

# Mayor and Council Communication

**DATE:** 08/08/23

**M&C FILE NUMBER:** M&C 23-0629

**LOG NAME:** 17PID\_ADMINISTRATION

## **SUBJECT**

(CD 3) Authorize the Execution of Contract with MuniCap, Inc., to Provide Consulting, Financial and Operational Administrative Services Related to Quail Valley, Rock Creek Ranch, and Veale Ranch Capital Public Improvement Districts, as Well as the Future Veale Ranch Tax Increment Reinvestment Zone in an Amount Not to Exceed \$405,000.00 Annually for an Initial Term of Four Years with Four Renewal Options of One Year Each

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## **RECOMMENDATION:**

It is recommended that the City Council authorize the execution of a contract with MuniCap, Inc., for financial and operational administrative services related to Quail Valley, Rock Creek Ranch, and Veale Ranch Capital Public Improvement Districts, as well as the future Veale Ranch Tax Increment Reinvestment Zone in an amount not to exceed \$405,000.00 annually for an initial term of four years with four renewal options of one year each.

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## **DISCUSSION:**

The purpose of this Mayor and Council Communication is to authorize a new agreement with MuniCap, Inc. (MuniCap) for consulting, financial, and administrative services related to Quail Valley, Rock Creek Ranch, and Veale Ranch Capital Public Improvement Districts (PIDs).

MuniCap currently provides consulting, financial, and administrative services for the Quail Valley and Rock Creek Ranch PIDs through an agreement with the City (City Secretary Contract No. 49927). City staff anticipates the creation of a new capital PID and Tax Increment Reinvestment Zone (TIRZ) to support the development of 5,200 acres consisting of parcels known as Veale Ranch/Team Ranch, Rolling V South, and Ventana South (Veale Ranch), which are located primarily within Fort Worth's extraterritorial jurisdiction in Parker County and Tarrant County. MuniCap has agreed to expand its services to include the new Veale Ranch PID and Veale Ranch TIRZ. The proposed agreement will supersede the current agreement with MuniCap (CSC No. 49927), with the current agreement terminating on the effective date of this new agreement for the purpose of including all services within one consolidated agreement.

The services MuniCap will provide to the City in relation to the PID include input and analysis of the initial and annual service and assessment plan, as appropriate, analysis of the bond issues, administrative and managerial support services for the day-to-day operation of the PIDs, including communication with property owners, calculation and allocation of the annual installment of the assessments, and collection oversight for assessment payments. MuniCap will also assist the City in performing disbursement requests, trust account monitoring, arbitrage rebate calculations and assist in preparing continuing disclosure documents, and Internal Revenue Service (IRS) post issuance compliance verifications as may be required as part of the debt issuance.

The services MuniCap will provide to the City in relation to the Veale Ranch TIRZ includes input and analysis of the initial Project Plan and Financing Plan and any subsequent amendments, as needed, analysis of the Veale Ranch TIRZ bond issues, if any, and administrative and managerial support services for the day-to-day operation of the Veale Ranch TIRZ, including tracking collection of the Veale TIRZ increment and calculation of its obligations. MuniCap will also assist the City in performing disbursement requests, trust account monitoring, and assist in preparing and filing required annual reports as well as IRS post issuance compliance verifications as may be required by any related debt issuance.

Services performed under the Agreement will be paid from the proceeds of the PIDs and TIRZ Assessment Revenues, as appropriate, and will not exceed \$405,000.00 per year.

## **Term:**

The initial term of the agreement is four years and includes four renewal terms of one year each.

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## **FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that funds to pay for these services will be collected through the levy of an assessment from the PIDs. Appropriations will be presented for Mayor and Council consideration when the assessments are finalized and the levy is presented.

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Expedited