

Mayor and Council Communication

DATE: 11/19/24

M&C FILE NUMBER: M&C 24-1008

LOG NAME: 03OSACQ - COLLIER

SUBJECT

(CD 7 ETJ) Authorize the Acquisition of a Fee Simple Interest in Approximately 152.5 Acres of Land Situated in the Jacob Wilcox Survey, Abstracts 1723 and 1704 (Tarrant Appraisal District Account Numbers 04279883, 04344316, 04743601, 40152650, 40152669, 40104494, 40104508, 42347830, 42614552, 4261456), in the City of Fort Worth, Tarrant County, Texas 76108 from Pioneer Land & Cattle Co. and W.R. Collier, Trustee of the Separate Trust for the Benefit of Robert Gregory Collier and His Descendants, for the Open Space Conservation Program in an Amount Up to \$3,959,970.56, Pay Estimated Closing Costs in an Amount Up to \$40,000.00, Authorize a Leaseback of the Property for a Term of Twelve Years, Authorize Up to \$100,000.00 for Pre-Acquisition Costs and Staff Time, Adopt Appropriation Ordinances, and Amend the Fiscal Years 2025 -2029 Capital Improvement Program (2022 Bond Program)

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize the acquisition of a fee simple interest in approximately 152.5 acres of land situated in the Jacob Wilcox Survey, Abstracts 1723 and 1704 (Tarrant Appraisal District Account Numbers 04279883, 04344316, 04743601, 40152650, 40152669, 40104494, 40104508, 42347830, 42614552, 4261456), in the City of Fort Worth, Tarrant County, Texas 76108 from Pioneer Land & Cattle Co. and W.R. Collier, Trustee of the Separate Trust for the Benefit of Robert Gregory Collier and His Descendants, for the Open Space Conservation Program in an amount up to \$3,959,970.56 and pay estimated closing costs in an amount up to \$40,000.00 for the OSAcq - Collier Project (City Project No. 105874);
2. Authorize the execution of a leaseback agreement for the property at no cost with the sellers as tenants for a term of twelve years;
3. Authorize the expenditure of Open Space Conservation Program funds in an amount up to \$100,000.00 for pre-acquisition costs and staff time;
4. Adopt the attached appropriation ordinance adjusting estimated receipts and appropriations in the Water/Sewer Gas Lease Capital Project Fund, by increasing estimated receipts and appropriations in the OSAcq - Collier Properties Project (City Project No. 105874) in the amount of \$2,885,000.00 and decreasing estimated receipts and appropriations in the Open Space Appropriations Project (City Project No. PA0001) by the same amount;
5. Adopt the attached appropriation ordinance adjusting appropriations in the 2022 Bond Program Fund, by increasing appropriations in the OSAcq - Collier Properties Project (City Project No. 105874) in the amount of \$1,214,970.56, and decreasing appropriations in the Open Space Appropriations Project (City Project No. PA0001) by the same amount;
6. Amend the Fiscal Years 2025 – 2029 Capital Improvement Program; and
7. Authorize the City Manager or designee to execute the necessary contract of sale and purchase, accept the conveyance, and to execute and record the appropriate instruments to complete the acquisition and the leaseback agreement.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to seek approval to acquire approximately 152.5 acres of land situated in the Jacob Wilcox Survey, Abstracts 1723 and 1704 (Tarrant Appraisal District Account Numbers 04279883, 04344316, 04743601, 40152650, 40152669, 40104494, 40104508, 42347830, 42614552, 4261456), in the City of Fort Worth, Tarrant County, Texas 76108 from Pioneer Land & Cattle Co. and W.R. Collier, Trustee of the Separate Trust for the Benefit of Robert Gregory Collier and His Descendants, in accordance with the Open Space Conservation Program's mission to preserve high quality natural areas in Fort Worth.

The Open Space Working Group assessed the property utilizing the Open Space Prioritization Tool online map, which identifies the property as moderate to high priority for conservation based on available data as well as site visits performed by City Staff. The proposed site includes high-quality, endangered Cross-Timbers forest and Fort Worth Prairie ecosystems. The site also includes riparian ecosystems and floodplain along Silver Creek. A significant portion of the riparian area and floodplain are in the Lake Worth Greenprint Water Quality Priority Zone since Silver Creek drains into Lake Worth, which is a drinking water reservoir. Properties within the Lake Worth Greenprint Water Quality Priority Zones were identified by the Water Department as priority areas to acquire using Water Gas Lease funding, distributed to the Open Space Conservation Program for specific uses.

Conservation of this property supports the Open Space Conservation Program goals, including: ecosystem preservation; stream, river, and lake health; recreation; and flood control. This acquisition will also support Fort Worth Mayor Mattie Parker's Good Natured Greenspace Initiative goal of preserving 10,000 acres of greenspace across Fort Worth in the next five years while growing and enhancing the City's park system. Future master planning for the property will determine the land management needs to maintain the ecosystems and capital projects needed to prepare it

for public use.

An independent appraisal established fair market value for the property and the property owner has agreed to a negotiated amount of \$3,959,970.56 for the fee simple interest in the land. The real estate taxes will be pro-rated with the seller being responsible for taxes due up to the closing date. The City will pay total estimated closing costs in an amount up to \$40,000.00. This M&C also authorizes funding in an amount up to \$100,000.00 for pre-acquisition costs and staff costs associated with the acquisition process, including initial site investigation activities, appraisal, earnest money, staff time, Environmental Site Assessments, and other applicable costs associated with evaluating and acquiring the property. Funding for this acquisition will be provided first from the Water/Sewer Gas Lease Capital Project Fund, then from the 2022 Bond Program Fund in the Open Space Conservation Program (OSAcq – Collier Project) (City Project No. 105874). After closing, the City will lease the property back to the sellers at no cost for a twelve-year term. The leaseback agreement will provide that the property be used only for open space and agricultural purposes, including cattle grazing. Continued grazing will reduce the likelihood of invasive species on the property and reduce costs after the expiration of the leaseback.

Any unused funding upon project completion will be returned to the Open Space Appropriations Project (City Project No. PA0001).

Upon acquisition, the estimated annual operation costs to maintain the property in its natural condition will be \$2,000.00. In the first year, initial one-time improvements estimated at \$5,000.00 are needed to establish fire breaks and control invasive species. The annual operation cost includes activities such as prescribed burns, maintaining fuel breaks, and controlling invasive species. The property will be general City property under the Open Space Conservation Program, not parkland; however, maintenance will be provided by the Park & Recreation Department (PARD). Funds for annual maintenance will be budgeted in the PARD annual operating budget. Funding for operations and maintenance will be allocated to the PARD's base budget beginning in FY2026.

This project is included in the 2022 Bond Program. The City's Extendable Commercial Paper (ECP) (M&C 22-0607; Ordinance 25675-08- 2022) provides liquidity to support the appropriation. Available resources will be used to make any interim progress payments until debt is issued. Once debt associated with a project is sold, debt proceeds will reimburse the interim financing source in accordance with the statement expressing official Intent to Reimburse that was adopted as part of the ordinance canvassing the bond election (Ordinance 25515-05-2022).

Funding is budgeted in the Water/Sewer Gas Lease Capital Project Fund and the 2022 Bond Program Fund for the TPW Dept Highway & Streets Department for the purpose of funding the OSAq - Collier Project.

The following table demonstrates the funding for the acquisition:

Activity	Fund	Amount
Fee Simple Interest in 152.5 Acres	53004 – Water/Sewer Gas Lease Cap Proj (City Project No. PA0001)	\$2,885,000.00
Fee Simple Interest in 152.5 Acres	34027 – 2022 Bond Program Fund – 22050199 Prop E Open Spaces (City Project No. PA0001)	\$1,074,970.56
Pre-Acquisition & Staff Costs	34027 – 2022 Bond Program Fund – 22050199 Prop E Open Spaces (City Project No. PA0001)	\$100,000.00
Estimated Closing Costs	34027 – 2022 Bond Program Fund – 22050199 Prop E Open Spaces (City Project No. PA0001)	\$40,000.00
	Total:	\$4,099,970.56

This property is located in COUNCIL DISTRICT 7 ETJ.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are currently available in the Open Space Appropriations programmable project within the Water/Sewer Gas Lease Capital Project Fund and the 2022 Bond Program Fund, and upon approval of the above recommendations and adoption of the attached appropriation ordinance, funds will be available in the Water/Sewer Gas Lease Capital Project Fund and the 2022 Bond Program Fund for the OSAq - Collier Project to support the approval of the above recommendations and acquisition of land. Prior to an expenditure being incurred, the Fort Worth Lab Department has the responsibility of verifying the availability of funds.

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Additional Information Contact:

Expedited