

Mayor and Council Communication

DATE: 06/11/24

M&C FILE NUMBER: M&C 24-0473

LOG NAME: 13WALSH RANCH PID SPECIAL ASSESSMENT REVENUE BONDS SERIES 2024

SUBJECT

(ALL) Adopt Ordinance Authorizing Issuance and Sale of the City of Fort Worth, Texas Special Assessment Revenue Bonds, Series 2024 (Fort Worth Public Improvement District No. 16 (Walsh Ranch/Quail Valley) Improvement Areas #1-3 Project) for the Purpose of Paying a Portion of the Costs of Authorized Improvements within the PID, and Paying the Costs of Issuance of the Bonds; Authorizing Execution of All Related Documents; Ordaining Related Matters and Adopt Appropriation Ordinances

RECOMMENDATION:

It is recommended that the City Council:

1. Adopt the attached ordinance (a) authorizing the issuance and approving the sale of Bonds in the principal amount set forth in the attached ordinance for the purpose of (i) financing a portion of the actual costs of public improvements within the PID; (ii) paying the costs of issuance of the Bonds; (b) approving and authorizing the execution of the Indenture of Trust setting forth the terms of the Bonds and securing the pledge of assessments to the payment thereof; (c) approving and authorizing the execution of the Bond Purchase Agreement, pursuant to which FMS Bonds, Inc. agrees to purchase the Bonds from the City; (d) authorizing and approving the use of the Preliminary Limited Offering Memorandum and Final Limited Offering Memorandum in connection with the pricing and sale of the Bonds; (e) authorizing and approving the execution of the Continuing Disclosure Agreement pursuant to which the City undertakes to make certain disclosures with respect to the Bonds as required by the Securities and Exchange Commission Rule 15c2-12; (f) approving an update to Fort Worth Public Improvement District No. 16 (Walsh Ranch/Quail Valley) Service and Assessment Plan; and (g) approving the purchase of a municipal bond insurance policy and reserve fund surety policy with respect to the Bonds;
2. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Walsh Ranch PID Series 2024 Fund in the amount up to \$19,000,000.00, subject to the sale of special assessment revenue bonds and receipt of proceeds, for the purpose of funding developer reimbursements for Improvement Area #1, Improvement Area #2, and Improvement Area #3 authorized improvements and paying costs of issuance of the Bonds, with such amount subject to reduction to conform to final figures reflected in bond closing documents; and
3. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Walsh Ranch PID Debt Service Fund, in the amount up to \$500,000.00, subject to the sale of special assessment revenue bonds and receipt of proceeds, to fund the required reserve, with such amount subject to reduction to conform to final figures reflected in bond closing documents.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to approve the issuance and sale of the Bonds that will allow the City of Fort Worth (City) to reimburse authorized improvements associated with Improvement Areas 1- 3 of Fort Worth Public Improvement District No. 16 (Walsh Ranch/Quail Valley).

Staff is recommending that these bonds be sold to FMS Bonds, Inc. pursuant to a bond purchase agreement resulting from a negotiated sale process conducted as a public underwriting. The Bonds will have the terms set forth in the Indenture of Trust attached to the ordinance and will be 21-year bonds to match the timing of the annual installments of the PID assessments for these improvement areas. The Bonds will not carry an underlying rating but will receive a rating based on the bond insurance policy.

Proceeds from the sale of the Bonds will be used to reimburse the developer for a portion of the actual costs of authorized improvements in these improvement areas within the PID and pay for the costs of issuance of the Bonds, including funding a reserve and acquiring bond insurance. The exact amount of the costs of issuance and reserve will fluctuate slightly based on the final terms of sale. The attached appropriation ordinances reflects the maximum appropriation amount for bond proceeds. Its structure accommodates variables associated with sale of debt. To the extent numbers at closing are less than those reflected in the ordinance, the available appropriation amount will be reduced as needed to reflect final figures based on the closing documents to ensure appropriations do not exceed actuals.

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 adoption of the actions provided within this Mayor and Council Communication, the sale of the City of Fort Worth, Texas, Special Assessment Revenue Bonds, Series 2024 (Fort Worth Public Improvement District No. 16 (Walsh Ranch/Quail Valley) Improvement Areas #1-3 Project), will proceed as necessary to provide funding of the improvements in the Walsh Ranch PID Series 2024 Fund as outlined in the Fort Worth Public Improvement District No. 16 (Walsh Ranch/Quail Valley) Service and Assessment Plan. Prior to any expenditures being incurred, the Financial Management Services Department has the responsibility to validate the availability of funds.

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Expedited