City for an estimated cost to the City of \$7,576,866.97. The Morningstar North Offsite sewer project is assigned City Project No. 105677 and Accela System Record IPRC25-0004.

This project has been publicly bid. The City’s cost participation in the oversizing of the sewer mains is estimated to be up to \$8,226,491.34, as shown in the table below. Payments to the Developer are estimated to be \$7,576,866.97 for construction costs, \$151,537.34 for material testing costs, \$9,404.02 for public bid advertisement costs, and \$405,234.93 for design costs. The City’s cost participation also includes \$83,448.08 to cover the City’s portion of construction inspection service fees and administrative material testing fees. An additional \$1,136,530.05 in contingency funds will cover the City’s portion of any change orders.

The following table shows the cost-sharing breakdown for the project between all parties:

Sewer Improvements	Developer Cost (17.9%)	City Cost (82.1%)	Total Cost
A. Sewer	\$1,651,960.03	\$7,576,866.97	\$9,228,827.00
Contingency 15%	\$0.00	\$1,136,530.05	\$1,136,530.05
Construction Fees:			
B. Construction Inspection Fee	\$14,740.65	\$67,609.35	\$82,350.00
C. Admin Material Testing Fee	\$3,453.27	\$15,838.73	\$19,292.00
D. Material Testing Cost Contingency	\$0.00	\$151,537.34	\$151,537.34

1. Design Costs	\$88,352.07	\$405,234.93	\$493,587.00
2. Public Bid Advertisement	\$2,050.33	\$9,404.02	\$11,454.35
Total Project Cost	\$1,760,556.35	\$9,363,021.39	\$11,123,577.74

The reimbursement of the City participation, excluding inspection and material testing fees,is not a lump-sum amount and may be less than the stated amount depending upon the actual quantities and unit prices from the notice of Final Completion package, commonly referred to as the Green Sheet package.

It is the practice of the Water Department to appropriate its Capital Improvement Program (CIP) plan throughout the Fiscal Year, instead of within the annual budget ordinance, as projects commence, additional funding needs identified, and to comply with bond covenants.

Funding is available in the Commercial Paper project within the Water & Sewer Revenue Bonds Series 2023 Fund for the purpose of funding the CFA-Morningstar N Offsite sew project.

Funding for the Community Facility Agreement (CFA) -Morningstar N Offsite project is depicted in the table below:

Fund	Existing Appropriations	Additional Appropriations	Project Total
W&S Rev Bonds Series 2023-Fund 56021	0.00	\$9,363,022.00	\$9,363,022.00
Project Total	0.00	\$9,363,022.00	\$9,363,022.00

This project is in COUNCIL DISTRICT 3.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are currently available in the Commercial Paper project within the W&S Rev Bonds Series 2023 Fund and upon approval of the above recommendations and adoption of the attached appropriation ordinance, funds will be available in W&S Rev Bonds Series 2023 Fund for the CFA-Morningstar N Offsite sew project to support the approval of the above recommendations and execution of the agreement. Prior to an expenditure being incurred, the Water Department has the responsibility of verifying the availability of funds.

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Expedited