

# A Resolution

NO. \_\_\_\_\_

**DIRECTING STAFF TO PREPARE AND PRESENT FOR CENTRAL CITY LOCAL GOVERNMENT CORPORATION BOARD AND CITY COUNCIL CONSIDERATION DOCUMENTS FOR ISSUANCE OF CORPORATION REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$25,000,000 FOR THE PURCHASE OF TWO PARKING GARAGES ASSOCIATED WITH THE CRESCENT HOTEL AND MIXED-USE PROJECT IN THE FORT WORTH CULTURAL DISTRICT, WITH SUCH REVENUE BONDS TO BE SUPPORTED BY CITY LEASE PAYMENTS; EXPRESSING INTENT TO APPROVE ISSUANCE AND SALE OF DEBT ON OR BEFORE JUNE 30, 2024; AND ORDAINING MATTERS RELATED THERETO**

**WHEREAS**, the Central City Local Government Corporation (the "Corporation") was incorporated on May 3, 2005 under the provisions of Subchapter D, Chapter 431 of the Texas Transportation Code ("Chapter 431") and Chapter 394 of the Texas Local Government Code ("Chapter 394") and organized for the benefit of the City of Fort Worth (the "City"), specifically for the purpose of aiding, assisting, and acting on behalf of the City in the exercise of its powers to accomplish any governmental purpose of the City and in the promotion of the common good and general welfare of the City; and

**WHEREAS**, Crescent Real Estate, LLC, directly or through one or more affiliates ("Developer") is developing a mixed-use complex in the Fort Worth cultural district featuring a minimum 200 room hotel with approximately 8,500 square feet of combined meeting space and an approximately 4,500 square foot full-service restaurant; approximately 169 units of multi-family apartments; an approximately 150,000 square foot office building; and two parking garages containing an aggregated minimum 800 spaces that will service the owners and tenants and that will offer paid public parking during designated hours (the "Project"); and

**WHEREAS**, on March 23, 2021, the Board adopted a resolution authorizing execution of a purchase agreement with Developer for the purchase of the two parking garages for the lesser of the fair market value or Twenty-Five Million Dollars (\$25,000,000.00) ("Purchase Price") and indicating bonds would be issued for such purpose, the same being Resolution No. FWCCCLGC-2021-01 and also authorizing execution of an agreement with the City of Fort Worth for the lease of the garages with option to purchase and sublease to Developer (the "Resolution"); and

**WHEREAS**, on March 2, 2021, the City Council approved execution of the lease; a sublease with Developer, including a 380 Grant component; and other agreements related to the Project (M&C 21-0142); and

**WHEREAS**, under the terms of the agreements between the Corporation and Developer, the parking garages are required to be substantially complete on or before June 30, 2024; and

**WHEREAS**, Developer has advised the City that the parking garages are presently anticipated to actually be substantially complete in the Summer of 2023; and

**WHEREAS**, the balance of the Project is forecasted by Developer to be completed within four months of the garages' completion; and

**WHEREAS**, both Chapter 431 and Chapter 394 authorize the Corporation to issue bonds to carry out its purpose; and

**WHEREAS**, the Board plans to issue revenue-based debt obligations ("revenue bonds") to pay the Purchase Price, with the City's rental payments under the lease to be pledged as security and payment for said revenue bonds; and

**WHEREAS**, because the City's payments under the lease serve as security and payment for the revenue bonds, City Council approval of the revenue bonds will be necessary and advisable; and

**WHEREAS**, financial projections and modeling indicate that the lease rental payments will support issuance of financially viable revenue bonds with an aggregate principal amount equal to the Purchase Price on a schedule that coordinates with the projected completion date and purchase of the parking garages by the Corporation; and

**WHEREAS**, on November 30, 2021, the Corporation Board will be considering a resolution expressing its intent to authorize issuance and sale of the revenue bonds to support purchase of the parking garages at the appropriate time and authorizing related matters; and

**WHEREAS**, the City wishes to express its support of the project and affirm its present intent to approved the Corporation debt as described above.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FORT WORTH THAT:**

1. Staff is directed and authorized to cooperate with the Corporation in the process of engaging debt underwriters and preparing documents necessary to issue, market, and sell the Corporation's revenue bonds related to the parking garages and the City's lease payments.
2. Staff is directed to prepare and to present for consideration of the Corporation Board and City Council instruments to approve issuance and sale of Corporation revenue bonds to produce the Purchase Price, on a schedule that coordinates with the completion and acquisition of the parking garages (presently anticipated to occur in the Summer of 2023), and under no circumstances any later than June 30, 2024.
3. The City Council hereby expresses its present intent to approve the Corporation's issuance of revenue bonds, with the City's rental payments under the lease serving as security and payment, in connection with the Corporation's acquisition of the parking garages described herein above; with the sale to be consummated at or near completion of the garages (presently anticipated to occur in the Summer of 2023) and under no circumstances any later than June 30, 2024; and with the proceeds therefrom to be made available by the Corporation to remit the Purchase Price to Developer.

Adopted this \_\_ day of November, 2021.

ATTEST:

By: \_\_\_\_\_  
Jannette Goodall, City Secretary