

Mayor and Council Communication

DATE: 05/21/24

M&C FILE NUMBER: M&C 24-0457

LOG NAME: 03COMMIT FY24 GFFB

SUBJECT

(CD 8 and CD 9) Committing of Fiscal Year 2024 Fund Balance in the General Fund to ARPA TXAMU Innovation and Evans-Rosedale Affordable Housing Projects

RECOMMENDATION:

It is recommended that the City Council designate in the aggregate amount of \$6,449,258.00 as committed fund balance from the Fiscal Year 2024 Fund Balance in the General Fund for the purpose of providing funding to the ARPA TXAMU Innovation Hub (City Project No. 104766) in the amount of \$2,203,725.00, and Evans-Rosedale Affordable Housing project (City Project No. 105570) in the amount of \$4,245,533.00.

DISCUSSION:

As part of the Fiscal Year 2023 year-end process, the City Manager assigned \$54,340,467.00 from Fiscal Year 2023 fund balance for future capital projects via Mayor and Council (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, \$30,380,940.00 from budgetary savings and \$8,000,000.00 from one-time interest earnings.

This M&C is to reduce \$6,449,258.00 from the fund balance in the General Fund to the committed fund balance. Upon approval of this M&C, approximately \$47,891,209.00 will remain for future appropriation by Mayor and Council.

Approval of this M&C will reduce the Fund Balance as follows:

General Fund	Original Amount	This M&C	Remainder of Amount
Fund Balance Set Aside for Capital Shortfalls	\$38,380,940.00	(\$6,449,258.00)	\$31,931,682.00
Fund Balance from Sale of Central Library Proceeds	\$15,959,527.00	\$0	\$15,959,527.00
Total Fund Balance for Capital	\$54,340,467.00	(\$6,449,258.00)	\$47,891,209.00

As part of Fiscal Year 2023 year end process, the City Manager committed \$30,383,493.00 from Fiscal Year 2023 fund balance for the purpose identified in the table below (M&C 24-0001). Approval of this M&C will increase the total committed fund balance.

General Fund Committed Fund Balance	Amount
Sales Tax Repayment Agreement	\$13,031,838.00
Last Dollar Funding for Juneteenth Museum	\$15,000,000.00
Contractual Obligations Rolled Over from Fiscal Year 2023	\$2,351,655.00

This M&C, ARPA TXAMU Innovation Hub	\$2,203,725.00
This M&C, Evans-Rosedale Affordable Housing	\$4,245,533.00
Total Committed Fund Balance	\$36,832,751.00

ARPA TXAMU Innovation Project

In January of 2023 the City of Fort Worth and Texas A&M University System (TAMUS) entered into an Interlocal Agreement (ILA) regarding the development of a proposed Texas A&M University System Fort Worth Campus. The Project includes the construction of one or more buildings, and public infrastructure, that will house the Texas A&M University School of Law and other A&M Academic programs, including State agencies such as TDEM, TEES and TTI, alongside private firms in a manner that encourages innovation, research, and entrepreneurship within an urban campus environment. The shared vision for this campus is to build a world-class facility contained within an “Innovation HUB” in which strategic A&M System uses and complementary commercial tenants - ranging from startups to corporate partners in areas of law, agriculture, aerospace, engineering, and health care – who can both benefit from the research, workforce assets and services stemming from the A&M system, the City of Fort Worth, and Tarrant County creating a holistic innovation ecosystem.

Evans-Rosedale Affordable Housing project

Fort Worth City Council had previously 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 \$3,595,977.00, five (5) Fort Worth Local Development Corporation (LDC) properties \$235,950.00, and one (1) City property \$112,500.00;

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 (HFC), and the Fort Worth Local Development Corporation (LDC) 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.

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 \$235,950.00 and one parcel owned by the City and 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 \$4,245,533.00, 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 these two projects 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, provide funding from the General Fund committed fund balance.

A future M&C will be needed for the appropriation and contract executions. If the fund has not been spent by the end of the fiscal year 2024, the amount will be added to the General Fund committed fund balance in the FY24 year-end closing M&C.

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 fund balance within the General Fund. Prior to an expenditure being incurred the Economic Development Department has the responsibility of verifying the availability of funds.

Submitted for City Manager's Office by: Mark L McDaniel

Originating Business Unit Head: Christianne Simmons 6222

Additional Information Contact: Ashley Clement 8505

Expedited