

Mayor and Council Communication

DATE: 10/11/22

M&C FILE NUMBER: M&C 22-0807

LOG NAME: 06AMENDMENT TO AMENDED BROOKFIELD DEVELOPMENT AGREEMENT

SUBJECT

(Future CD 7) Authorize Execution of a Second Amendment to the Brookfield Development Agreement, Second Amendment to the Agreement Concerning the Operation of South Denton County Water Control and Improvement District No. 1, and a Utility and Infrastructure Agreement for the Lone Star at Liberty Trails Development (Extraterritorial Jurisdiction/Denton County)

RECOMMENDATION:

It is recommended that the City Council authorize the City Manager to execute a Second Amendment to the Brookfield Development Agreement, Second Amendment to the Agreement Concerning the Operation of South Denton County Water Control and Improvement District No. 1, and a Utility and Infrastructure Agreement for the Lone Star at Liberty Trails development.

DISCUSSION:

The City of Fort Worth entered into agreements with Brookfield Acquisitions, L.P. effective February 15, 2017, with respect to development of approximately 231.579 acres of land in Denton County north of U.S. Highway 114 and west of John Day Road in the City's extraterritorial jurisdiction. Such property is encompassed by South Denton County Water Control and Improvement District No. 1, which is now known as Brookfield Water Control and Improvement District of Denton County (the "District"). The agreements included an Amended Development Agreement (CSC 42128-A1), Amended Agreement Concerning Creation and Operation of South Denton County Water Control and Improvement District No. 1 (CSC 42127-A1) and agreements concerning construction of water and sewer infrastructure and provision of retail water and sewer service by the City of Fort Worth with respect to the 231.579 acres. Such land is being developed as the Liberty Trails development.

On June 22, 2021, the City Council approved Resolution No. 5427-06-2021 consenting to the addition of approximately 489.816 acres of land to the District (the "Additional Property"). The Additional Property is proposed for development as Lone Star at Liberty Trails. The City Council's consent to annexation of the Additional Property is contingent on negotiation and execution of a development agreement and other agreements with the City, including creation and operation agreement and utility agreement.

The Amendment to Amended Brookfield Development Agreement between the City, DRH-Highway 114, LLC, and Double R DevCo, LLC, amends CSC 42128-A1 to include the Additional Property. The amendment provides that such land will be developed in accordance with "A-5" single-family standards and addresses other development matters including gas drilling, parks, and annexation.

The Amendment to Amended Agreement Concerning Operation of South Denton County Water Control and Improvement District No. 1, between the City and Brookfield Water Control and Improvement of Denton County amends CSC 42127-A1 to incorporate the Additional Property and to address the impacts of adding such land to the District. The amendment increases the amount of bonds the District is authorized to issue to \$172,005,000 and extends the deadline to issue bonds to September 27, 2042. In addition, the amendment establishes a minimum District tax rate of \$1.00 per \$100 valuation and requires the District to establish a fund to assist the City in absorbing District costs upon annexation by the City.

The Utility and Infrastructure Agreement between the City and Double R DevCo, LLC, relates to water and sewer service for the Additional Property. The agreement requires Double R DevCo, LLC to dedicate a one-acre site for an elevated water storage tank to the City. The agreement addresses construction of water and sewer infrastructure and payment of fees by or on behalf of the District and the property owner, and provides for the conditions under which the City will provide retail water and sewer service to the Additional Property, consistent with water and sewer studies approved by the City. The agreement recognizes that the City is studying sewer needs for the area and can require the property owner and the District to oversize certain wastewater lines and water lines, subject to reimbursement by the City for the oversizing costs.

Approval of this Mayor and Council Communication and execution of the documents described herein will satisfy the requirements for negotiation and execution of agreements set out in Section 3 of Resolution No. 5427-06-2021.

The property is located in the extraterritorial jurisdiction adjacent to COUNCIL DISTRICT 7.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that approval of this Mayor and Council Communication and the agreements described herein will have no immediate material effect on City funds. Any effect on expenditures and revenues will be budgeted in future fiscal years.

Originating Business Unit Head: D.J. Harrell 8032

Additional Information Contact: 0