

Mayor and Council Communication

DATE: 04/07/20

M&C FILE NUMBER: M&C 20-0213

LOG NAME: 12INTERLOCAL AGREEMENT WITH NORTHLAKE-ETJ AND REV SHARE

SUBJECT

Authorize the Execution of an Interlocal Agreement and Amendment to an Interlocal Agreement with the Town of Northlake Relating to the Exchange of Extraterritorial Jurisdiction and Terminating an Existing Revenue-Sharing Agreement (COUNCIL DISTRICT 7)

RECOMMENDATION:

It is recommended that the City Council authorize the execution of an Interlocal Agreement and Amendment to an Interlocal Agreement with the Town of Northlake relating to the exchange of extraterritorial jurisdiction and terminating an existing revenue-sharing agreement.

DISCUSSION:

To facilitate the Texas Motor Speedway project, in 1997 Fort Worth entered into an extraterritorial ("ETJ") land swap with the Town of Northlake ("Northlake") and memorialized it in a Joint Resolution and Agreement between the cities. See City Secretary Contract Number (CSC No.) 23202 and Resolution Number 2341. Under the Joint Resolution, Fort Worth released 2,262 acres of its ETJ to Northlake and Northlake released 393.85 acres of ETJ to Fort Worth. In addition to the land swap, Fort Worth and Northlake entered into an Interlocal Agreement, CSC No. 23201, that included a provision for perpetual revenue-sharing for property around the Texas Motor Speedway. In 2014, the City of Justin attempted to expand by annexing 74 acres of ETJ that Fort Worth released to Northlake under the 1997 Joint Resolution. Litigation ensued between Northlake and Justin and resulted in a Texarkana Court of Appeals decision that calls into question the validity of the 1997 Joint Resolution. Northlake's motion to the Texas Supreme Court for rehearing its petition for review is pending. In addition to the 1997 transaction, Fort Worth and Northlake entered into a subsequent land swap in 2011, see Resolution No. 4012-07-2011.

The attached interlocal agreement and amendment to CSC No. 23201 work together to honor the 1997 land exchange with Northlake by allocating a portion of Fort Worth's ETJ to Northlake, providing for platting authority in the allocated ETJ, terminating the revenue-sharing provision in CSC No. 23201 and Northlake's MUD authority in the exchanged ETJ. Under the new interlocal agreements, Fort Worth also agrees to disannex and release to Northlake certain land in its city limits and extraterritorial jurisdiction to compensate Northlake for the loss of revenue under the revenue-sharing agreement upon adoption of the amended Interlocal Agreement, CSC No. 23201. The portion of Fort Worth's ETJ allocated to Northlake will be transferred upon notice from Northlake of annexations that would extend their ETJ in accordance with section 42.021 of the Texas Local Government Code and will continue until such time upon which all of the allocated area is within Northlake's ETJ.

A Form 1295 is not required because: This contract will be with a governmental entity, state agency or public institution of higher education: City of Northlake

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that approval of these recommendations will have no material effect on City funds.

Submitted for City Manager's Office by: Dana Burgdhoff 8018

Originating Business Unit Head: Sarah Fullenwider 8006

Additional Information Contact: Christopher Mosley 7603