

CITY COUNCIL MEMORANDUM

FROM: The Office of the City Manager **DATE:** December 9, 2019
SUBJECT: Consider Ordinance No. 3627 approving and authorizing the issuance and sale of Special Assessment Revenue Bonds for the City Point Improvement District, Improvement Zone A
PRESENTER: Craig Hulse, Director Economic Development

SUMMARY:

Consider an ordinance approving and authorizing the issuance and sale of approximately \$3,190,000 in City of North Richland Hills, TX Special Assessment Revenue Bonds, Series 2019 (City Point Public Improvement District Improvement Zone A Project); approving and authorizing related agreements, and providing for an effective date.

GENERAL DESCRIPTION:

The area surrounding City Hall, known as City Point, is the former location of North Hills Mall. Demolished in 2007, the vacant property lacks public improvements (such as water, sewer, drainage and streets), and requires an entity to purchase and develop the land.

At the request of the property owner, on September 9, 2019 City Council approved the creation of the City Point Public Improvement District (PID) to facilitate the construction of authorized public improvements to expedite the timing and enhance the quality of development. A PID is a designated area where property owners pay a special assessment for improvements and services within that area. The improvements and services must benefit the district area and are supplemental to services already provided by the city.

On December 9, 2019, City Council approved Ordinance No. 3625 accepting the Service and Assessment Plan and Assessment Roll providing a method of assessment and levying special assessments against property within Improvement Zone A of the PID.

Improvement Zone A consists of the residential and commercial districts and is supported by Tax Increment Reinvestment Zone Number Three, capturing 25% of incremental property tax revenues from the City of North Richland Hills and Tarrant County over a 20 year period. The City anticipates using a portion of the captured incremental property taxes to offset the assessments required to be collected within Improvement Zone A of the PID in order to secure the Bonds.

The approval of the assessment ordinance accepting the Service and Assessment Plan and Assessment Roll and levying assessments that will secure the Improvement Zone A Bonds allow City Council to consider Ordinance No. 3627 authorizing the City to issue Special Assessment Revenue Bonds, Series 2019 (City Point Public Improvement



District, Improvement Zone A Project) to finance a portion of the cost of authorized public improvements.

Approval of Ordinance No. 3627 will authorize approximately \$3,190,000 in Special Assessment Revenue Bonds. The ordinance will also approve forms of and authorize certain City officials (including the Mayor and City Manager) to execute the following attached documents.

- Indenture of Trust between the City and Wilmington Trust as trustee of bond proceeds
- Bond Purchase Agreement between the City and the underwriter, FMSbonds, Inc.
- Construction and Funding Agreement between the City and MM City Point 53, LLC, the developer
- Continuing Disclosure Agreement of the City between the City, P3Works, the administrator of the PID, and HTS Continuing Disclosure Services, the dissemination agent
- Landowner Agreement between the City and MM City Point 53, LLC, the developer

RECOMMENDATION:

Approve Ordinance No. 3627