

Mayor and Council Communication

DATE: 11/12/19

M&C FILE NUMBER: M&C 19-0306

LOG NAME: 20FY20 CFA DEVELOPER CONTRIBUTIONS

SUBJECT

Adopt Ordinance Appropriating \$14,000,000.00 in the CFA Developer Fund for Fiscal Year 2020 Community Facilities Agreement Projects and Delegating Authority to the City Manager, or His Designee, on Receipt of Payments, to Effect Transfers within the Fund Up to its Budgeted Total (ALL COUNCIL DISTRICTS)

RECOMMENDATION:

It is recommended that the City Council adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the amount of \$14,000,000.00 in the CFA Developer Fund and delegating authority to the City Manager, or his designee, on receipt of payment, to effect transfers within the fund up to its budgeted total.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to establish the financial framework to support implementation during Fiscal Year 2020 of Community Facilities Agreements that do not require City contributions.

As development occurs throughout the City of Fort Worth, developers enter into contracts with the City to undertake private construction of public infrastructure, such as roads or water lines (community facilities), needed to support private development plans. Under the terms of the City's standard Community Facilities Agreement (CFA), the developer is responsible for the construction of facilities in accordance with City standards and must also cover the costs of inspection and material testing administration by the City to ensure City standards are being met. In addition, for any CFA project that was initiated prior to June 1, 2019, the developer must submit payment to the City to cover the cost of material testing that is completed by a third party; for a CFA started on or after June 1, 2019, the developer directly engages and pays a City-approved materials testing vendor. The funds to cover the City's costs are collected from the developers on a project by project basis in the form of a developer contribution and deposited into the fund identified above.

By reviewing the past year's revenues and expenditures, staff can budget for developer contributions based on the anticipated annual receipts. However, the specifics of the actual projects and the amount of revenue and expense attributable to each project will not be known until each CFA is executed.

To provide necessary authority to administer the CFA program, staff recommends the City Council adopt the attached ordinance, which appropriates \$14,000,000.00 in the CFA Developer Fund representing the anticipated revenues and appropriations for Fiscal Year 2020. The ordinance also delegates authority to the City Manager, acting directly or through a designee, following the actual receipt or availability of such monies, to enact and make the transfers and allocations of such appropriations to individual projects in an amount equal to the funds received for that project. For example, if a developer enters into a CFA to construct roads and water/sewer lines to support a particular development and the anticipated inspection and testing administration (or third-party testing) costs are \$50,000.00 for the CFA, the City Manager, acting directly or through a designee, would be able to establish projects within the Enterprise Resource Planning System (ERP) with budgetary authority for \$50,000.00. As each specified project is set up and budgeted, the amount remaining in the non-departmental project in the fund would be reduced. As capital funds, once appropriated, the budgeted amounts would remain in the assigned CFA project until the money has been expended or the project is completed. Annual re-appropriation would not be required.

The delegated authority granted by the attached ordinance is subject to the restriction that the total amount of all such transfers may not exceed the annual amount appropriated for that fund and is also subject to the requirement that the City Manager, acting directly or through a designee, periodically report the transfers and allocations to the City Council throughout the Fiscal Year. In addition, the delegated authority is also subject to receipt of funds by the developer.

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 upon approval of the above recommendation and adoption of the attached appropriation ordinance, funds will be available in the current capital budget as appropriated in the CFA Developer Fund. Prior to an expenditure being incurred, the Transportation & Public Works and Water Departments have the responsibility of verifying the availability of funds.

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