

Mayor and Council Communication

DATE: 10/29/24

M&C FILE NUMBER: M&C 24-0938

LOG NAME: 60WATER HILLWOOD FUNDS APPROPRIATION

SUBJECT

(CD 10, CD 2 and CD 7) Adopt Appropriation Ordinances to Replace \$10,851,796.96 in Previously Appropriated Funds with Eligible Restricted Revenues Received from Hillwood Development Corporation for Projects Benefiting the Town of Westlake to Effect a Portion of Water's Contribution to the Fiscal Years 2025-2029 Capital Improvement Program

RECOMMENDATION:

It is recommended that City Council:

1. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Water & Sewer Community Facilities Agreement Fund in the Northside II Water Main Along State Highway 170 project (City Project No. 100261) by \$9,867,577.96 and in the Northside II Water Transmission Main Extension Northlake project (City Project No. 103968) by \$984,219.00 from available Hillwood Development Corporation contributions within the Westlake-Hillwood project (City Project No. 102518) for the purpose of funding eligible projects benefitting the Town of Westlake;
2. Adopt the attached appropriation ordinance decreasing estimated receipts and appropriations in the Northside II Water Main Along State Highway 170 project (City Project No. 100261) within the Water and Sewer Capital Projects Fund in the amount of \$1,969,820.96, for the purpose of substituting funding sources and to make revenues available for other eligible Water and Sewer projects;
3. Adopt the attached appropriation ordinance adjusting estimated receipts and appropriations in the Water and Sewer Revenue Bonds 2022 Fund by increasing estimated receipts and appropriations in the Unspecified-All Funds project (City Project No. UNSPEC) in the amount of \$5,398,659.00 and decreasing estimated receipts and appropriations in the Northside II Water Main Along State Highway 170 project (City Project No. 100261) by the same amount for the purpose of substituting funding sources and to make debt proceeds available for other eligible Water and Sewer projects;
4. Adopt the attached appropriation ordinance decreasing estimated receipts and appropriations in the Northside II Water Main Along State Highway 170 project (City Project No. 100261) within the Water Capital Fund by \$2,499,098.00, for the purpose of substituting funding sources and to make revenues available for other eligible Water and Sewer projects;
5. Authorize the move of available PayGo residuals within the Unspecified-All Funds project (City Project No. UNSPEC) in the Water Capital Fund in the amount of \$2,499,098.00 to the Unspecified-All Funds project (City Project No. UNSPEC) in the Water & Sewer Capital Projects Fund in order to facilitate the clean-up and close-out of the City's legacy capital project funds; and
6. Adopt the attached appropriation ordinance adjusting estimated receipts and appropriations in the Water and Sewer Revenue Bonds Series 2021 Fund by increasing estimated receipts and appropriations in the Unspecified-All Funds project (City Project No. UNSPEC) in the amount of \$984,219.00 and decreasing estimated receipts and appropriations in the Northside II Water Transmission Main Extension Northlake project (City Project No. 103968) by the same amount for the purpose of substituting funding sources and to make debt proceeds available for other eligible Water and Sewer projects to effect a portion of Water's contribution to the Fiscal Years 2025-2029 Capital Improvement Program.

DISCUSSION:

In late 1998, as part of an agreement settling multiple lawsuits that included the Town of Westlake, the City of Fort Worth, and Hillwood Development Corporation and related entities, Hillwood Development Corporation assumed an obligation to make a series of payments over the course of multiple years to provide funds to the City of Fort Worth for improvements to the City's water system to provide additional capacity to serve the Town of Westlake in accordance with a water contract executed between Fort Worth and Westlake.

As of July 2024, a total of \$11,741,427.00 exists in the Westlake-Hillwood project (City Project No. 102518) as a result of this agreement. Approval of this Mayor & Council Communication (M&C) and adoption of the attached ordinances will (i) appropriate \$10,851,796.96 of these funds to two projects that meet the criteria of the settlement and benefit the Town of Westlake: the Northside II Water Main Along State Highway (SH)170 and the Northside II 24" Extension Northlake projects; and (ii) free up the funds that had originally been appropriated for these projects so that they may be utilized for other eligible Water and Sewer projects.

City Project No. 100261 - Northside II Water Main Along SH170

The Northside II Water Main Along SH170 project (City Project No. 100261), was originally approved for a 30-inch Water Transmission Main along highway 170 (SH170) from N. Beach Street to US377 on November 8, 2016 with M&C C-27985. Existing amended wholesale water contracts with Trophy Club Municipal District No. 1 (City Secretary Contract 41111) and the Town of Westlake (City Secretary Contract No. 41112) require the wholesale customer to cost participate toward the additional capacity from future Fort Worth water transmission mains which serve their communities (approved per M&C C-27783 on June 21, 2016). These wholesale customers requested increased capacity from the Northside II 30-inch water main and have participated in the cost of the project accordingly.

The project was expanded to cover 0.5 miles east of Interstate Highway 35W to Trophy Club Lake Drive to accommodate the Texas Department of

Transportation's construction of the SH 170 four main lanes and associated improvements which required relocation of four water mains at Beach Street, Alta Vista Road, Westport Parkway and Independence Parkway (per M&C 20-0168 approved on April 7, 2020). The project's scope had to subsequently be amended to include the relocation at these four conflict locations.

Hillwood Development Corporation funds in the amount of \$9,867,577.96 will now be used to replace previous City appropriations.

This project is located in COUNCIL DISTRICT 10.

City Project No. 103968 - Northside II Water Transmission Main Extension Northlake

Due to increased growth and demand for additional water, the Town of Northlake requested additional connection points and water supplies. An amendment to their wholesale contract was executed on January 10, 2023, M&C 23-0047. The City is currently participating in costs related to the design and easements. An M&C will be submitted in the future to include the City participation for the construction costs.

Hillwood Development funds in the amount of \$984,219.00 will now be used to replace previous City's appropriations.

This project is located in COUNCIL DISTRICTS 2 and 7.

Project Appropriations Before and After This M&C*

Northside II Water Main along SH170 project:

Fund	Existing Appropriations	Adjustments – Increases/(Decreases) from this M&C	Project Total*
W&S Community Facilities Agmt – Fund 56008	\$0.00	\$9,867,577.96	\$9,867,577.96
W&S Capital Projects – Fund 56002	\$1,969,820.96	(\$1,969,820.96)	\$0.00
W&S Rev Bonds Series 2022 – Fund 56020	\$5,398,659.00	(\$5,398,659.00)	\$0.00
Water Capital – Fund 59601	\$8,372,830.03	(\$2,499,098.00)	\$5,873,732.03**
Project Total	\$15,741,309.99	\$0.00	\$15,741,309.99

**These previously appropriated funds, which will remain in the project following adoption of this M&C, represent contributions from other customer cities who also benefit from this project.

Northside II 24” Water Transmission Main Extension Northlake project:

Fund	Existing Appropriations	Adjustments – Increases/(Decreases) from this M&C	Project Total*

W&S Community Facility Agmt – Fund 56008	\$0.00	\$984,219.00	\$984,219.00
W&S Rev Bonds Series 2021 – Fund 56019	\$984,219.00	(\$984,219.00)	\$0.00
Project Total	\$984,219.00	\$0.00	\$984,219.00

*Numbers in charts may be rounded for presentation purposes.

The project is located in COUNCIL DISTRICTS 2, 7 and 10.

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 Westlake-Hillwood project within the W&S Community Facilities Agmt Fund and upon approval of the above recommendations and adoption of the attached appropriation ordinances, funds will be available in the W&S Community Facilities Agmt Fund for the NSII Water Main Along SH170 and NSII 24 WTM Exten. Northlake projects. Prior to any expenditure being incurred, the Water Department has the responsibility of verifying the availability of funds.

Submitted for City Manager's Office by: Fernando Costa 6122

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