

# Mayor and Council Communication

**DATE:** 01/28/25

**M&C FILE NUMBER:** M&C 25-0074

**LOG NAME:** 17ED PID07 MGMT TRANSITION MY25

**SUBJECT**

(CD 4 and CD 10) Authorize Execution of Agreement with Castle Group Texas, LLC in the Amount of \$123,424.00 to Manage the Public Improvement District 7 - Heritage for the Period of February 1, 2025 through September 30, 2025

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**RECOMMENDATION:**

It is recommended that the City Council authorize the execution of an agreement with Castle Group Texas, LLC, in the amount of \$123,424.00 to provide management of the improvements and services for the Heritage Public Improvement District during Fiscal Year 2024-2025 for the period of February 1, 2025 through September 30, 2025.

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**DISCUSSION:**

The City of Fort Worth's Department of Economic Development administers the City's Public Improvement Districts (PIDs). The City's PID Policy outlines the importance of proactively working with the City's PID management companies to oversee the services provided within each PID.

On September 17, 2024, the City Council authorized the execution of an agreement with FirstService Residential Texas PID, LLC (FirstService Residential), to manage the improvements and services for the Heritage Public Improvement District during Fiscal Years 2024-2025.

On December 10, 2024, following the PID Board's recommendation, the City identified the need for a new management company to oversee the Heritage PID. After a competitive selection process conducted by the Heritage HOA Board, the City issued a termination letter to FirstService Residential, effective January 31, 2025. Castle Group Texas, LLC (Castle Group) was subsequently selected as the new management company, pending agreement approval to take effect from February 1, 2025, through September 30, 2025, for the remainder of Fiscal Year 2024-2025.

Under City procurement policies, professional services are exempt from competitive bidding requirements. In this case, the HOA community overseeing the PID conducted a thorough Request for Proposals (RFP) process to identify the most qualified management firm. Following this process, the HOA recommended Castle Group based on its proven experience, comprehensive proposal, and alignment with the PID's goals.

To ensure alignment with the City's standards, City staff conducted additional interviews, reviewed the firm's qualifications, and assessed their proposed management plan. Based on this due diligence, Castle Group was determined to be the best fit to assume PID management responsibilities for the remainder of the fiscal year.

The proposed agreement with Castle Group will be funded within the approved PID budget for Fiscal Year 2024-2025 and will be amended in midyear (April 2025) to incorporate a revised service and assessment plan that includes updated management fees. Funding is budgeted in the Other Contractual Services account within the FWPID #7 - Heritage Fund for the Economic Development Department.

The Heritage PID is located in COUNCIL DISTRICTS 4&10.

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**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that funds are available in the current operating budget, as previously appropriated, in the FWPID #7 - Heritage Fund to support the approval of the above recommendation and execution of the agreement. Prior to an expenditure being incurred, the Economic Development Department has the responsibility to validate the availability of funds.

**Submitted for City Manager's Office by:** William Johnson 5806

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Expedited