

Mayor and Council Communication

DATE: 03/31/26

M&C FILE NUMBER: M&C 26-0238

LOG NAME: 21CPN105718 HOLLY TO ES2 BOOSTER PS & GT

SUBJECT

(CD 2) Authorize Fee Simple Acquisition of Approximately 3.23 Acres of Property Located at 3737 Northern Cross Boulevard, Fort Worth, Tarrant County, Texas 76137 from Mercantile Partners, L.P. in the Amount of \$2,111,760.00; Authorize the Payment of Closing Costs in an Amount Up to \$15,000.00 for a Total Cost of \$2,126,760.00 for a Pump Station and Ground Storage Tank; Adopt Resolution Expressing Official Intent to Reimburse Expenditures from Proceeds of Future Debt; and Adopt Appropriation Ordinance to Effect a Portion of Water Department's Contribution to Fiscal Years 2026-2030 Capital Improvement Program

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize the fee simple acquisition of approximately 3.23 acres of property known as Lot 3R, Block 9B, of Northern Crossing Addition, an addition to the City of Fort Worth, Tarrant County, Texas and located at 3737 Northern Cross Boulevard, Fort Worth, Texas 76137 from Mercantile Partners, L.P. for a Pump Station and Ground Storage Tank in the amount of \$2,111,760.00;
2. Authorize the payment of estimated closing costs and appraisal fees in an amount up to \$15,000.00;
3. Authorize the City Manager or his Designee to execute a contract of sale for the 3.23 acres and record the appropriate instruments;
4. Adopt the attached resolution expressing official intent to reimburse expenditures with proceeds of future enterprise fund debt for the Holly to Eastside II Booster Pump Station and Ground Storage Tank project; and
5. Adopt the attached appropriation ordinance adjusting estimated appropriations in the Water & Sewer Commercial Paper Fund, in the amount of \$2,126,760.00, by increasing estimated appropriations in the Pump Station and Ground Storage Tank project (City Project No. 105718) and decreasing estimated appropriations in the Commercial Paper project (City Project No. UCMLPR) by the same amount for the fee simple acquisition of 3737 Northern Cross Boulevard, Fort Worth, Texas 76137 to effect a portion of the Water Department's contribution to the Fiscal Years 2026 - 2030 Capital Improvement Program.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to authorize the fee simple acquisition of property located at 3737 Northern Cross Boulevard, Fort Worth, Texas 76137 (the Property) from Mercantile Partners, L.P. (Mercantile) for the purpose of a Pump Station and Ground Storage Tank location.

An independent appraisal established the property's fair market value. Mercantile has agreed to sell the Property to the City of Fort Worth (City) for an amount of \$2,111,760.00 as total compensation for the needed property interests. The real estate taxes will be pro-rated with Mercantile being responsible for taxes up to the closing date. The City will pay closing costs in an amount up to \$15,000.00. The Water Department has agreed to construct a masonry fence to screen the Property from public view. Pump station improvements at the Property will be subject to architectural guidelines and restrictions detailed in the conveyance deed.

Legal Description	Purchase Price	Closing Costs	Total
Northern Crossing Addition, Lot 3R Block 9B	\$2,111,760.00	\$15,000.00	\$2,126,760.00

It is the practice of the Water Department to appropriate its Capital Improvement Plan throughout the Fiscal Year instead of within the annual budget ordinance as projects commence, additional funding needs are identified, and/or to comply with bond covenants. The actions of this M&C will appropriate funds to support the Water Department's portion of the City of Fort Worth's Fiscal Years 2026 - 2030 Capital Improvement Program.

Available cash within the Water and Sewer portfolio and the City's portfolio along with the appropriation authority authorized under the Callable Commercial Paper Program (CP) will be used to provide interim financing for this project until debt is issued. Once debt associated with this project is sold, bond proceeds will be used to reimburse the Water and Sewer portfolio and the City's portfolio in accordance with the attached Reimbursement Resolution.

Funding for the Eastside II Booster Pump Station and Ground Storage Tank project depicted below:

Fund Name	Project Name	Existing Appropriations	Authority	Additional Appropriations	Project Total
W&S	105718 -				

Fund Name	Project Name	Existing Appropriations	Authority	Additional Appropriations	Project Total
Commercial Paper - Fund 56026	1HOLLY TO ES2 BOOSTER PS & GT	2,213,710.00	This M&C Rec 5	\$2,126,760.00	\$4,340,470.00
Project Total		2,213,710.00		\$2,126,760.00	\$4,340,470.00

Funding is budgeted in the Commercial Paper project within the W&S Commercial Paper Fund for the Water Department for the purpose of funding the Holly to Eastside II Booster Pump Station and Ground Storage Tank project.

This project is located in COUNCIL DISTRICT 2.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are currently available in the Commercial Paper project within the W&S Commercial Paper Fund and upon approval of the above recommendations and adoption of the attached appropriation ordinance, funds will be available in the W&S Commercial Paper Fund for the Pump Station and Ground Storage Tank project to support the acquisition of the property. Prior to an expenditure being incurred, the Property Management and Water Departments have the responsibility of verifying the availability of funds.

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Expedited