

## CITY OF FAIR OAKS RANCH

# MUNICIPAL DEVELOPMENT DISTRICT MEETING

Wednesday, July 12, 2023 at 4:00 PM

Public Safety Training Room, Police Station, 7286 Dietz Elkhorn, Fair Oaks Ranch

---

## AGENDA

---

### OPEN MEETING

1. Roll Call - Declaration of a Quorum
2. Pledge of Allegiance

### CITIZENS and GUEST FORUM

*To address the Board, please sign the Attendance Roster located on the table at the entrance in the foyer of the Public Safety Training Room. In accordance with the Open Meetings Act, the MDD Board may not discuss or take action on any item which has not been posted on the agenda. Speakers shall limit their comments to five (5) minutes each.*

3. Citizens to be heard.

### CONSENT AGENDA

4. Approval of the April 12, 2023 Regular MDD Board meeting minutes.

Rachelle Garcia, MDD Secretary

5. Approval of a Resolution reaffirming the City of Fair Oaks Ranch Municipal Development District's Project Evaluation Policy.

Amanda Valdez, TRMC, Deputy City Secretary

### REPORTS

6. Q3 FY2023 Financial and Investment Report.

Summer Fleming, MDD Investment Officer

7. MDD Policy Review process.

Rachelle Garcia, MDD Secretary

### CONSIDERATION / ACTION ITEMS

8. Consideration and possible action approving a resolution authorizing the execution of an amendment to the Chapter 377 Project Funding Agreement between the Fair Oaks Ranch Municipal Development District and the City of Fair Oaks Ranch for development of a civic center, and execution of all applicable documents by the Board President.

Scott M. Huizenga, Interim City Manager  
Grant Watanabe, P.E., Director of Public Works & Engineering Services

9. Consideration and possible action to approve the FY 2023-24 MDD Budget.

Mike Lovelace, CPA, CMA, CISA, MDD Treasurer  
Summer Fleming, MDD Investment Officer

10. Consideration and possible action approving the design and content of a webpage and grant application for the MDD.

Nicholas DiCianni, Marketing and Project Opportunities Subcommittee Chair

11. Consideration and possible action on the recommendations by the Small Scope / Small-Dollar Subcommittee.

Mike Lovelace, Small Scope / Small-Dollar Subcommittee Chair

## **ADJOURNMENT**

Next quarterly meeting: October 11, 2023 at 4:00 PM.

---

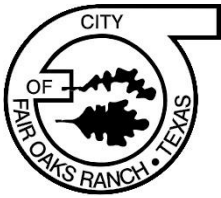
Signature of Agenda Approval: s/ Laura Koerner

Laura Koerner, President

I, Amanda Valdez, TRMC, Deputy City Secretary, certify that the above Notice of Meeting was posted on the outside bulletin board at the Fair Oaks Ranch City Hall, 7286 Dietz Elkhorn, Fair Oaks Ranch, Texas, and on the City's website [www.fairoaksranchtx.org](http://www.fairoaksranchtx.org), both places being convenient and readily accessible to the general public at all times.

As per Texas Government Code 551.045, said Notice was posted by 4:00 PM, July 09, 2023 and remained so posted continuously for at least 72 hours before said meeting was convened.

<p>The Fair Oaks Ranch Police Station is wheelchair accessible at the front main entrance of the building from the parking lot. Requests for special services must be received forty-eight (48) hours prior to the meeting time by calling the City Secretary's office at (210) 698-0900. Braille is not available.</p>
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------



## CITY OF FAIR OAKS RANCH

# MUNICIPAL DEVELOPMENT DISTRICT MEETING

Wednesday, April 12, 2023 at 3:00 PM

Public Safety Training Room in the Police Station, 7286 Dietz Elkhorn, Fair Oaks Ranch

---

## MINUTES

---

### OPEN MEETING

1. Roll Call - Declaration of a Quorum.

Present: President Laura Koerner, Vice President Nicholas DiCianni, Secretary Roy Elizondo, Treasurer Mike Lovelace, Steven Robertson, Rachelle Garcia, and David Fairhurst.

With a quorum present, the meeting was called to order at 3:00 PM.

2. Pledge of Allegiance – The Pledge of Allegiance was recited in unison.

### CITIZENS and GUEST FORUM

3. Citizens to be heard: None.

### CONSENT AGENDA

4. **Approval of the January 11, 2023 Regular MDD Board meeting minutes.**

MOTION: Made by Treasurer Mike Lovelace, seconded by Rachelle Garcia, to approve the consent agenda.

VOTE: 7-0; Motion Passed.

### CONSIDERATION / ACTION ITEMS

5. **Consideration and possible action regarding the election of MDD Officers for Fiscal Year 2022/2023.**

MOTION: Made by President Laura Koerner, seconded by Secretary Roy Elizondo, to elect the following slate of nominated officers:

- President, Laura Koerner
- Vice President, Nicholas DiCianni
- Secretary, Rachelle Garcia
- Treasurer, Mike Lovelace

VOTE: 7-0; Motion Passed.

6. **Consideration and possible action approving a Resolution repealing Resolution 2013-01 and subsequent resolutions; and ratifying adopted amendments to the MDD Financial Management Policy.**

This consideration item was presented by Amanda Valdez, TRMC, Deputy City Secretary. Ms. Valdez explained that no action was necessary as it had already been formally approved at the October 12, 2022 meeting.

## REPORTS

7. **Financial & Investment Report for the Quarter Ended March 31, 2023**

The investment report was provided by MDD Investment Officer, Summer Fleming

8. **Fair Oaks Ranch Civic Center Project status update.**

Assistant City Manager, Scott Huizenga, reported that Requests for Qualifications for the civic center design were due on April 13, 2023.

9. **Marketing and Project Opportunities Subcommittee Report.**

After discussion, it was agreed that the committee would work with the City Secretary's office to develop an application form prototype and bring back a version of the updated MDD webpage for review by the Board.

10. **Small Scope / Small-Dollar Subcommittee Report.**

Secretary, Roy Elizondo, commented that the Board should ensure that the process and procedures are compliant with statutory guidelines and supported by Board policies.

Citizen, Dale Pearson, spoke to request that the Board consider incentives to small business owners to improve leased spaces and stimulate business development.

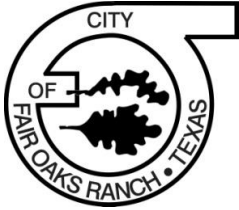
## ADJOURNMENT

President, Laura Koerner, adjourned the meeting at 4:06 PM.

ATTEST:

\_\_\_\_\_  
Laura Koerner, MDD President

\_\_\_\_\_  
Rachelle Garcia, MDD Secretary



---

**FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT  
CONSENT AGENDA ITEM  
CITY OF FAIR OAKS RANCH, TEXAS  
July 12, 2023**

---



Item #5.

AGENDA TOPIC: Approval of a Resolution reaffirming the City of Fair Oaks Ranch Municipal Development District's Policy for Evaluation of Development Projects

DATE: July 12, 2023

PRESENTED BY: Consent Agenda - Amanda Valdez, TRMC, Deputy City Secretary

---

**INTRODUCTION/BACKGROUND:**

The MDD Board adopted the Project Evaluation Policy November 13, 2017 (**Attachment 1**). Since that time the Board has made amendments to the policy by Board action on October 14, 2020 (**Attachment 2**) and again on October 13, 2021 (**Exhibit A to the Resolution**). A resolution should be used when amending, repealing, or modifying an existing resolution.

At this time, no changes are recommended to the overall Project Evaluation Policy. The purpose of this resolution is to ratify changes, by resolution, made to the policy since its initial adoption in 2017.

**POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:**

Documents changes to the policy in the form of a resolution as it was initially adopted by Resolution 2017-02 (**Attachment 1**).

**RECOMMENDATION/PROPOSED MOTION:**

Consent Agenda - I move to approve the resolution reaffirming the City of Fair Oaks Ranch Municipal Development District's Project Evaluation Policy.

## A RESOLUTION

Item #5.

### **A RESOLUTION OF THE FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT RATIFYING AMENDMENTS TO THE PROJECT EVALUATION POLICY; AND ESTABLISHING AN EFFECTIVE DATE**

**WHEREAS**, the Fair Oaks Ranch Municipal Development District Board of Directors has adopted Goals & Objectives; and

**WHEREAS**, the work of the Board consists of considering the merits of, and granting funds to assist with projects that are deemed to be pursuant to the Board's Goals& Objectives; and

**WHEREAS**, it is the Board's desire to perform its work in a prudent and fiscally sound manner by establishing a project evaluation process that helps to ensure the objective and consistent evaluation of project proposals; and

**WHEREAS**, the Board considers that the Policy for Evaluation of Development Projects will provide the basis for a sound process and operating procedures; and

**WHEREAS**, on November 13, 2017, by Resolution 2017-02, the Fair Oaks Ranch Municipal Development District Board of Directors adopted a Project Evaluation Policy; and

**WHEREAS**, on October 14, 2020, the Fair Oaks Ranch Municipal Development District Board of Directors amended the Project Evaluation Policy by action of the Board; and

**WHEREAS**, on October 13, 2022, the Fair Oaks Ranch Municipal Development District Board of Directors amended the Project Evaluation Policy by action of the Board; and

**WHEREAS**, in accordance with the District's policy, the Fair Oaks Ranch Municipal Development District Board of Directors finds the amendments to be in conformance with statutory requirements and consistent with prudent fiscal policy.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MUNICIPAL DEVELOPMENT DISTRICT OF THE CITY OF FAIR OAKS RANCH, TEXAS:**

**SECTION 1:** That the amendments to the Project Evaluation Policy are hereby ratified and the amended Project Evaluation Policy adopted as set forth in the attached **Exhibit A**.

**SECTION 2:** The amended Policy for Evaluation of Development Projects shall be the official project evaluation policy of the Fair Oaks Ranch Municipal Development District, effective immediately upon passage of this Resolution.

**SECTION 3:** The recitals contained in the preamble hereof are found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board of Directors.

**SECTION 4:** All resolutions, or part thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

**SECTION 5:** This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

**SECTION 6:** If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board of Directors hereby declares that this Resolution would have been enacted without such invalid provision.

**SECTION 7:** This Resolution shall take effect immediately from and after its adoption and is accordingly resolved.

**PASSED, APPROVED and ADOPTED this 12<sup>th</sup> day of July, 2023.**

---

Laura Koerner, MDD President

ATTEST:

APPROVED AS TO FORM:

---

Rachelle Garcia, MDD Secretary

---

Denton Navarro Rocha Bernal & Zech,  
P.C., Attorney

# FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT POLICY FOR EVALUATION OF DEVELOPMENT PROJECTS

(Approved 10-13-2021)

## POLICY STATEMENT

### **Purpose**

The purpose of the Policy for Evaluation of Development Projects is to establish an objective and consistent process for evaluating proposed development projects to ensure that Fair Oaks Ranch Municipal Development District (MDD) Board (the Board) project grant awards are in compliance with legal and policy requirements and provide enduring value for Fair Oaks Ranch.

### **Policy Statement**

It is the policy of the Board that evaluation, approval, and funding of development project grants will be conducted in accordance with approved guidelines established by the Board.

### **Process Framework**

A development project evaluation process will be established through guidelines approved by Board to ensure that development project grant proposals are consistently and objectively evaluated. The overall framework for the guidelines will include the following:

1. Each proposed development project grant will be evaluated to determine merit for funding based on the MDD Board's assessment of eligibility and quality.
2. To assess eligibility of proposed development project grants, the Board will establish a Eligible Project Category List (Appendix A) to describe the types of projects that are qualified for MDD funding consideration. The categories on the Eligible Project Category List may be modified at the discretion of the Board. Items may be placed on the Eligible Project Category List by the MDD Board based on the following criteria:
  - 2.1. Compliance with relevant statutes and City ordinances & codes
  - 2.2. Alignment with MDD Board's mission, goals & objectives
3. The Board will establish Project Application & Evaluation Guidelines (Appendix B) to evaluate eligible development project grant proposals in an objective and consistent method. The Project Application & Evaluation Guidelines may be modified at the discretion of the Board.

### **Process Implementation and Review**

1. The MDD Board Treasurer is responsible for implementing and managing the evaluation process (Appendices A and B) and reporting results to the Board
2. Any member of the Board may propose changes to the evaluation process, but action of the Board is required to make a material change to the evaluation process and associated guidelines.
3. The Board will review this policy and associated guidelines (Appendices A and B), as deemed necessary, but no less often than once every two years, and will take action to reaffirm, modify or replace the policy or guidelines.



## Appendix A

### MDD Eligible Project Category List

Category Name	Category Description
Façade Improvement Program	Matching funds reimbursement to incentivize façade improvements to bring existing qualified store fronts up to FOR form-based zoning standards
Infrastructure Projects	<ul style="list-style-type: none"> <li>• Contributions in aid of construction for utility infrastructure as an incentive for qualified commercial or mixed-use development projects, or</li> <li>• Reimbursements for costs incurred on projects or initiatives that enable or promote business development</li> </ul>
Civic Venues & Related Improvements	Reimbursement for construction or remodeling costs as an incentive for qualified civic venue projects
Recreation & Community Projects	<ul style="list-style-type: none"> <li>• Contributions in aid of construction for qualified recreational facility projects, or</li> <li>• Reimbursements for costs incurred on qualified projects or initiatives that enable pedestrian and bicycle mobility by means of a contiguous park &amp; trail system</li> </ul>

## **Appendix B**

### **Project Application and Evaluation Guidelines**

#### **1. Project Application Guidelines**

##### **1.1. Project Scoring Dimensions**

For each proposed project, information & documentation should be collected and analyzed to gain satisfaction that the project is eligible for funding based on reasonably satisfying the requirements under each of the following dimensions:

- Compliance: MDD statutory constraints; City ordinances & codes
- Fit to FOR MDD mission, goals & objectives
- Economic and/or quality of life benefits: extent & duration
- Project quality: counterparty qualifications, project delivery risk and ongoing operations risk

##### **1.2. Application Submittals**

The required information & documentation may be satisfied via the following means:

- The required type and extent of information required may be submitted using an application form provided by the MDD or a grant proposal submitted by the applicant.
- Additional information required to assess an application may be requested from the applicant via a direct request from the designated MDD representative.
- Additional information required to make a final decision could be requested via a direct request from the MDD Board to the applicant.

##### **1.3. Applicant Contact & Background Information**

- Names and contact information for the natural person and/or entities that will have primary responsibility for delivery of the project and outcomes/ongoing benefits.
- If applicant is an entity, names and contact information for all principals who will have a significant role in the project.
- Legal form of entity
- Primary area of business activity
- Single point of contact for communication regarding application
- Resume: Applicant experience relevant to ability and capacity to deliver on project commitments

**1.4. Project Contact Information**

- Project site physical address
- Name of owner of project site property
- Site Owner's physical mail address, telephone number and email address

**1.5. Project Summary Information**

- Project Title
- Project Executive Summary (Template provided by MDD):
  - Executive outline of project objectives, desired outcomes & community benefits, including economic impact
  - Total project cost
  - Grant request
  - Other sources of financing
  - Target commencement date
  - Target completion date

**1.6. Application Documents (provided at Applicant's discretion or requested by MDD based on project category & scope)**

- Property owner acknowledgment & consent
- Detailed project work plan & timeline
- Project budget
- Plan for post-construction upkeep and ongoing operations of asset
- Design drawings
- Contractors & subcontractors
- Material specifications
- City zoning & permits documentation, as applicable
- Detailed information relating to project objectives, outcomes & community benefits (optional at Applicant's discretion)

**1.7. Conditions & Acknowledgements**

- One grant at a time per applicant/property owner.
- Grant acceptance is at MDD discretion.
- Grant is based on availability of funds within the MDD budget.

- Grant is subject to acceptance of MDD Terms & Conditions.
- Grantee is obligated to fulfill commitments of project objectives & benefits.

## 2. Project Evaluation Guidelines

### 2.1. Due Diligence Evaluation Criteria

For each proposed project, sufficient and competent information should be collected and analyzed to allow the Board to determine that the project reasonably meets the Board's standards for granting funds to a project. For all proposed projects, the following dimensions will be evaluated:

- **COMPLIANCE**
- **FIT**
- **BENEFITS** - Economic and/or quality of life benefits: extent & duration
- **RISK** - Project quality: counterparty qualifications, project delivery risk and ongoing operations risk

### 2.2. Evaluation Methodology

All project proposals will be assessed as follows:

- The President of the Board may choose to establish a subcommittee to perform the evaluation.
- If a subcommittee is used to perform the evaluation, the subcommittee will provide a report and recommendation to the Board for consideration and possible action.
- The project evaluation represents one aspect of the Board's considerations in making a grant award decision.
- COMPLIANCE will be evaluated based on the eligibility of project in accordance with Eligible Project Category List (Appendix A).
- Information provided by the applicant will be evaluated to determine FIT, BENEFITS, and RISK.
- FIT will be evaluated based on conformance with the MDD mission goals and objectives.
- BENEFITS will be evaluated for economic and/or quality of life benefits, including extent and duration of the benefits to Fair Oaks Ranch.
- RISK will be evaluated for project quality considering counterparty qualifications, project delivery risks and ongoing operations risks.

- The desired outcome of the Boards deliberation will be to arrive at a decision that a project qualifies or does not qualify for funding based on COMPLIANCE, FIT, BENEFITS and RISK.
- The decision to approve project grant funding and funding amount is at the discretion of the Board.
- The decision regarding the availability and source of funds for a proposed project is at the discretion of the Board

**RESOLUTON 2017-02**  
**ADOPTING A NEW FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT**  
**PROJECT EVALUATION POLICY**

**WHEREAS**, the Fair Oaks Ranch Municipal Development District Board (Board) has adopted Goals & Objectives; and,

**WHEREAS**, the work of the Board consists of considering the merits of, and granting funds to assist with projects that are deemed to be pursuant to the Board's Goals& Objectives; and,

**WHEREAS**, it is the Board's desire to perform its work in a prudent and fiscally sound manner by establishing a project evaluation process that helps to ensure the objective and consistent evaluation of project proposals; and,

**WHEREAS**, the Board considers that the Policy for Evaluation of Development Projects will provide the basis for a sound process and operating procedures.

**NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF THE MUNICIPAL DEVELOPMENT DISTRICT OF FAIR OAKS RANCH, TEXAS:**

**SECTION 1:** That the attached Exhibit A, Policy for Evaluation of Development Projects is hereby adopted.


**SECTION 2:** The adopted Policy for Evaluation of Development Projects shall be the official project evaluation policy of the Fair Oaks Ranch Municipal Development District, effective immediately upon passage of this Resolution

**SECTION 3:** The adopted Resolution shall be filed with the City Secretary of the City of Fair Oaks Ranch.

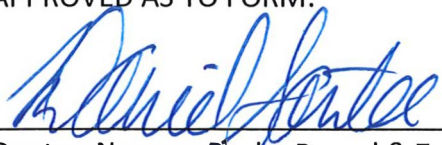
Duly passed and approved this 13<sup>th</sup> day of November, 2017.

  
Allen McDavid, President

ATTEST:

  
Christina Picioccio, City Secretary

APPROVED AS TO FORM:

  
Denton Navarro Rocha Bernal & Zech, P.C.,  
City Attorney

**Exhibit A****FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT  
POLICY FOR EVALUATION OF DEVELOPMENT PROJECTS**

(Version 1.0 11-13-2017)

**POLICY STATEMENT****Purpose**

The purpose of the Policy for Evaluation of Development Projects is to establish an objective and consistent process for evaluating proposed Development Projects to better ensure that approved projects are in compliance with legal and policy requirements and provide enduring value for Fair Oaks Ranch.

**Policy Statement**

It is the policy of the Fair Oaks Ranch Municipal Development District Board (FOR MDD) that evaluation, approval and funding of Development Projects will be conducted in accordance with Guidelines and Procedures established by the Fair Oaks Ranch Municipal Development District Board (MDD Board).

**Process Framework**

Under this Policy the Development Project Evaluation Process (Process) will be established through Guidelines & Procedures to help ensure that Development Project proposals are consistently and objectively evaluated. The overall framework for the Guidelines & Procedures will include the following:

1. Each proposed Development Project will be evaluated to determine eligibility for funding based on the MDD Board's assessment of Eligibility and Quality
2. To assess Eligibility of proposed Development Projects the MDD Board will establish a Project Category List to describe the types of projects that are deemed qualified for funding consideration. The categories on the Project Category List may be modified from time to time by action of the MDD Board. Items may be placed on the Project Category List by the MDD Board based on the following criteria:
  - 2.1. Compliance with relevant statutes and City ordinances & codes
  - 2.2. Alignment with MDD Board's mission, goals & objectives
3. Standardized Project Funding Application Forms and Scoring Procedures will be used to evaluate qualified Development Project proposals
4. Oversight of the Process will be administered as follows:
  - 4.1. The MDD Board Treasurer is responsible for ongoing Process operations and for reporting results to the Board
  - 4.2. Any member of the MDD Board may propose changes to the Process, but action of the Board is required to make a material change to the Process
  - 4.3. The FOR MDD will review this Policy as deemed necessary, but no less often than once every two years and take action to reaffirm, modify or replace the Policy



# FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT POLICY FOR EVALUATION OF DEVELOPMENT PROJECTS

(Version 2.0 10-14-2020)

## POLICY STATEMENT

### **Purpose**

The purpose of the Policy for Evaluation of Development Projects is to establish an objective and consistent process for evaluating proposed development projects to ensure that Fair Oaks Ranch Municipal Development District (MDD) Board (the Board) project grant awards are in compliance with legal and policy requirements and provide enduring value for Fair Oaks Ranch.

### **Policy Statement**

It is the policy of the Board that evaluation, approval, and funding of development project grants will be conducted in accordance with approved guidelines established by the Board.

### **Process Framework**

A development project evaluation process will be established through guidelines approved by Board to ensure that development project grant proposals are consistently and objectively evaluated. The overall framework for the guidelines will include the following:

1. Each proposed development project grant will be evaluated to determine merit for funding based on the MDD Board's assessment of eligibility and quality.
2. To assess eligibility of proposed development project grants, the Board will establish a Eligible Project Category List (Addendum A) to describe the types of projects that are qualified for MDD funding consideration. The categories on the Eligible Project Category List may be modified at the discretion of the Board. Items may be placed on the Eligible Project Category List by the MDD Board based on the following criteria:
  - 2.1. Compliance with relevant statutes and City ordinances & codes
  - 2.2. Alignment with MDD Board's mission, goals & objectives
3. The Board will establish Project Application & Evaluation Guidelines (Appendix B) to evaluate eligible development project grant proposals in an objective and consistent method. The Project Application & Evaluation Guidelines may be modified at the discretion of the Board.

### **Process Implementation and Review**

1. The MDD Board Treasurer is responsible for implementing and managing the evaluation process (Appendices A and B) and reporting results to the Board
2. Any member of the Board may propose changes to the evaluation process, but action of the Board is required to make a material change to the evaluation process and associated guidelines.
3. The Board will review this policy and associated guidelines (Appendices A and B), as deemed necessary, but no less often than once every two years, and will take action to reaffirm, modify or replace the policy or guidelines.



## Appendix A

### MDD Eligible Project Category List

Category Name	Category Description
Façade Improvement Program	Matching funds reimbursement to incentivize façade improvements to bring existing qualified store fronts up to FOR form-based zoning standards
Infrastructure Projects	<ul style="list-style-type: none"> <li>• Contributions in aid of construction for utility infrastructure as an incentive for qualified commercial or mixed-use development projects, or</li> <li>• Reimbursements for costs incurred on projects or initiatives that enable or promote business development</li> </ul>
Civic Venues & Related Improvements	Reimbursement for construction or remodeling costs as an incentive for qualified civic venue projects
Recreation & Community Projects	<ul style="list-style-type: none"> <li>• Contributions in aid of construction for qualified recreational facility projects, or</li> <li>• Reimbursements for costs incurred on qualified projects or initiatives that enable pedestrian and bicycle mobility by means of a contiguous park &amp; trail system</li> </ul>

## **Appendix B**

### **Project Application and Evaluation Guidelines**

#### **1. Project Application Guidelines**

##### **1.1. Project Scoring Dimensions**

For each proposed project, information & documentation should be collected and analyzed to gain satisfaction that the project is eligible for funding based on reasonably satisfying the requirements under each of the following dimensions:

- Compliance: MDD statutory constraints; City ordinances & codes
- Fit to FOR MDD mission, goals & objectives
- Economic and/or quality of life benefits: extent & duration
- Project quality: counterparty qualifications, project delivery risk and ongoing operations risk

##### **1.2. Application Submittals**

The required information & documentation may be satisfied via the following means:

- The required type and extent of information required may be submitted using an application form provided by the MDD or a grant proposal submitted by the applicant.
- Additional information required to assess an application may be requested from the applicant via a direct request from the designated MDD representative.
- Additional information required to make a final decision could be requested via a direct request from the MDD Board to the applicant.

##### **1.3. Applicant Contact & Background Information**

- Names and contact information for the natural person and/or entities that will have primary responsibility for delivery of the project and outcomes/ongoing benefits.
- If applicant is an entity, names and contact information for all principals who will have a significant role in the project.
- Legal form of entity
- Primary area of business activity
- Single point of contact for communication regarding application
- Resume: Applicant experience relevant to ability and capacity to deliver on project commitments

**1.4. Project Contact Information**

- Project site physical address
- Name of owner of project site property
- Site Owners physical mail address, telephone number and email address

**1.5. Project Summary Information**

- Project Title
- Project Executive Summary (Template provided by MDD):
  - Executive outline of project objectives, desired outcomes & community benefits, including economic impact
  - Total project cost
  - Grant request
  - Other sources of financing
  - Target commencement date
  - Target completion date

**1.6. Application Documents (provided at Applicant's discretion or requested by MDD based on project category & scope)**

- Property owner acknowledgement & consent
- Detailed project work plan & timeline
- Project budget
- Plan for post-construction upkeep and ongoing operations of asset
- Design drawings
- Contractors & subcontractors
- Material specifications
- City zoning & permits documentation, as applicable
- Detailed information relating to project objectives, outcomes & community benefits (optional at Applicant's discretion)

**1.7. Conditions & Acknowledgements**

- One grant at a time per applicant/property owner.
- Grant acceptance is at MDD discretion.
- Grant is based on availability of funds within the MDD budget.

- Grant is subject to acceptance of MDD Terms & Conditions.
- Grantee is obligated to fulfill commitments of project objectives & benefits.

## 2. Project Evaluation Guidelines

### 2.1. Due Diligence Evaluation Criteria

For each proposed project sufficient, competent information should be collected and analyzed to allow the Board to determine that the project reasonably meets the Board's standards for granting funds to a project. For all proposed projects, the following dimensions will be evaluated:

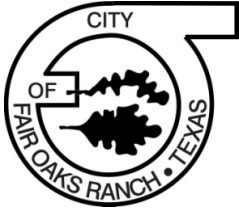
- **COMPLIANCE**
- **FIT**
- **BENEFITS** - Economic and/or quality of life benefits: extent & duration
- **RISK** - Project quality: counterparty qualifications, project delivery risk and ongoing operations risk

### 2.2. Evaluation Methodology

All project proposals will be assessed as follows:

- The President of the Board may choose to establish a subcommittee to perform the evaluation.
- If a subcommittee is used to perform the evaluation, the subcommittee will provide a report and recommendation to the Board for consideration and possible action.
- The project evaluation represents one aspect of the Board's considerations in making a grant award decision.
- COMPLIANCE will be evaluated based on the eligibility of project in accordance with Eligible Project Category List (Appendix A).
- Information provided by the applicant will be evaluated to determine FIT, BENEFITS, and RISK.
- FIT will be evaluated based on conformance with the MDD mission goals and objectives.
- BENEFITS will be evaluated for economic and/or quality of life benefits, including extent and duration of the benefits to Fair Oaks Ranch.
- RISK will be evaluated for project quality considering counterparty qualifications, project delivery risks and ongoing operations risks.

- The desired outcome of the Boards deliberation will be to arrive at a decision that a project qualifies or does not qualify for funding based on COMPLIANCE, FIT, BENEFITS and RISK.
- The decision to approve project grant funding and funding amount is at the discretion of the Board.
- The decision regarding the availability and source of funds for a proposed project is at the discretion of the Board



---

**FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT  
CONSIDERATION ITEM  
CITY OF FAIR OAKS RANCH, TEXAS  
July 12, 2023**

---



Item #6.

---

AGENDA TOPIC: Quarterly Financial & Investment Report – Q3 FY2023  
DATE: July 12, 2023  
PRESENTED BY: Summer Fleming, MDD Investment Officer

---

**INTRODUCTION/BACKGROUND:**

Pursuant to Government Code Section 2256.023 and the MDD's Investment Policy Section 11, the Investment Officer is required, on a quarterly basis, to prepare and submit to the MDD Board a written report of investment assets and the market value of the current investments.

The attached presentation is being made to comply with the Q3 FY2023 reporting requirements.

**POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:**

Frequent review and reporting of the MDD's assets and investment vehicles is both prudent and necessary to verify that the MDD's investment portfolio is being managed according to the investment policy.

**LONGTERM FINANCIAL & BUDGETARY IMPACT:**

The District has earned \$336,597 in local sales taxes and \$74,939 in investment interest through June 30, 2023, and is projected to add \$495,950 to fund balance by the end of the fiscal year. Investments are currently held in two local government investment pools with a combined balance of \$2.38 million as of June 30.

**LEGAL ANALYSIS:**

N/A

**RECOMMENDATION/PROPOSED MOTION:**

This presentation is for informational purposes only and to comply with requirements under Texas Government Code Section 2256.023 and the MDD's Investment Policy.

---

Fair Oaks Ranch  
Municipal Development District  
Quarterly Financial & Investment Report

---

**For the Nine Months Ended  
June 30, 2023**

**MDD Investment Officer:  
Summer Fleming**



Fair Oaks Ranch Municipal Development District  
Statement of Revenues and Expenditures  
For the Nine Months Ended June 30, 2023

	<u>Budget</u>	<u>Projection</u>	<u>YTD Actual</u>	<u>Actual vs Budget</u>	<u>Percent of Budget</u>
Beginning Fund Balance	2,175,935	2,175,935	2,175,935	-	
<u>Revenues</u>					
Local Sales Tax	410,000	435,000	336,597	(73,403)	82.1%
Interest	8,000	103,000	74,939	66,939	936.7%
Total Revenue	418,000	538,000	411,536	(6,464)	98.45%
<u>Expenditures</u>					
Supplies	250	250	-	250	0.00%
Training/Seminars	500	500	470	30	94.00%
Miscellaneous	-	-	-	-	0.00%
Attorney	3,500	3,500	1,062	2,438	30.33%
Auditor	4,300	4,300	4,300	-	100.00%
Professional Services	33,450	33,450	30,455	2,995	91.05%
Insurance	50	50	50	-	100.00%
Total Expenditures	42,050	42,050	36,337	5,713	86.41%
Revenues over/(under) expenditures	375,950	495,950	375,199	(751)	99.80%
Ending Fund Balance	2,551,885	2,671,885	2,551,134	(751)	99.97%



Fair Oaks Ranch Municipal Development District  
Balance Sheet  
As of June 30, 2023

Assets

Frost Bank	99,485		
TexPool	344,554		
Texas CLASS	2,036,181		
Accrued Receivables	70,914		
Total Cash & Investments		<u>2,551,134</u>	
<b>Total Assets</b>			<u><u>2,551,134</u></u>

Liabilities

Due to City of Fair Oaks	-		
Accounts Payable	-		
		<u>-</u>	

Fund Balance

Fund Balance - Operating	100,000		
Infrastructure Improvements - Assigned	1,475,935		
Infrastructure Improvements - Committed	600,000		
Total Fund Balance		<u>2,175,935</u>	
 Total Revenues	 411,536		
Total Expenses	36,337		
Excess Revenue over Expenses		<u>375,199</u>	
<b>Total Liabilities &amp; Fund Equity</b>			<u><u>2,551,134</u></u>

Fair Oaks Ranch Municipal Development District  
Quarterly Investment Report  
For the Quarter Ended June 30, 2023

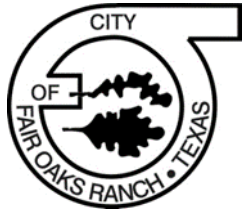
Description	Beginning Balance	Ending Balance	Market Value	QTD Interest	YTD Interest	Avg Yield	Weighted Avg Maturity
Frost Bank	98,543	99,485	99,485	942	2,699	0.32%	N/A
TexPool	232,211	344,554	344,554	3,616	36,059	4.95%	22 Days
Texas Class	2,010,114	2,036,181	2,036,181	17,271	36,181	5.17%	41 Days
Total	2,340,868	2,480,220	2,480,220	21,829	74,939		

**Interest Rate Comparison (Quarterly Average)**

Qtr Ended	MDD	TexPool	Texas CLASS	3 Month T-bill	6 Month T-bill	2 Year Treasury Note	CDARS 6 month CD
Sep-22	1.98%	2.03%	2.51%	2.67%	3.15%	4.22%	1.97%
Dec-22	3.36%	3.51%	3.80%	4.04%	4.41%	4.41%	2.96%
Mar-23	4.51%	4.45%	4.73%	4.63%	4.75%	4.06%	4.12%
Jun-23	3.91%	4.95%	5.17%	5.17%	5.24%	4.87%	4.72%
Year Average	3.44%	3.74%	4.05%	4.13%	4.39%	4.39%	3.44%

**Trends and Future Outlook**

- The Federal Reserve left the target for the funds rate unchanged at 5%-5.25% in June but signaled rates may go to 5.6% by year-end if the economy and inflation do not slow down more.
- A strong majority of policymakers expect two or more rate hikes by the end of the year as the process of getting inflation back down to 2% has a long way to go.



# Fair Oaks Ranch Municipal Development District Policy Review Procedure



Item #7.

**Process Owner:** MDD Board Secretary

**Procedure Purpose:** Ensure that FOR MDD policies are being reviewed on a periodic basis to ensure relevance, compliance, and Board awareness.

**Procedure:**

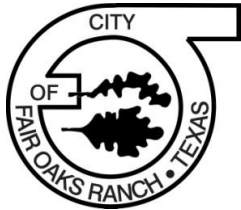
1. The Board Secretary will collaborate with the City Secretary's office to establish and maintain a list of MDD Policies.
2. Each year, at the July regular meeting of the Board, the Board Secretary will initiate the annual review cycle by distributing policies that are due for review to the appropriate policy owners and setting the timeline for the review cycle.
3. The due date for review of a policy will be based on:
  - a) the periodicity specified within the policy or by governing statute or regulation; or
  - b) at a minimum of once every two years if not otherwise stipulated; or 3) as deemed necessary by the Policy Owner or the Board.

**NOTE:** A Policy Owner is the Board Officer that is charged with primary responsibility for the scope of activity covered by the Policy.

4. The target schedule to complete the reviews and present the resulting item for consideration & possible action or information will be the October regular meeting of the Board.
5. In cases where a policy owner requires additional time to resolve the review or deems it necessary to perform an out-of-cycle review, that will be permitted and is to be coordinated with the Board Secretary.
6. If the Policy Owner or the Board identifies the need to develop a new policy, that will be performed at the time the need arises and the new policy will be reviewed in accordance with this procedure.
7. Progress on policy reviews will be tracked by the Board Secretary, and the Board will receive reports from the Board Secretary on progress and items for consideration and possible actions required to complete the reviews and, if needed, policy updates.

## Fair Oaks Ranch Municipal Development District Policy Review Procedure Tracking Log Template

Policy	Owner	Review Cycle	Assigned to Owner	Reviewed by Board	Status
<i>Name of policy</i>	<i>Name of Board member(s) responsible for the policy</i>	<i>In accordance with Item 3. Of the Procedure</i>	<i>Date assigned to owner (standard is date of July meeting)</i>	<i>Date that results of review are brought to Board for consideration or information</i>	<ul style="list-style-type: none"> <li>• Review pending</li> <li>• Board consideration pending</li> <li>• Complete</li> </ul>
Rules of Procedure	Board President				
Financial Management	Treasurer				
Investments	Treasurer				
Project Evaluation	Treasurer				



---

**FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT  
CONSIDERATION ITEM  
CITY OF FAIR OAKS RANCH, TEXAS  
July 12, 2023**

---



Item #8.

AGENDA TOPIC: Consideration and possible action approving a resolution authorizing the execution of an Amendment to the Chapter 377 Project Funding Agreement between the Fair Oaks Ranch Municipal Development District and the City of Fair Oaks Ranch for development of a civic center, and execution of all applicable documents by the Board President.

DATE: July 12, 2023

PRESENTED BY: Scott M. Huizenga, Interim City Manager  
Grant Watanabe, P.E., Director of Public Works & Engineering Services

---

**INTRODUCTION/BACKGROUND:**

At its regular meeting on July 15, 2020, the Fair Oaks Ranch Municipal Development District ("MDD") formed a subcommittee to perform the initial evaluation of a grant application submitted by the City of Fair Oaks Ranch ("City") for a civic center. At a meeting on August 19, 2020, the subcommittee reported that the civic center project:

- Complied with statute and the MDD Project Category List.
- Fits the MDD goals and objectives.
- Was assessed as having low levels of risk for project execution and sustainable operations.
- Would provide benefits to the community.

Based on those findings, the MDD Board authorized the President and Treasurer to proceed to negotiate a grant award agreement with the City and develop a recommended financial plan that could be implemented upon successful negotiation of an agreement. The Grant Award Agreement was approved by the MDD Board on September 16, 2020, and by City Council on September 17, 2020. The original agreement had an expiration date of 1,095 days from the original date of execution and allowed for a construction duration of 1,095 days from the original date of execution. Due to the expiration of the original timeframe approaching, there is a need to amend the original agreement. This amendment captures the following:

- The construction duration is increased by an additional 1,095 days from the date the amendment is fully executed.
- The expiration date is increased by an additional 1,095 days from the date the amendment is fully executed.
- The Grant Award is increased to \$1.2 million.

The original Agreement is included for reference as **Exhibit A**.

**POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:**

- The use of MDD funds for a civic center represents the use of sales tax proceeds to develop an asset that should provide enduring value to the citizens of Fair Oaks Ranch.
- Under the MDD Bylaws, the President is authorized to execute contracts on behalf of the MDD. This is an amendment to the existing contract that has been previously executed.
- Under the MDD Financial Management Policy, the release of the Grant Award Payment will require specific approval by the Board. The approval and remittance of the Grant Award Payment will be governed by MDD Policy and the terms and conditions of the Grant Award Agreement between the Fair Oaks Ranch MDD and the City of Fair Oaks Ranch.

**LONG-TERM FINANCIAL & BUDGETARY IMPACT:**

Funding of the grant award for a civic center would leave the MDD in a sound position for cash flows and capacity to consider other projects.

**LEGAL ANALYSIS:**

The proposed project is an authorized project pursuant to Local Government Code Chapter 377. The original Agreement was prepared with assistance of the MDD Attorney, and the Amendment was reviewed as to form.

**RECOMMENDATION/PROPOSED MOTION:**

I move to approve a resolution authorizing the execution of an Amendment to the Chapter 377 Project Funding Agreement between the MDD and the City for development of a civic center, and execution of all applicable documents by the Board President.

## A RESOLUTION

Item #8.

### **A RESOLUTION OF THE FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT AUTHORIZING EXECUTION OF AN AMENDMENT TO THE CHAPTER 377 PROJECT FUNDING AGREEMENT ECONOMIC DEVELOPMENT AGREEMENT BETWEEN THE CITY OF FAIR OAKS RANCH, TEXAS AND THE FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT, AND EXECUTION OF ALL APPLICABLE DOCUMENTS BY THE CITY MANAGER.**

**WHEREAS**, in accordance with Chapter 377 of the Texas Local Government Code ("377"), the Fair Oaks Ranch Municipal Development District ("MDD") may establish and provide for the administration of a program for making loans and grants of public money to promote state or local economic development, stimulate business and commercial activity, as well as recreational or community facilities in the District; and,

**WHEREAS**, the City of Fair Oaks Ranch ("City") and MDD entered into a Project Funding Agreement ("Agreement") for a civic center on September 25, 2020; and,

**WHEREAS**, a civic center will be constructed on City-owned property on the existing City Campus which is located in the District; and,

**WHEREAS**, the Agreement is set to expire on September 20, 2023; and;

**WHEREAS**, the MDD desires to continue funding the Project; and,

**WHEREAS**, the MDD Board finds it to be in the public interest of the residents of Fair Oaks Ranch to amend the Agreement.

**NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS THAT:**

**SECTION 1.** The MDD Board hereby reaffirms its funding support of the Project.

**SECTION 2.** The MDD Board hereby authorizes the Board President to execute an Amendment with the City, and to execute any and all applicable documents to effectuate this Resolution.

**SECTION 3.** The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the MDD Board.

**SECTION 4.** That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public and that public notice of the time, place and purpose of said meeting was given as required by law.

**SECTION 5.** This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

**PASSED, APPROVED, AND ADOPTED on this 12<sup>th</sup> day of July, 2023.**

---

Laura Koerner, MDD President

ATTEST:

APPROVED AS TO FORM:

---

Rachelle Garcia, MDD Board Secretary

---

Denton Navarro Rocha Bernal & Zech, P.C.,  
City Attorney



**FIRST AMENDMENT TO CHAPTER 377 PROJECT FUNDING AGREEMENT  
ECONOMIC DEVELOPMENT AGREEMENT BETWEEN THE CITY OF FAIR OAKS  
RANCH, TEXAS AND THE FAIR OAKS RANCH MUNICIPAL DEVELOPMENT  
DISTRICT**

This First Amendment ("First Amendment") to the Agreement between the City of Fair Oaks Ranch and the Fair Oaks Ranch Municipal Development District dated September 25, 2020 ("Funding Agreement") is made and entered by and between the City of Fair Oaks Ranch, Texas ("City") and the Fair Oaks Ranch Municipal Development District ("MDD").

**RECITALS**

**WHEREAS**, on September 25, 2020, the City and MDD entered into a Funding Agreement for a civic center; and,

**WHEREAS**, the Funding Agreement between the City and the MDD is set to expire on September 20, 2023; and,

**WHEREAS**, the Funding Agreement may be amended by mutual written agreement of the Parties, as approved by the governing bodies of the MDD and City; and,

**WHEREAS**, both parties have determined a three-year extension (1,095 days) of the Funding Agreement is in the best interest of the residents of Fair Oaks Ranch; and,

**WHEREAS**, the Funding Agreement states that upon the completion of the Facility and receipt of a certificate of occupancy, as contemplated by the Agreement, the MDD agrees to reimburse the City up to SIX HUNDRED THOUSAND DOLLARS AND NO CENTS (\$600,000.00); and,

**WHEREAS**, this Amendment changes the reimbursement amount from the MDD to the City up to ONE MILLION TWO HUNDRED THOUSAND DOLLARS AND NO CENTS (\$1,200,000.00).

**NOW, THEREFORE**, in consideration of the foregoing recitals and of the mutual promises and covenants hereinafter contained, the City and MDD in this First Amendment to the Funding Agreement, agree to amend the Funding Agreement as follows in Parts 1, 2, 3, 4, and 5 below. All other terms and conditions of the Funding Agreement not expressly amended by this First Amendment shall continue in full force and effect.

**Part 1: Article III - Definitions**

"Facility" means a planned Fair Oaks Ranch civic center that will be flexible and a highly functional meeting and event space to be built on property owned by the City for the express purpose of creating a welcoming gathering space for City, private, and public events using flexible space for community programs, private and public meetings, city staff, and resident use.

“Maximum Grant Amount” or “Maximum Total Amount of Grant Payment” means an amount not to exceed *ONE MILLION TWO HUNDRED THOUSAND DOLLARS AND NO CENTS (\$1,200,000.00)*.

## **Part 2: Article IV - Facility**

**Description of the Facility.** Located in the Heart of the City of Fair Oaks Ranch, a civic center will be a flexible and highly functional meeting and event space. The center will be built on property owned by the City and will replace a time-worn existing City building. The exterior façade will be enhanced with building material repurposed from the existing building to ensure the unique hill country theme of the municipal campus is maintained.

The purpose of the project is to create a welcoming gathering space for City, private and public events. The center will maximize flexible space for community programs, private and public meetings, city staff, and resident use while minimizing cost relative to square footage. It will feature the following:

- A new building that helps create a community gathering space for residents.
- Design elements that strengthen and celebrate Fair Oaks Ranch’s Hill County aesthetic.
- A seamless transition between City Hall complex buildings and maximized greenspace.

## **Part 3: Article V – City’s Obligations**

### **2. Default**

- a. **Construction.** Failure to complete the construction of the Facility within ONE THOUSAND NINETY-FIVE DAYS (1,095) days from the *date this First Amendment is fully executed*, shall cause the automatic termination of this Agreement without the need for any further action by the MDD; and, the MDD shall have no obligation to make any Grant Payments to City. Enforcement of this section is subject to Force Majeure. In the event of unforeseeable third-party delays, which are not Force Majeure, and upon a reasonable showing by City that it has in good faith commenced and is diligently pursuing the correction, removal or abatement of such delays by using commercially reasonable efforts, the MDD may consent to and excuse any such delays.

## **Part 4: Article VI – MDD’s Obligation**

1. **Grant Payments.** Provided City is in full compliance with the terms of this Agreement and is not in Default, upon receipt of both a Certificate of Occupancy and Notice of Substantial Completion as defined in the contract for construction for the Facility, a Grant Payment not to exceed *ONE MILLION TWO HUNDRED THOUSAND DOLLARS AND NO CENTS (\$1,200,000.00)* shall be made from MDD to City.
3. **Maximum Total Amount of Grant Payment.** The maximum total amount of any Grant Payment authorized by this Agreement shall not exceed *ONE MILLION TWO HUNDRED THOUSAND DOLLARS AND NO CENTS (\$1,200,000.00)*.

**Part 5: Article VIII – Termination**

**1. Termination.** This Agreement shall terminate upon the earliest occurrence of any one or more of the following:

- (a) The written agreement of the Parties;
- (b) The Agreement's Expiration Date, 1,095 days from *the date this First Amendment is fully executed*;
- (c) Default by City; or
- (d) Payment of the maximum funds contemplated herein.

**Executed** on this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**MDD**

By: \_\_\_\_\_  
Laura Koerner, MDD President

**ATTEST:**

By: \_\_\_\_\_  
Rachelle Garcia, MDD Secretary

**Executed** on this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**CITY**

By: \_\_\_\_\_  
Scott M. Huizenga, Interim City Manager

**ATTEST:**

By: \_\_\_\_\_  
Christina Picioccio, City Secretary

**CHAPTER 377 PROJECT FUNDING AGREEMENT  
ECONOMIC DEVELOPMENT AGREEMENT  
BETWEEN THE CITY OF FAIR OAKS RANCH, TEXAS AND  
THE FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT**

This Chapter 377 Project Funding Agreement ("Agreement") is entered into between the City of Fair Oaks Ranch, Texas, a Texas home-rule municipal corporation, ("City") and the Fair Oaks Ranch Municipal Development District, a political subdivision of the State of Texas and City of Fair Oaks Ranch ("MDD"). The City and MDD may be referred to jointly herein as "the Parties" and individually as a "Party".

**RECITALS**

**WHEREAS**, in accordance with Chapter 377 of the Texas Local Government Code ("377"), the District may establish and provide for the administration of a program for making loans and grants of public money to promote state or local economic development, stimulate business and commercial activity, as well as recreational or community facilities in the District; and

**WHEREAS**, City desires to construct a Civic Center ("Facility") to add approximately 3,000 - 4,000 square feet of flexible, and highly functional meeting and event space built on property owned by the City to include public meeting space, conference rooms and a kitchen; and

**WHEREAS**, the exterior façade of the new civic center will be enhanced with building material repurposed from the existing building to ensure the unique hill country theme of the municipal campus is maintained; and

**WHEREAS**, the purpose of the project is to create a welcoming, flexible, gathering space for private and public events for community programs, private and public meetings, city staff, and resident use while minimizing cost relative to square footage; and

**WHEREAS**, upon the completion of the Facility and receipt of a certificate of occupancy, as contemplated by this Agreement, District agrees to reimburse the City up to SIX HUNDRED THOUSAND DOLLARS AND NO CENTS (\$600,000.00); and

**WHEREAS**, the Parties are executing and entering into this Agreement to set forth certain terms and obligations of the Parties with respect to such matters; and

**WHEREAS**, the Parties recognize that all agreements of the Parties hereto and all terms and provisions hereof are subject to the laws of the State of Texas and all rules, regulations and interpretations of any agency or subdivision thereof at any time governing the subject matters hereof; and

**WHEREAS**, the Parties agree that all conditions precedent for this Agreement to become a binding agreement have occurred and been complied with, including all requirements pursuant to the Texas Open Meetings Act and all public notices and hearings; if any, have been conducted in accordance with Texas law; and

**WHEREAS**, on the Effective Date, the commitments contained in this Agreement shall become legally binding obligations of the Parties.

**NOW, THEREFORE**, in consideration of the mutual covenants, benefits and agreements described and contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and further described herein, the Parties agree as follows:

## **ARTICLE I RECITALS**

1. Recitals. The recitals set forth above are declared true and correct by the Parties and are hereby incorporated as part of this Agreement.

## **ARTICLE II AUTHORITY AND TERM**

1. Authority.

- (a) The MDD's execution of this Agreement is authorized by Chapter 377 of the Texas Local Government Code and constitutes a valid and binding obligation of the MDD. The MDD acknowledges that City is acting in reliance upon the MDD's performance of its obligations under this Agreement in making the decision to commit substantial resources and money to the completion of the Facility, hereinafter established. The MDD's execution of this agreement is authorized by any necessary action of the governing bodies of the District and City.
- (b) The City's execution of this Agreement is authorized by any necessary action by the governing body of the City and constitutes a valid and binding obligation of the City.

2. Term.

This Agreement will become enforceable upon the Effective Date and will terminate on the first to occur of:

- (a) The expiration of the Grant Term;
- (b) Upon actual receipt by City of the MDD's payment of the Maximum Grant Amount; or
- (c) Upon termination as provided for herein, whichever occurs first (the "Term").

3. Purpose.

The purpose of this Agreement is to formalize the agreements between the City and the MDD for the grant of funds associated with the construction of the Facility. This Agreement specifically states the covenants, representations of the Parties, and the incentives associated with City's commitment to abide by the terms of this Agreement, which has been approved by the bodies governing the MDD and the City as required by state law. It is expressly agreed that this Agreement constitutes a single transaction. A failure to perform any obligation by City may constitute a breach of the entire Agreement and terminate any further commitments by the MDD unless an alternative penalty or remedy is provided for herein.

4. Administration of Agreement.

Upon the effective date, the MDD may designate, by Board action, the Treasurer and/or President to act as liaison and first point of contact for the City for purposes of this Agreement. Any proposed amendments to the Agreement shall still require the approval of the governing body of the MDD and City.

### ARTICLE III DEFINITIONS

As used in this Agreement, the following terms shall have the meanings ascribed below. All undefined terms shall retain their usual and customary meaning as ascribed by common and ordinary usage.

*"Act of Default" or "Default"* means failure to timely, fully, and materially comply with one or more requirements, obligations, duties, terms, conditions or warranties, as stated in this Agreement. MDD may accept substantial compliance in lieu of full compliance by written waiver of such Act of Default.

*"Certificate of Occupancy"* shall mean that final document issued by the City, entitled "Certificate of Occupancy", indicating that all applicable codes, regulations, and ordinances enforced by the City have been unconditionally, fully, and completely complied with in all respects. A Certificate of Occupancy shall not include a certificate issued in error, mistake, or misrepresentation of facts, nor any temporary or conditional document authorizing temporary or conditional occupancy.

*"City of Fair Oaks Ranch" or "City"* means the governing municipal corporation that is legally authorized to control the area that is within the city limits of the City of Fair Oaks Ranch, and the area that is within the City and/or Comal, Kendall and Bexar County, Texas.

*"Code"* means the Fair Oaks Ranch Code of Ordinances in effect as of the Effective Date.

*"Effective Date"* means the Effective Date described in Article IX.

*"Facility"* means the planned Fair Oaks Ranch Civic Center that will add approximately 3,000 -



4,000 square feet of flexible, and highly functional meeting and event space to be built on property owned by the City and including public meeting space, conference rooms and a kitchen for the express purpose of creating a welcoming gathering space for private and public events using flexible space for community programs, private and public meetings, city staff, and resident use.

*“Force Majeure”* means an event beyond the reasonable control of a Party obligated to perform an act or take some action under this Agreement including, but not limited to, acts of God, earthquake, fire, explosion, war, civil insurrection, acts of the public enemy, act of civil or military authority, sabotage, terrorism, floods, lightning, hurricanes, tornadoes, severe snow storms or utility disruption, strikes, and lockouts.

*“Grant Term”* means the period beginning on the Effective Date and ending on the date of termination as provided for in this Agreement

*“Improvements constructed on or installed within the Facility”* shall mean only those improvements for which a Certificate of Occupancy has been issued by the City building official as required by the Code.

*“Maximum Grant Amount”* or *“Maximum Total Amount of Grant Payment”* means an amount not to exceed SIX HUNDRED THOUSAND DOLLARS AND NO CENTS (\$600,000.00.)

*“Program”* means the economic development program established by the MDD by Resolution, or Order, as authorized by Chapter 377, *Texas Local Government Code*, for making loans and grants of public money to promote state or local economic development, stimulate business and commercial activity, as well as recreational or community facilities within the District.

*“Project”* means City’s planned development, construction of the Facility.

*“Property”* means that parcel of land generally located at the City Hall Complex that served as the former location of the police department, and the vacant land adjacent thereto.

*“Substantial Completion”* generally means that point in time when the entity or person overseeing the construction of the Facility provides possession to the City, and as more specifically defined in the construction documents for the Facility

#### ARTICLE IV FACILITY

**Description of the Facility.** Located in the Heart of the City of Fair Oaks Ranch, the Civic Center will add approximately 3,000 - 4,000 square feet of flexible, and highly functional meeting and event space. The center will be built on property owned by the City and will replace a time-worn existing City building and will include public meeting space, conference rooms and a kitchen. The exterior façade of the new civic center will be enhanced with building material repurposed from the existing building to ensure the unique hill country theme of the municipal campus is maintained.

The purpose of the project is to create a welcoming gathering space for private and public events.

The center will maximize flexible space for community programs, private and public meetings, city staff, and resident use while minimizing cost relative to square footage. Utilizing an alternative delivery method to leverage value engineering and design simultaneously with construction, the civic center will feature the following:

- A new building that helps create a community gathering space for residents.
- 3,000 – 4,000 square feet of flexible, highly functional space, inclusive of a Board room to better accommodate large capacity town hall meeting formats.
- Design elements that strengthen and celebrate Fair Oaks Ranch's Hill County
- aesthetic.
- A seamless transition between city hall complex buildings and maximized greenspace.
- Kitchen facility to enhance catering needs for events and meetings.
- Outdoor seating areas

#### Project Objectives, Community Benefits, and Desired Outcomes

The City of Fair Oaks Ranch Civic Center will help address the growing demand for community and meeting space by local organizations and the City. Groups such as HOA's, FORHA, local businesses, or civic organizations consistently reach out to utilize City Hall, but the City currently lacks capacity. Further, the City is unable to accommodate larger town hall type meetings when conducting city business and must rent outside facilities. Many groups choose to host meetings outside the City or join organizations within other communities that offer appropriate space. Over the past decade, the City has seen an exponential increase in the number of families seeking to enjoy civic groups close to home rather than travel to neighboring Boerne or San Antonio. Likewise, other meeting spaces for local boards and organizations are expensive.

The City of Fair Oaks Ranch has always been known as a community that cares about its residents and organizations, the desire is for the Civic Center to foster this spirit of participation within new and existing organizations. With increased availability of gathering spaces, the Civic Center will be a source of community engagement and offer an opportunity for creation of new community groups, or expansion of existing groups. The additional capacity provided by the new civic center will support the City's goal of enhancing community engagement.

Bringing together the City's services and public spaces, the Civic Center will create a balance between meeting the community's service needs at one location and providing a space for civic pride and engagement. The overall objective being a facility that provides a functional and attractive public space for Fair Oaks Ranch residents to host their own meetings and events while simultaneously addressing the City's administrative and public meeting needs.

### ARTICLE V CITY'S OBLIGATIONS

#### 1. Required Reporting

**Quarterly Progress Reports.** Beginning on the effective date, City shall deliver to MDD a report at each MDD Quarterly Meeting (unless such meeting is cancelled) until completion of the Facility and payment of the Grant. Each Quarterly Progress Report may include, but not necessarily be limited to, the following elements:

- a. construction schedule

- b. scope of work changes
- c. contract amendments
- d. risk and mitigations

## 2. Default.

**a. Construction.** Failure to complete the construction of the Facility within ONE THOUSAND NINETY-FIVE DAYS (1,095) days from the Effective Date, shall cause the automatic termination of this Agreement without the need for any further action by the MDD; and, the MDD shall have no obligation to make any Grant Payments to City. Enforcement of this section is subject to Force Majeure. In the event of unforeseeable third-party delays, which are not Force Majeure, and upon a reasonable showing by City that it has in good faith commenced and is diligently pursuing the correction, removal or abatement of such delays by using commercially reasonable efforts, the MDD may consent to and excuse any such delays.

**b. Force Majeure Events.** Should a Force Majeure event impact the scheduled completion of the Facility, the City shall notify the MDD as soon as possible after learning of the qualifying event. The notice should include a description of the event, the specific delay that has been caused by the event, associated documentation, and the amount of time the City is requesting to be added to the time for completion of the Facility as an Amendment to the Agreement. Said request will be considered by the MDD at a called or regular meeting of the Board.

**c. Reports and Information.** City's failure to timely and substantially comply with the reporting requirements of this Article may be considered a default; and, MDD shall be under no obligation to make any Grant Payment until such default is cured by compliance with such reporting requirements.

## ARTICLE VI MDD'S OBLIGATION

- 1. Grant Payments.** Provided City is in full compliance with the terms of this Agreement and is not in Default, upon receipt of both a Certificate of Occupancy and Notice of Substantial Completion as defined in the contract for construction for the Facility, a Grant Payment not to exceed SIX HUNDRED THOUSAND DOLLARS AND NO CENTS (\$600,000.00) shall be made from MDD to City.
- 2. Source of Grant Payments.** Said Grant Payments shall be payable only from the MDD's Project Fund for its portion of all Sales Tax generated within the District received from the Comptroller, or any other lawfully appropriated funds held by the MDD for project purposes.
- 3. Maximum Total Amount of Grant Payment.** The maximum total amount of any Grant Payment authorized by this Agreement shall not exceed SIX HUNDRED THOUSAND DOLLARS AND NO CENTS \$600,000.00.
- 4. Designated Funds.** MDD will provide for the Grant Payment to be made pursuant to this Agreement by establishing a separate MDD fund, or a subaccount of any existing fund or

account in the MDD treasury, into which the Maximum Grant funds will be deposited or otherwise designated during the Term of this Agreement (the “Designated Funds”).

- 5. Grant does not create a Debt.** Amounts payable under this Agreement constitute economic development funds and do not create a debt of the MDD. Said funds are payable only after complete performance as set forth herein.

## ARTICLE VII COVENANTS AND DUTIES

- 1. City’s Covenants and Duties.** City makes the covenants and warranties to the MDD, and agrees to timely and fully perform the obligations and duties contained in Article V of this Agreement. Any false or substantially misleading statements contained herein or failure to timely and fully perform those obligations and duties within this Agreement shall be an act of Default by the City.

(a) The execution of this Agreement has been duly authorized by the governing body of City, and the individual signing this Agreement is empowered to execute such Agreement and bind the entity. Said authorization, signing, and binding effect is not in contravention of any law, rule, regulation, or of the provisions of City Charter.

(b) City shall timely and fully comply with all of the terms and conditions of this Agreement.

(c) City agrees to obtain or cause to be obtained, all necessary permits and approvals from City and/or all other governmental agencies having jurisdiction over the construction of any improvements to the property.

(d) City agrees to develop the Project in accordance with the ordinances, rules, and regulations in effect on the date the Project was designated, unless specified otherwise in this Agreement.

(e) City agrees to commence and complete the Project in substantial accordance with the Agreement.

(f) City shall cooperate with the MDD in providing all necessary information to assist them in complying with this Agreement.

(g) In accordance with Texas Government Code section 2264.051 City certifies that it does not and will not knowingly employ an undocumented worker, as that term is defined in the section and will require the same of those constructing the Facility.

(h) To the extent required by Texas Government Code Section 2270.002 City acknowledges it currently does not, and shall not during the term of this Agreement, “Boycott Israel” and will require the same of those constructing the Facility.

- 2. MDD’s Covenants and Duties.**

(a) The MDD agrees to pay to City an amount, as specified below, not to exceed the Maximum Grant Amount from sources contemplated by this Agreement over a period not

to exceed the Grant Term, subject to the conditions precedent that City has timely and fully complied with all applicable terms and conditions contained in this Agreement, and the above designated Development Requirements are then satisfied. Further, MDD's obligation to pay City shall cease upon payment in full of the Maximum Grant Amount, or the expiration of this Agreement after the Grant Term, even if the Maximum Grant Amount has not been paid, or termination of this Agreement by MDD as provided herein, whichever occurs first.

(b) Failure by MDD to timely and substantially comply with its obligations hereunder shall be an Act of Default by MDD if uncured as provided for herein, and such uncured Act of Default will give City the right to the contracted amount then currently owing not already provided to City by MDD, subject the dispute resolution process established in Article IX.

(c) Subject to the terms and conditions as set forth above, MDD shall pay City the Maximum Grant Amount. Such payment is due to City as provided in Article VI. Failure by MDD to timely and fully comply with its obligations hereunder shall be an Act of Default.

#### ARTICLE VIII TERMINATION

1. **Termination.** This Agreement shall terminate upon the earliest occurrence of any one or more of the following:

- (a) The written agreement of the Parties;
- (b) The Agreement's Expiration Date, 1,095 days from the Effective Date;
- (c) Default by City; or
- (d) Payment of the maximum funds contemplated herein.

#### ARTICLE IX DISPUTE RESOLUTION

1. **Mediation.** If a dispute arises out of or relates to this Agreement or the breach thereof, the Parties shall first in good faith seek to resolve the dispute through negotiation between designated representatives of each respective Party. If such dispute cannot be settled through negotiation, the Parties agree to try in good faith to settle the dispute by mediation under the Commercial Mediation Rules of the American Arbitration Association before resorting to litigation. Notwithstanding the foregoing, any Party may seek immediate equitable relief, without attempting to settle a dispute through mediation, in any case where such Party is entitled to equitable relief by law, the terms of the Agreement, or otherwise. All costs of mediation shall be assessed equally between the Parties with each party bearing their own costs for attorneys' fees, experts, and other costs of mediation and any ensuing litigation.



## ARTICLE X MISCELLANEOUS

1. **MDD's Liability Limitations.** Should MDD fail to timely or substantially comply with any one or more of the requirements, obligations, duties, terms, conditions, or warranties of the Agreement, such failures shall be an Act of Default by MDD and MDD shall have ninety days to cure and remove the Default upon receipt of written notice to do so from City. City specifically agrees that MDD shall only be liable to City for the amount of the money payments then currently owing to City, and shall not be liable to City for any alleged or actual incidental or consequential damages.
2. **Mutual Assistance.** The Parties will do all things reasonably necessary or appropriate to carry out the terms and provisions of this Agreement and to aid and assist each other in carrying out such terms and provisions.
3. **Effective Date.** This Agreement shall become effective on the date of execution by the last party.
4. **Representations and Warranties.** The MDD represents and warrants to City that this Agreement is within their authority, and that they are duly authorized and empowered to enter into this Agreement, unless otherwise ordered by a court of competent jurisdiction. City represents and warrants to the MDD that it has the requisite authority to enter into this Agreement.
5. **Independent Contractors.**
  - (a) It is expressly understood and agreed by all Parties hereto that in performing their services hereunder, City at no time will be acting as an agent of the MDD and that all consultants or contractors engaged by City respectively will be independent contractors of City; and nothing contained in this Agreement is intended by the Parties to create a partnership or joint venture between the Parties and any implication to the contrary is hereby expressly disavowed. The Parties hereto understand and agree that the MDD will not be liable for any claims that may be asserted by any third party occurring in connection with City respectively under this Agreement.
  - (b) By entering into this Agreement, the Parties do not waive, and shall not be deemed to have waived, any rights, immunities, or defenses either may have, including the defense of parties, and nothing contained herein shall ever be construed as a waiver of sovereign or official immunity by the City or MDD with such rights being expressly reserved to the fullest extent authorized by law and to the same extent which existed prior to the execution hereof.
  - (c) No employee of the City, or any board member, or agent of the MDD, or City Council member or agent of City shall be personally responsible for any liability arising under or growing out of this Agreement.
6. **Notice.** Any notice required or permitted to be delivered hereunder shall be deemed delivered by actual delivery, facsimile with receipt confirmation, or by depositing the same in the United States Mail, postage prepaid and certified with return receipt requested, addressed to the Party at the address set forth below:

If intended for MDD:

MDD President  
City of Fair Oaks Ranch  
7286 Dietz Elkhorn  
Fair Oaks Ranch, TX 78006

If to the City:

City Manager  
City of Fair Oaks Ranch  
7286 Dietz Elkhorn  
Fair Oaks Ranch, TX 78006

Any Party may designate a different address at any time upon written notice to the other Parties.

7. **Governmental Records.** All invoices, records and other documents required for submission to the City pursuant to the terms of this Agreement are Governmental Records for the purposes of Texas Penal Code Section 37.10
8. **Governing Law.** The Agreement shall be governed by the laws of the State of Texas, and the venue for any action concerning this Agreement shall be in Kendall County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said court.
9. **Amendment.** This Agreement may be amended by mutual written agreement of the Parties, as approved by the governing bodies of MDD and the City.
10. **Legal Construction.** In the event any one or more of the provisions contained in this Agreement shall, for any reason, be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions of this Agreement, and it is the intention of the Parties to this Agreement that, in lieu of each provision that is found to be illegal, invalid, or unenforceable, a provision be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid, or unenforceable.
11. **Interpretation.** Each of the Parties has been represented by counsel of their choosing in the negotiation and preparation of this Agreement. Regardless of which Party prepared the initial draft of this Agreement, this Agreement shall, in the event of any dispute, whatever its meaning or application, be interpreted fairly and reasonably and neither more strongly for or against any Party.
12. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties with respect to the subject matter covered in this Agreement. There is no other collateral oral or written agreement between the Parties that, in any manner, relates to the subject matter of this Agreement, except as provided for in any Exhibits attached hereto or duly approved amendments to this Agreement, as approved by governing bodies of MDD and the City.
13. **Paragraph Headings.** The paragraph headings contained in this Agreement are for convenience only and will in no way enlarge or limit the scope or meaning of the various and several paragraphs.

14. **Counterparts.** This Agreement may be executed in counterparts. Each of the counterparts shall be deemed an original instrument, but all of the counterparts shall constitute one and the same instrument.

15. **Exhibits.** Any Exhibits attached hereto are incorporated by reference for all purposes. Exhibits included:

Exhibit "A" Application for Funding.

Exhibit "B" Facility Depiction and Description.

Exhibit "C" Site Plan.

Exhibit "D" Resolutions of Approval

16. **Survival of Covenants.** Any of the representations, warranties, covenants, and obligations of the Parties, as well as any rights and benefits of the Parties, pertaining to a period of time following the termination of this Agreement shall survive termination.

17. **Employment of Undocumented Workers.** During the term of this Agreement, City agrees to not knowingly contract with any firm or individual for the construction of the Facility who employs any undocumented workers.

18. **Governmental Functions; Liability; No Waiver of Immunity or Defenses**

a. Notwithstanding any provision to the contrary herein, this Agreement is a contract for and with respect to the performance of governmental functions by governmental entities.

i. The services provided for herein are governmental functions, and the City and the MDD shall be engaged in the conduct of a governmental function while providing and/or performing any service pursuant to this Agreement.

ii. The relationship of the MDD and the City shall, with respect to that part of any service or function undertaken as a result of or pursuant to this Agreement, be that of independent contractors.

iii. Nothing contained herein shall be deemed or construed by the Parties, or by any third party, as creating the relationship of principal and agent, partners, joint venturers, or any other similar such relationship between the Parties.

b. The City shall have no liability whatsoever for the actions of, or failure to act by, any employees, agents, representatives, or assigns of the MDD in connection with the Agreement, and the MDD covenants and agrees, to the extent permitted by law, that the MDD shall be solely responsible, as between the MDD and the City, for and with respect to any claim or cause of action arising out of or with respect to any act, omission, or failure to act by the MDD or its respective employees, agents, representatives, or assigns, in connection therewith.

c. The MDD shall have no liability whatsoever for the actions of, or failure to act by, any employees, agents, representatives, or assigns of the City in connection with the Agreement, and the City covenants and agrees, to the extent permitted by law, that the City shall be solely responsible, as between the MDD and the City, for and with respect to any claim or cause of action



arising out of or with respect to any act, omission, or failure to act by the City or its respective employees, agents, representatives, or assigns, in connection therewith.

d. Each Party reserves and does not waive any defense available to it at law or in equity as to any claim or cause of action whatsoever that may arise or result from or in connection with this Agreement. This Agreement shall not be interpreted nor construed to give to any third party the right to any claim or cause of action, and neither the City nor the MDD shall be held legally liable for any claim or cause of action arising pursuant to or in connection with this Agreement except as specifically provided herein or by law.

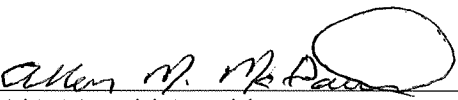
e. Neither Party waives or relinquishes any immunity or defense on behalf of itself, its trustees, councilmembers, officers, employees, and agents as a result of the execution of this Agreement and the performance of the covenants and agreements contained herein.

19. **Additional Instruments.** The Parties agree and covenant to cooperate, negotiate in good faith, and to execute such other and further instruments and documents as may be reasonably required to fulfill the public purposes provided for and included within this Agreement.


20. **Severability.** If any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws, it is the intention of the Parties that the remainder of this Agreement not be affected, and it is also the intention of the Parties that, in lieu of each provision that is found to be illegal, invalid, or unenforceable, a provision be added to this Agreement which is legal, valid, or enforceable and is as similar in terms as possible to the provision found to be illegal, invalid, or unenforceable.

Executed on this 25<sup>th</sup> day of September 2020.

MDD

By:   
Al McDavid, President

ATTEST:

By:   
Board Secretary

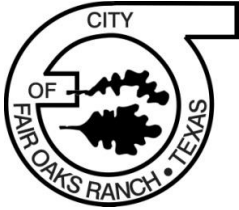
Executed on this 25<sup>th</sup> day of September, 2020.

CITY

By: Tobin E. Maples  
Tobin E. Maples, City Manager

ATTEST:

By: Christina Picioccio  
Christina Picioccio, City Secretary



---

**FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT  
CONSIDERATION ITEM  
CITY OF FAIR OAKS RANCH, TEXAS  
July 12, 2023**

---



Item #9.

AGENDA TOPIC: Consideration and possible action to approve the FY 2023-24 MDD Budget

DATE: July 12, 2023

PRESENTED BY: Mike Lovelace, CPA, CMA, CISA, Fair Oaks Ranch MDD Treasurer  
Summer Fleming, MDD Investment Officer

---

**INTRODUCTION/BACKGROUND:**

MDD Rules of Procedure (Article IV, Section 1) require the MDD Board of Directors approve the next budget by July 15 and that the City Council approve the budget by September 30 for the upcoming fiscal year.

**POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:**

The FY 2023-24 Proposed Budget provides a summary of all MDD expected revenues and proposed expenditures for the upcoming fiscal year. After considering historical sales tax collections and future market outlook, the proposed budget includes a 3.5% increase to local sales tax revenues and a decrease to interest earnings with the anticipation of rates dropping in the early part of 2024.

Expenditures for the District remain steady except for a 5% increase in audit fees. Additionally, the training budget has been decreased to remove biennial PFIA training that will not be due until the following fiscal year.

The proposed budget includes \$533,000 in revenues, \$42,050 in expenditures, and a projected fund balance of \$3.16 million. The projected fund balance maintains a committed balance of \$600,000 for a grant agreement with the City; however, pending a grant extension or amendment, this amount may change. Accordingly, the change would affect the assigned fund balance as well.

**LONGTERM FINANCIAL & BUDGETARY IMPACT:**

The proposed budget will add \$490,950 to fund balance assigned for future capital projects.

**LEGAL ANALYSIS:**

N/A

**RECOMMENDATION/PROPOSED MOTION:**

I move to approve the MDD FY 2023-24 Budget as presented.

**FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT  
PROPOSED BUDGET  
FISCAL YEAR 2023-2024**

	<b>FY 20-21</b>	<b>FY 21-22</b>	<b>FY 22-23</b>	<b>FY 22-23</b>	<b>FY 23-24</b>
	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGETED</b>	<b>PROJECTED</b>	<b>PROPOSED BUDGET</b>
Beginning Fund Balance	<b>\$ 1,428,140</b>	<b>\$ 1,781,432</b>	<b>\$ 2,175,935</b>	<b>\$ 2,175,935</b>	<b>\$ 2,671,885</b>
<u>Revenues</u>					
Local Sales Tax	389,676	421,183	410,000	435,000	450,000
Interest	686	13,855	8,000	103,000	83,000
Total Revenue	<u>390,363</u>	<u>435,038</u>	<u>418,000</u>	<u>538,000</u>	<u>533,000</u>
<u>Expenditures</u>					
Supplies	-	-	250	250	250
Training/Seminars	350	-	500	500	250
Attorney	2,405	3,967	3,500	3,500	3,500
Auditor	3,900	4,100	4,300	4,300	4,550
Professional Services	30,366	32,418	33,450	33,450	33,450
Insurance	50	50	50	50	50
Total Expenditures	<u>37,071</u>	<u>40,535</u>	<u>42,050</u>	<u>42,050</u>	<u>42,050</u>
Ending Fund Balance	<b>\$ 1,781,432</b>	<b>\$ 2,175,935</b>	<b>\$ 2,551,885</b>	<b>\$ 2,671,885</b>	<b>\$ 3,162,835</b>

**FUND BALANCE DETAIL**

	<b>9/30/2021</b>	<b>9/30/2022</b>	<b>9/30/2023</b>	<b>9/30/2023</b>	<b>9/30/2024</b>
	<b>FINAL</b>	<b>FINAL</b>	<b>BUDGETED</b>	<b>PROJECTED</b>	<b>PROJECTED</b>
	<b>BALANCE</b>	<b>BALANCE</b>	<b>BALANCE</b>	<b>BALANCE</b>	<b>BALANCE</b>
COMMITTED	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000
ASSIGNED	1,081,432	1,475,935	1,851,885	1,971,885	2,462,835
UNASSIGNED	100,000	100,000	100,000	100,000	100,000
TOTAL FUND BALANCE	<u>\$ 1,781,432</u>	<u>\$ 2,175,935</u>	<u>\$ 2,551,885</u>	<u>\$ 2,671,885</u>	<u>\$ 3,162,835</u>

# MDD Marketing Committee Update

July 12, 2023

# Quick Review of Committee Objectives

- Inform the community (awareness)
  - What is the MDD
  - MDD Background
  - Purpose
  - Inform on how to access
- Provide an Application Form
- Provide an understanding what information would be required to apply

# Recommended delivery Vehicle

- The City Website is the right vehicle
  - Will include additions to the MDD Web Page
  - Current page used to recruit new Board Members
- New Web Page will provide
  - Executive Summary and overview
  - Will have an Application form
  - Detail required information for the applicant to provide
  - Will help the applicant self qualify

# New Web Page

- Will become the MDD Marketing Brochure
  - Will be the initial marketing effort
  - Will be modified over time
- Is intended to be accessed by FOR and its ETJ's Constituents
- Is not intended to be used to market to commercial businesses or organizations outside of FOR
- Can be adjusted if there are policy changes



# Briefly Show

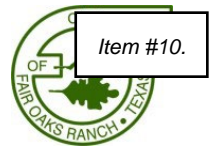
- Demo what the new page looks like
- Executive Summary on the proposed Web Page
- Show the online Application Form
  - Can be filled out by applicant online
  - Will have a Start – Stop function
  - Can be printed from the Website
  - Will include the Appendixes A & B for added clarity and directions

# Next Steps

- The committee proposes that the Website be updated with the new information
- Additional work needed
  - Application form needs to be “hardened”
    - Functionality tested
    - Interaction with current City Website
    - Security measures if necessary to be added
  - Legal review to ensure no omissions or incorrect statements
  - Point of Contact initially through Amanda
  - Board Approval



# Fair Oaks Ranch Municipal Development District Grant Funding Application



Applicant Name: \_\_\_\_\_ Business Name \_\_\_\_\_

Contact Information: Name \_\_\_\_\_ Title \_\_\_\_\_

Mailing Address \_\_\_\_\_

Telephone Primary \_\_\_\_\_ Secondary \_\_\_\_\_ Email \_\_\_\_\_

Business Email: \_\_\_\_\_ Website \_\_\_\_\_

Address of Project: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Applicant Tax ID# \_\_\_\_\_

Property Owner: \_\_\_\_\_

Telephone \_\_\_\_\_ Email \_\_\_\_\_

## List of Partners/Principals of the Business

Name	Title	Contact #	Ownership%	Email

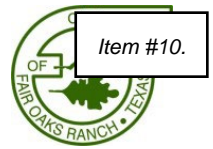
## Project Type: (Select One)

☐ Municipal ☐ Commercial ☐ Civic Organization ☐ Business ☐ Other: \_\_\_\_\_

Applicant's relevant experience for the project for funding of project requested:



# Fair Oaks Ranch Municipal Development District Grant Funding Application



## Applicant Funding Source

Bank or Financial institution providing Funding

Contact Name: Title

Address Telephone

Email Website

Overall Project Cost \$ Has Applicant received economic assistance before?

If yes, When, Where, and from What Source?

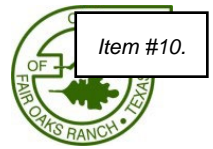
Project Information: Describe what the project entails, Facade, Building, Remodel, Landscape, etc.

Project Title:

Project Objective:



# Fair Oaks Ranch Municipal Development District Grant Funding Application



Expected Benefits:

MDD Funds Requested:  Estimated Total Cost of the Project:

**(Note: Contractors detailed cost estimate must be attached)**

Name of Contractor or Construction Manager:

Company Name:

Address:

Primary Telephone  Mobile

Email address  Website

Applicants Architect:

Primary Telephone  Mobile

Email Address

**(Note: Blueprints or Rendering must be attached)**

Estimated Date of Project Commencement:  and Completion:

## **Required Documents to be attached:**

1. Applicable Building Permits and Zoning Board approval.
2. Contractors detailed cost estimate on Contractors letterhead
3. Project Budget breakdown of all anticipated expenses
4. Plan for post construction upkeep and sustainable ongoing operations
5. Letter from Property owner if applicant is a tenant authorizing project
6. Photographs of project location and existing structure
7. Detailed project plan and timeline for major milestones
8. FORHA and Unit HOA Restriction Committee Approvals (if applicable)

Applicant's Signature  Date

## MDD Website Draft 2.2

# Executive Summary

### MDD Mission Statement

**The Mission of the Fair Oaks Municipal Development District is to approve funding for economic development, retention and improvement of the District, and for the improvement of short and long term property values.**

### What is the MDD?

The Municipal Development District is a Fair Oaks Ranch taxing entity that was established in 2009 with the purpose of providing a stimulus of economic growth within the City of Fair Oaks Ranch. The citizens of Fair Oaks Ranch approved a .5 cent tax to be added to the municipal sales tax as a funding source. The funds collected are to be used to help fund projects, commercial, civic and governmental, that will provide for economic, social, and civic growth while ensuring or increasing property values.

### Who can use the MDD funds?

Commercial entities, civic organizations, governmental organizations and not for profit entities can apply for funding of projects that are qualified and meet standards that will provide economic growth, improve the quality of life for residents of Fair Oaks Ranch or offer social and/or safety benefits to the city and its residents.

### How does funding get approved?

Applicants will submit a formal application for consideration to the MDD that provides what the project would entail the expected benefits to the community, a business plan, funding provided by the applicant, proposed use of funds requested and timing of the proposed project. The MDD will evaluate requests to determine if the project meets the published State and Local standards^ for project funding. Funding from the MDD can be partial or up to matching depending on the business case and application request. The MDD board will make the final decision on the request and will authorize the amount of funding.

### What types of projects will be considered?

As stated, commercial, civic, safety, or municipal projects will be considered\*. Projects can range from, Municipal infrastructure projects , small civic projects proposed by: e.g. scouting groups, FAA, 4H and the like, to commercial businesses seeking funding for remodeling and enhancing current facilities. Examples: an Eagle Scout project to provide a safety improvement to a park, a small business would like to improve signage that improves the appearance of the business, a potential business owner would like to renovate a space to meet city codes, a road construction would resolve an entrance problem for a business, a new business wishes to build a structure. These are examples but do not limit the types of projects for which individuals or groups can apply for funding assistance.

**What will not be considered?**

Funding request for a commercial project that does not have committed funding from a financial or private investor, funding requests for projects outside of the City of Fair Oaks, funding requests that do not contribute to social norms, funding requests that do not meet City/ETJ ordinances, funding requests for private residences, or funding requests deemed detrimental to the life style of the community.

**How do I start?**

A Business Plan should be developed providing what the project will do, how it will be implemented, who will be responsible, what benefits it will provide, timing for completion, funding the applicant has secured, and funding requested from MDD. The funding from MDD will be provided upon completion of the project.

An application should be completed and accompany the Business Plan. The form can be found on the MDD website. Funding sources should be documented and will be verified prior to any decision to fund by the MDD Board. A meeting with the board will be required for the requestor to present the project and discuss the business plan.

\*Appendix A See attachment

^Appendix B See Attachment