

# CITY COUNCIL AGENDA



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<b>DATE:</b>	10/29/2024	<b>REFERENCE NO.:</b>	**M&C 24-0936	<b>LOG NAME:</b>	17APPROPRIATE FY24 GFFB
<b>CODE:</b>	G	<b>TYPE:</b>	CONSENT	<b>PUBLIC HEARING:</b>	NO
<b>SUBJECT:</b>	(CD 8) Adopt Appropriation Ordinances in the Amount of \$4,245,533.00 from Committed Fund Balance for the Purpose of Funding the Evans-Rosedale Project and Amend the Fiscal Year 2024 Adopted Budget and Fiscal Years 2024-2028 Capital Improvement Program				

### **RECOMMENDATION:**

It is recommended that the City Council:

1. Adopt the attached Fiscal Year 2024 appropriation ordinance increasing estimated receipts and appropriations in the Economic Development Department of the General Fund in the amount of \$4,245,533.00, from committed fund balance, for the purpose of transferring funds to the General Capital Projects Fund for the Evans-Rosedale project (City Project No. 105570);
2. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the General Capital Projects Fund in the amount of \$4,245,533.00, transferred from the General Fund, for the purpose of funding the Evans-Rosedale project (City Project No. 105570); and
3. Amend the Fiscal Year 2024 adopted budget and Fiscal Years 2024-2028 Capital Improvement Program.

### **DISCUSSION:**

As part of the Fiscal Year 2023 year-end process, the City Council assigned \$54,340,467.00 from Fiscal Year 2023 fund balance for future capital projects via Mayor and Council Communication (M&C) 24-0001. This assigned amount is in excess of reserve requirements in the General Fund and was derived from \$15,959,527.00 from the sale of library property, \$30,305,344.00 from savings and \$8,075,596.00 from one-time interest earnings.

On May 21, 2024, City Council approved M&C 24-0457, and designated \$6,449,258.00 of that assigned fund balance as committed fund balance from the Fiscal Year 2024 Fund Balance in the General Fund for the purpose of providing funding to the TXAMU Innovation Hub in the amount of \$2,203,725.00 and Evans-Rosedale project in the amount of \$4,245,533.00. This M&C will reduce committed General Fund fund balance by \$4,245,533.00 for the Evans-Rosedale project.

### **Evans-Rosedale Project**

On October 19, 2021, M&C 21-0810, the City Council approved the allocation of up to \$4,245,533.00 from the American Rescue Plan Act, Subtitle M (Coronavirus State and Local Fiscal Recovery Funds) for the Evans and Rosedale Redevelopment and Affordable Housing project (Project) to pay the fair market value of thirty-six properties being acquired and contributed to the Project, consisting of thirty (30) Fort Worth Housing Finance Corporation (FWHFC) properties for \$3,595,977.00, five (5) Fort Worth Local Development Corporation (LDC) properties for \$235,950.00, and one (1) City property for \$112,500.00.

On February 22, 2022, the City Council approved M&C 22-0112 amending M&C 21-0810 to correct the fair market value listed incorrectly for the Local Development Corporation's properties from \$235,950.00 to \$537,076.29.

The thirty-six properties (collectively, the Property) are located within the boundaries of the Historic Southside Neighborhood, the Evans and Rosedale Urban Village, Tax Increment Reinvestment Zone Number 4, and Census Tract 1231.001, which is a Qualified Census Tract. The Property was part of the December 2018 Request for Expressions of Interest (RFEI) in which the City of Fort Worth, the Fort Worth Housing Finance Corporation, and the Fort Worth Local Development Corporation sought a Master Developer arrangement in and near the historic Evans & Rosedale Urban Village. These same properties have been designated for the current Request for Expressions of Interest which began in March 2024 and resulted in a selected developer, Royal Capital, that was recently announced in August 2024.

Due to market considerations, in order for the development to be financially feasible, a potential developer must be able to purchase the Property at a value significantly less than fair market value. Allocation of funding would allow the purchase of the 30 properties from the FWHFC at a price of \$3,595,977.00, five properties from the LDC for \$537,076.00 and one parcel owned by the City valued at \$112,500.00. As authorized by Texas Local Government Code Section 272.001(g), the Property, which has a combined fair market value of \$4,245,553.00, would be sold to a future developer for monetary consideration of \$1.00 each for the purpose of developing low- to moderate-income housing.

The City leadership determined that the Evans-Rosedale project and the TXAMU Innovation Hub project (previously earmarked in funds from the American Rescue Plan Act (ARPA)) would not be able to be obligated by the ARPA deadline of December 31, 2024 and the best course of action was to remove the earmark for the remaining funds and provide funding from the General Fund committed fund balance.

This M&C is needed for the appropriation and contract execution of the Evans-Rosedale project.

This project is located in Council District 8.

**FISCAL INFORMATION/CERTIFICATION:**

The Director of Finance certifies that funds are currently available in fund balance within the General Fund and upon approval of the above recommendations and adoption of the attached appropriation ordinances, funds will be available in the General Capital Projects Fund for the Evans-Rosedale project. Prior to an expenditure being incurred, the Economic Development Department has the responsibility of verifying the availability of funds.

**TO**

Fund	Department ID	Account	Project ID	Program	Activity	Budget Year	Reference # (Chartfield 2)	Amount
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**FROM**

Fund	Department ID	Account	Project ID	Program	Activity	Budget Year	Reference # (Chartfield 2)	Amount
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**Submitted for City Manager's Office by:** William Johnson (5806)

**Originating Department Head:** Robert Sturns (2663)

**Additional Information Contact:** Robert Sturns (2663)

**ATTACHMENTS**

- [17APPROPRIATE FY24 GFFB Correct FID 1.xlsx](#) (CFW Internal)
- [17APPROPRIATE FY24 GFFB funds availability.pdf](#) (CFW Internal)
- [FY24 Assigned FB Table.xlsx](#) (CFW Internal)

[ORD.APP\\_17APPROPRIATE FY24 GFFB\\_AO\(r1\).docx](#) (Public)

[ORD.APP\\_17APPROPRIATE FY24 GFFB\\_AO\(r2\).docx](#) (Public)