

City of Fort Worth, Texas

# Mayor and Council Communication

DATE: 09/27/22 M&C FILE NUMBER: M&C 22-0794

LOG NAME: 17QUAIL\_VALLEY\_PID\_FY2022 (NIA #3)

SUBJECT

(CD 3) Conduct a Public Hearing to Consider the Levying of Special Assessments in Improvement Area No. 3 of Fort Worth Public Improvement District No. 16 (Walsh Ranch/Quail Valley) and Adopt Ordinance (1) Levying Special Assessments on the Property Located in Improvement Area No. 3 of the Quail Valley Public Improvement District, (2) Approving Service and Assessment Plan Update for the Quail Valley Public Improvement District, (3) Approving Assessment Roll for the Quail Valley Public Improvement District, and (4) Ordaining Other Matters Related Thereto

(PUBLIC HEARING - a. Report of City Staff: Crystal Hinojosa; b. Public Comment; c. Council Action: Close Public Hearing and Act on M&C)

RECOMMENDATION:

It is recommended that the City Council:

1. Conduct a public hearing concerning the proposed special assessments to be levied on the property located in Improvement Area No. 3 of the Quail Valley Public Improvement District with collection to begin in the 2023 Tax Year; and
2. Adopt the attached ordinance (a) levying special assessments on the property located in Improvement Area No. 3 of the Quail Valley Public Improvement District, (b) approving the Service and Assessment Plan Update, (c) approving the Assessment Roll, and (d) ordaining other matters related thereto.

DISCUSSION:

In September 2016, the City Council approved the creation of the Quail Valley Public Improvement District (PID), encompassing approximately one-fourth of the entire Walsh Ranch property, as a vehicle to reimburse developers for certain infrastructure costs. Full development of the Quail Valley PID will encompass seven phases that occur over several years as phases of the Quail Valley PID are developed. This Mayor and Council Communication (M&C) is intended to address Improvement Area No. 3 of the Quail Valley PID, which is the third phase of development.

On September 13, 2022, the City Council adopted Resolution No. 5616-09-2022 concerning certain matters related to the Quail Valley PID, including the following: (1) determining the costs of certain public improvements; (2) accepting a preliminary service and assessment plan update, including a proposed assessment roll; (3) directing the filing of the proposed updated assessment roll with the City Secretary; (4) calling for a public hearing to consider the ordinance levying special assessments on property located within the area defined as Improvement Area No. 3 of the Quail Valley PID; and (5) directing staff to publish and mail notice of this public hearing to the property owners liable for payment of the special assessment.

The purpose of this public hearing is to receive comments from the public regarding the proposed special assessments to be levied on each property in Improvement Area No. 3 of the Quail Valley PID. As outlined in the Service and Assessment Plan Update, improvements in the amount of \$10,750,000.00 are to be funded by the special assessments. The special assessments will be levied across 701 residential units (representing 150.77 acres) and collected over a 30-year period. The 701 lots are divided into seven categories, with each category represented by lot width and/or type. Widths including categories as follows: 35 feet, 50 feet, 55 feet, 60 feet and 70 feet and two additional lot types including townhomes and 4-pack units. Assessments will be allocated as follows:

Lot Size	# of Lots	Annual Installment
35 feet	78	\$974.48
50 feet	139	\$1,163.47
55 feet	105	\$1,178.24
60 feet	115	\$1,343.60
70 feet	88	\$1,600.51
Townhome	140	\$974.48
4-pack Home	36	\$708.71

The above shown amounts are calculated using an interest rate of 5.55% per annum. This interest rate is based on the bond index rate of 3.55% applicable for the month of August through September 17<sup>th</sup> plus 2%.

In addition to the \$10,750,000.00 of improvements funded by the special assessments, the developers are constructing, without reimbursement from the Quail Valley PID, additional improvements in the amount of \$26,441,518.00, bringing the total costs of improvements in the PID to \$37,191,518.00.

The City and developers intend to enter into a Reimbursement Agreement setting forth the terms governing the construction, acquisition, and

financing of the improvements in Improvement Area No. 3, including the use of the special assessment revenue. City staff will bring a future M&C to the City Council for consideration of that Reimbursement Agreement.

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 approval of the above recommendations and adoption of the Fiscal Year 2023 Budget by the City Council, funds will be available in the Fiscal Year 2023 operating budget, as appropriated, in the FWPID #16 - Quail Valley Fund. Prior to an expenditure being incurred, the Economic Development Department has the responsibility to validate the availability of funds.

**Submitted for City Manager's Office by:** William Johnson 5806

**Originating Business Unit Head:** Robert Sturns 2663

**Additional Information Contact:** Crystal Hinojosa 7808

Expedited