

**CITY OF FAIR OAKS RANCH**  
**MUNICIPAL DEVELOPMENT DISTRICT MEETING**

Wednesday, January 08, 2025 at 4:00 PM

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

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## **AGENDA**

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### **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 October 9, 2024 Regular MDD Board meeting minutes

Keith Rhoden, MDD Secretary

### **REPORTS**

5. Quarterly Financial and Investment Report for the quarter ended December 31, 2024

Summer Fleming, CGFO, MDD Investment Officer

6. Fair Oaks Ranch Community Center project status update

Grant Watanabe, P.E., CFM, Director of Public Works & Engineering Services

### **CONSIDERATION / ACTION ITEMS**

7. Consideration and possible action to approve the MDD Audit Report for the fiscal year ended September 30, 2024

Summer Fleming, CGFO, MDD Investment Officer  
Jon Watson, CPA, Audit Partner, BrooksWatson & Co., PLLC

8. Discussion, consideration and possible action on the MDD Rules of Procedure

Laura Koerner, MDD President

9. Consideration and possible action regarding an MDD Grant Funding Application for Gateway Feature from the City of Fair Oaks Ranch

Laura Koerner, MDD President

**ADJOURNMENT**

Next quarterly meeting: April 9, 2025 AT 4:00 PM.

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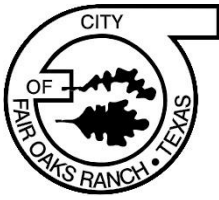
Signature of Agenda Approval: s/ Laura Koerner

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, January 5, 2025 and remained so posted continuously for at least 72 hours before said meeting was convened. A quorum of City Council and various boards, committees, and commissions may attend the Municipal Development District board meeting.

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.



## CITY OF FAIR OAKS RANCH

# MUNICIPAL DEVELOPMENT DISTRICT MEETING

Wednesday, October 09, 2024 at 4:00 PM

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

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## MINUTES

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### OPEN MEETING

#### 1. **Roll Call - Declaration of a Quorum.**

Present: President Laura Koerner, Vice President Nicholas DiCianni, Treasurer Mike Lovelace, Steven Robertson, and Ruben Olvera

Absent Secretary Keith Rhoden and David Fairhurst

With a quorum present, the meeting was called to order at 4:00 PM.

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

### CITIZENS and GUEST FORUM

#### 3. **Citizens to be heard** – No citizens signed up to speak.

### CONSENT AGENDA

#### 4. **Approval of the July 10, 2024 Regular MDD Board meeting minutes.**

The consent agenda was approved by consensus.

### REPORTS

#### 5. **Quarterly Financial and Investment Report for the Quarter Ended September 30, 2024.**

Summer Fleming, CGFO, MDD Investment Officer, provided a financial and investment report to the Board on the District's investment portfolio.

#### 6. **Financial Statement Auditor Selection.**

Summer Fleming, CGFO, MDD Investment Officer, announced the successful negotiation of a new contract for the MDD audit services by Brooks Watson & Co., PLLC.

#### 7. **Fair Oaks Ranch Community Center project status update.**

Grant Watanabe, P.E., Director of Public Works and Engineering Services, provided the Board an update that the schematic design for the community center has been completed and that the construction document is being produced. Once the plans are at 90% completion, the City Council will hold a workshop. The City expects that the project will go out for bid early in 2025.

**CONSIDERATION / ACTION ITEMS**

**8. Consideration and possible action regarding the election of MDD Officers for Fiscal Year 2024/2025.**

With only one nomination for each position, President Koerner called for votes on each of the positions as follows:

MOTION 1: Made by Ruben Olvera and seconded by Mike Lovelace to elect Laura Koerner for the position of MDD President, elect Nicholas DiCianni for the position of Vice President, elect Keith Rhoden for the position of Secretary, and elect Mike Lovelace for the position of Treasurer.

VOTE 4: 5-0; Motion Passed.

**9. Consideration and possible action regarding subcommittee assignments of current MDD Board Members.**

Laura Koerner, MDD President, confirmed that previous appointments will continue and no action was taken.

**10. Consideration of a resolution approving and adopting an amended Investment Policy for the Fair Oaks Ranch Municipal Development District.**

MOTION 1: Made by Treasurer Mike Lovelace and seconded by Mr. Olvera to approve a resolution adopting an amended Investment Policy for the investment of public funds.

VOTE 1: 5-0; Motion Passed.

**11. Discussion, consideration, and possible action on amendments to the existing Fair Oaks Ranch Municipal Development District Policy for Evaluation of Development Projects.**

The subcommittee will bring this item back for consideration at a future meeting.

**12. Discussion, consideration, and possible action on the following MDD policies, rules, procedures, document reviews, and committees:**

- **Rules of Procedure**
- **Interlocal Agreement with the City of Fair Oaks Ranch**
- **Policy Review Procedure**

Laura Koerner, MDD President, led a discussion with the Board regarding three policies scheduled for review as part of the MDD’s annual policy review process.

- 1.) **Rules of Procedure:** The Board reviewed the Rules of Procedure and discussed potential amendments, which will be considered at a future meeting.
- 2.) **Interlocal Agreement with the City of Fair Oaks Ranch:** The Board reviewed the agreement and authorized the President to update the document to include a list of services provided. The President was further directed to present the updated agreement to the City.
- 3.) **Policy Review Procedure:** The Board reviewed the District’s Policy Review Procedure and determined that no changes were necessary.

**13. Consideration and possible action regarding upcoming Regular MDD Board Meeting Dates.**

MOTION: Made by Steven Robertson, seconded by Ruben Olvera, that the MDD Board set the following dates for their known quarterly MDD regular meetings:

- January 8, 2025 at 4:00 PM.
- April 9, 2025 at 4:00 PM.
- July 9, 2025 at 4:00 PM.
- October 8, 2025 at 4:00 PM.

VOTE: 5-0; Motion Passed.

**ADJOURNMENT**

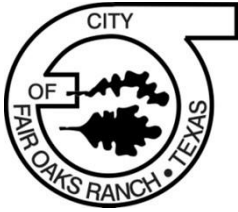
President Koerner confirmed that the next quarterly meeting is scheduled for January 8, 2025 at 4:00 PM.

President Koerner adjourned the meeting at 4:57 PM.

ATTEST:

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

\_\_\_\_\_  
Keith Rhoden, MDD Secretary




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**MUNICIPAL DEVELOPMENT DISTRICT  
REPORT**  
CITY OF FAIR OAKS RANCH, TEXAS

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AGENDA TOPIC: Quarterly Financial & Investment Report – Q1 FY2024-25  
 DATE: January 8, 2025  
 Department: Finance  
 PRESENTED BY: Summer Fleming, CGFO, MDD Investment Officer

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**INTRODUCTION/BACKGROUND:**

Pursuant to Government Code Section 2256.023 and the MDD's Investment Policy Section 12, 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 Q1 FY2024-25 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.

**LONG TERM FINANCIAL & BUDGETARY IMPACT:**

The District has collected \$40,053 in sales tax for the month of October and has accrued \$105,000 in sales tax for the months of November and December. Additionally, the District earned \$40,162 in interest this quarter.

Expenditures year to date total \$30,200 for the annual management fee paid to the City. Based on a trend seen over the last three months, the revenue projection for the fiscal year has increased \$79,000 higher than budget resulting in a projected addition to fund balance of \$615,525.

Investments are currently held in two local government investment pools with a combined balance of \$3.35 million as of December 31, 2024.

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Fair Oaks Ranch  
Municipal Development District  
Quarterly Financial & Investment Report

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For the Quarter Ended  
December 31, 2024

Prepared by:

*Summer Fleming*

Summer Fleming, MDD Investment Officer

Fair Oaks Ranch Municipal Development District  
 Statement of Revenues and Expenditures  
 For the Quarter Ended December 31, 2024

	<u>Budget</u>	<u>Year End Projected</u>	<u>Projected vs Budget</u>	<u>Year-to-Date Actual</u>	<u>Percent of Budget</u>
Beginning Fund Balance	3,331,455	3,331,455			
<u>Revenues</u>					
Local Sales Tax	504,000	533,000	29,000	145,053	28.78%
Interest	100,000	150,000	50,000	40,162	40.16%
Total Revenue	<u>604,000</u>	<u>683,000</u>	<u>79,000</u>	<u>185,215</u>	<u>30.66%</u>
<u>Expenditures</u>					
Supplies	250	250	-	-	0.00%
Training/Seminars	500	500	-	-	0.00%
Attorney	3,500	3,500	-	-	0.00%
Auditor	4,725	4,725	-	-	0.00%
Professional Services	33,450	33,450	-	30,150	90.13%
Insurance	50	50	-	50	100.00%
Grant Awards	25,000	25,000	-	-	0.00%
Total Expenditures	<u>67,475</u>	<u>67,475</u>	<u>-</u>	<u>30,200</u>	<u>44.76%</u>
Revenues over/(under) expenditures	536,525	615,525	79,000	155,015	28.89%
Ending Fund Balance	3,867,980	3,946,980			
<u>Ending Fund Balance Detail</u>					
Operating	50,000	50,000			
Infrastructure - Assigned	2,617,980	2,696,980			
Infrastructure - Committed	<u>1,200,000</u>	<u>1,200,000</u>			
	3,867,980	3,946,980			



Fair Oaks Ranch Municipal Development District  
Investment Report  
For the Quarter Ended December 31, 2024

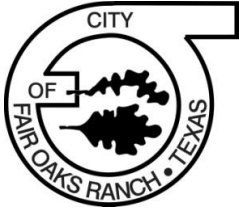
Description	Beginning Balance	Ending Balance	Market Value	QTD Interest	Fiscal YTD Interest	Avg Yield	Weighted Avg Maturity
Frost Bank	63,675	32,918	32,918	310	310	0.32%	N/A
TexPool	1,012,848	1,141,128	1,141,128	12,885	12,885	4.74%	36 Days
Texas Class	2,180,457	2,207,425	2,207,425	26,967	26,967	4.89%	39 Days
<b>Total</b>	<b>3,256,981</b>	<b>3,381,470</b>	<b>3,381,470</b>	<b>40,162</b>	<b>40,162</b>		

**Interest Rate Comparison**

Qtr Ended	TexPool	Texas CLASS	3 Month T-bill	6 Month T-bill	2 Year Treasury Note	CDARS 6 month CD
Mar-24	5.33%	5.57%	5.37%	5.34%	4.59%	4.73%
Jun-24	5.31%	5.43%	5.36%	5.32%	4.63%	4.73%
Sep-24	5.26%	5.39%	4.52%	4.23%	3.66%	3.74%
Dec-24	4.74%	4.89%	4.51%	4.42%	4.25%	3.97%
<b>Year Average</b>	<b>5.16%</b>	<b>5.32%</b>	<b>4.94%</b>	<b>4.83%</b>	<b>4.28%</b>	<b>4.29%</b>

**Trends and Future Outlook**

- The Fed announced another 25bps cut to the federal funds rate in December 2024, marking the third consecutive reduction this year and bringing borrowing costs to the 4.25%-4.5% range, in line with expectations. Policymakers now anticipate just two rate cuts in 2025 totaling 50 basis points,



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



AGENDA TOPIC: Consideration and possible action to approve the MDD Audit Report for the fiscal year ended September 30, 2024  
DATE: January 8, 2025  
PRESENTED BY: Summer Fleming, CGFO, MDD Investment Officer  
Jon Watson, CPA, Audit Partner, BrooksWatson & Co., PLLC

**INTRODUCTION/BACKGROUND:**

The Board of the Municipal Development District (MDD) requires that its financial statements are reviewed by an independent auditor on an annual basis.

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

An annual review of the financial records of the MDD serves as a check on the accuracy of records, compliance with accounting methods, and soundness of financial practices, including internal controls.

**LONGTERM FINANCIAL & BUDGETARY IMPACT:**

The financial statement audit was conducted by BrooksWatson & Co., PLLC at a cost of \$4,725 and resulted in an unmodified (“clean”) opinion.

**LEGAL ANALYSIS:**

N/A

**RECOMMENDATION/PROPOSED MOTION:**

I move to approve the MDD’s Audited Financial Report for the fiscal year ended September 30, 2024.

CITY OF  
**FAIR OAKS RANCH  
MUNICIPAL DEVELOPMENT  
DISTRICT**

7286 DIETZ ELKHORN. | FAIR OAKS RANCH TX 78015  
WWW.FAIROAKSRANCHTX.ORG | 210.698.0900

**2024**

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**FINANCIAL  
STATEMENTS**

FOR FISCAL YEAR ENDED  
SEPTEMBER 30, 2024

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*ANNUAL FINANCIAL REPORT*

of the

**City of Fair Oaks Ranch Municipal Development  
District**

**For the Year Ended  
September 30, 2024**

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# City of Fair Oaks Ranch Municipal Development District

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### Basic Financial Statements

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*INDEPENDENT AUDITOR'S REPORT*

To the Board of Directors of the  
City of Fair Oaks Ranch Municipal Development District

**Report on the Audit of the Financial Statements**

*Opinions*

We have audited the accompanying financial statements of the governmental activities and the general fund of the City of Fair Oaks Ranch Municipal Development District (the "District") as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the District, as of September 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

*Responsibilities of Management for the Financial Statements*

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's

ability to continue as a going concern for one year after the date that the financial statements are issued.

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Other Matters*

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and budgetary comparison information as presented in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



BrooksWatson & Co., PLLC  
Certified Public Accountants  
Houston, Texas  
January 3, 2025

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***MANAGEMENT'S DISCUSSION  
AND ANALYSIS***

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# City of Fair Oaks Ranch Municipal Development District

## MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

September 30, 2024

As management of the City of Fair Oaks Ranch Municipal Development District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2024.

### **Financial Highlights**

- At the close of the current fiscal year, the District's governmental funds reported combined fund balances of \$3,331,455, an increase of \$630,368. The increase was due to a significant surplus in revenues over expenditures.
- As of the end of the year, the unassigned fund balance of the general fund was \$50,000 or 130% of annual general fund expenditures.

### **District's Highlights**

The City of Fair Oaks Ranch Municipal Development District was formed on May 7, 2011 as a political subdivision of the State of Texas and the City of Fair Oaks Ranch in accordance with Chapter 377 of the Texas Local Government Code. It receives all of the proceeds from a 1/2 cent sales tax approved by a vote of the citizens in 2011 for economic development in the City of Fair Oaks Ranch and the Bexar County and Kendall County ETJ.

### **Using This Annual Financial Report**

This annual report consists of three parts: management's discussion and analysis, basic financial statements, and required supplementary information. The statement of net position and activities provide information on the District as a whole. The District's net position, the difference between assets and liabilities, provides one way to measure financial health or financial position of the District.

# City of Fair Oaks Ranch Municipal Development District

## MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

September 30, 2024

### Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	<u>2024</u>	<u>2023</u>
	<u>Governmental</u>	<u>Governmental</u>
	<u>Activities</u>	<u>Activities</u>
Cash and equivalents	\$ 3,256,981	\$ 2,623,523
Accounts receivable	75,342	77,739
<b>Total Assets</b>	<u>3,332,323</u>	<u>2,701,262</u>
Accounts payable	868	175
<b>Total Liabilities</b>	<u>868</u>	<u>175</u>
Unrestricted net position	3,331,455	2,701,087
<b>Total Net Position</b>	<u>\$ 3,331,455</u>	<u>\$ 2,701,087</u>

### Statement of Activities:

The following table provides a summary of the District's changes in net position:

	<u>2024</u>	<u>2023</u>
	<u>Governmental</u>	<u>Governmental</u>
	<u>Activities</u>	<u>Activities</u>
General revenues	\$ 510,915	\$ 453,885
Investment income	157,987	109,462
Total revenues	<u>668,902</u>	<u>563,347</u>
Administrative expenses	-	470
Management service fee to the City of Fair Oaks Ranch, Texas	30,150	30,150
Professional services	8,334	7,525
Insurance	50	50
Total expenses	<u>38,534</u>	<u>38,195</u>
Changes in net position	<u>\$ 630,368</u>	<u>\$ 525,152</u>



# City of Fair Oaks Ranch Municipal Development District

## MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2024

### BUDGET ANALYSIS

The District adopted a budget for the 2024 fiscal year with \$533,000 in revenues and \$42,050 in expenditures. Actual revenue exceeded the budget by \$135,902, and actual expenditures were \$3,516 less than the budget.

### ANALYSIS OF THE DISTRICT'S FUNDS

There are currently no differences between the government-wide financial statements and the fund statements of the District.

**Description of Current and Expected Conditions** – The District has budgeted \$604,000 in revenues and \$67,475 in expenditures for the 2025 fiscal year, with \$536,525 going to reserves for future capital projects.

### CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances and to show the District's accountability to its taxpayers. The District is a component unit of the City of Fair Oaks Ranch, Texas and therefore is presented with the City's finances. If you have any questions about this report, need additional financial information, or information on the City of Fair Oaks Ranch, Texas finances, contact the City of Fair Oaks Ranch Municipal Development District at 7286 Dietz Elkhorn, Fair Oaks Ranch, Texas 78015.

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## *FINANCIAL STATEMENTS*

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# City of Fair Oaks Ranch Municipal Development District

## STATEMENT OF NET POSITION

September 30, 2024

	<u>Governmental Activities</u>
<b><u>Assets</u></b>	
Current assets:	
Cash and cash equivalents	\$ 3,256,981
Sales tax receivable	75,342
	<hr/>
<b>Total Current Assets</b>	<b>3,332,323</b>
	<hr/>
<b>Total Assets</b>	<b>3,332,323</b>
	<hr/>
<b><u>Liabilities</u></b>	
Current liabilities:	
Payable to City of Fair Oaks Ranch	868
	<hr/>
<b>Total Current Liabilities</b>	<b>868</b>
	<hr/>
<b>Total Liabilities</b>	<b>868</b>
	<hr/>
<b><u>Net Position</u></b>	
Unrestricted	3,331,455
	<hr/>
<b>Total Net Position</b>	<b>\$ 3,331,455</b>
	<hr/> <hr/>

See Notes to Financial Statements.

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# City of Fair Oaks Ranch Municipal Development District

## STATEMENT OF ACTIVITIES For the Year Ended September 30, 2024

<u>Expenses</u>	<u>Governmental Activities</u>
General government:	
Management service fee to the City of Fair Oaks Ranch, Texas	\$ 30,150
Professional services	8,334
Insurance	50
<b>Total general government expenses</b>	<b>38,534</b>
<u>General Revenues</u>	
Sales taxes	510,915
Investment income	157,987
<b>Total general government revenues</b>	<b>668,902</b>
<b>Change in Net Position</b>	<b>630,368</b>
<b>Net Position - Beginning</b>	<b>2,701,087</b>
<b>Net Position - Ending</b>	<b>\$ 3,331,455</b>

See Notes to Financial Statements.

# City of Fair Oaks Ranch Municipal Development District

*BALANCE SHEET*  
September 30, 2024

	<u>General Fund</u>
<b><u>Assets</u></b>	
Cash and cash equivalents	\$ 3,256,981
Sales tax receivable	75,342
<b>Total Assets</b>	<u><u>3,332,323</u></u>
<b><u>Liabilities</u></b>	
Payable to City of Fair Oaks Ranch	868
<b>Total Liabilities</b>	<u>868</u>
<b><u>Fund Balance</u></b>	
Committed for:	
Infrastructure improvements	1,200,000
Assigned for:	
Infrastructure improvements	2,081,455
Unassigned fund balance	50,000
<b>Total Fund Balance</b>	<u>3,331,455</u>
<b>Total Liabilities and Fund Balance</b>	<u><u>\$ 3,332,323</u></u>

See Notes to Financial Statements.



**City of Fair Oaks Ranch Municipal Development District**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**For the Year Ended September 30, 2024**

	<b>General Fund</b>
	<hr/>
<b><u>Revenues</u></b>	
Sales tax	\$ 510,915
Investment income	157,987
	<hr/>
<b>Total Revenues</b>	<b>668,902</b>
	<hr/>
<b><u>Expenditures</u></b>	
Current - General government:	
Management service fee to the City of Fair Oaks Ranch, Texas	30,150
Professional services	8,334
Insurance	50
	<hr/>
<b>Total Expenditures</b>	<b>38,534</b>
	<hr/>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>630,368</b>
<b>Net Change in Fund Balances</b>	<b>630,368</b>
Beginning fund balance	2,701,087
	<hr/>
<b>Ending Fund Balance</b>	<b>\$ 3,331,455</b>
	<hr/> <hr/>

See Notes to Financial Statements.

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# City of Fair Oaks Ranch Municipal Development District

## NOTES TO FINANCIAL STATEMENTS

September 30, 2024

### I. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The government-wide financial statements are presented in accordance with GASB 34, which mandates government-wide financial statements of net position and activities, and are presented on the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of the related cash flows. It also requires that fixed assets be recorded at cost less accumulated depreciation.

Governmental funds use the modified accrual basis of accounting. Under this method, revenues are recognized in the accounting period in which they become both available and measurable (flow of current financial resources measurement focus). Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

The most significant accounting policies of the District are described below.

#### A. Reporting Entity

The City of Fair Oaks Ranch Municipal Development District (the "District") is a political subdivision of the State of Texas and the City of Fair Oaks Ranch in accordance with Chapter 377 of the Texas Local Government Code. The District was created May 7, 2011 to act on behalf of the City for promotion, development and enhancement of economic development within the City of Fair Oaks Ranch. As a separate legal entity whose Board of Directors is appointed by, and whose budget must be approved by the City Council of the City of Fair Oaks Ranch, the District is considered a component unit of the City of Fair Oaks Ranch.

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP), as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing government accounting and financial reporting principles. The financial statements present the financial position and results of operations of the District only.

# City of Fair Oaks Ranch Municipal Development District

## NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

### B. Financial Statements Presentation

These financial statements include implementation of Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. Requirements of the statement include the following:

- A Management’s Discussion and Analysis (MD&A) section providing an analysis of the District’s overall financial position and results of operations;
- Financial statements prepared using full accrual accounting for all of the District’s activities;
- A change in the fund financial statements to focus on the major fund, which is prepared using modified accrual accounting.

GASB Statement No. 34 established standards for external financial reporting for all state and local governmental entities, which includes a statement of net position and a statement of activities. It requires the classification of net position into three components: net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- **Net investment in capital assets**—This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted**—This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted**—This component of net position consists of net position that do not meet the definition of “restricted” or “net investment in capital assets.”

### C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information about the District as a whole.

# City of Fair Oaks Ranch Municipal Development District

## NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs and grants that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, such as taxes and investment earnings, are presented as general revenues.

Governmental funds are those funds through which most governmental functions are typically financed.

The government reports only one governmental fund:

### **General Fund**

The General Fund accounts for all financial resources of the District.

### **D. Measurement Focus and Basis of Accounting**

The government-wide statements of net position and statements of activities are accounted for on a flow of economic resources measurement focus, accrual basis of accounting. With this measurement focus, all assets and all liabilities associated with the operations of these activities are included on the balance sheet.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing resources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The District utilizes the modified accrual basis of accounting in the governmental fund type. Under the modified accrual basis of accounting, revenues are recognized in the accounting period when they are susceptible to accrual (i.e., when they are measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues available if they are collected within 60 days of the end of the

# City of Fair Oaks Ranch Municipal Development District

## NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

current period. Revenues susceptible to accrual include charges for services and interest on temporary investments.

Sales taxes and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. Other receipts and other taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

Under modified accrual accounting, expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for interest on general long-term debt, which is recognized when due.

### **E. Assets, Liabilities, and Fund Equity or Net Position**

#### **1. Deposits and Investments**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

The District may invest its excess funds in any instruments authorized by the Public Funds Investment Act of Texas. Investments authorized under this Act include, but are not limited to, the following: obligations of the United States or its agencies and instrumentalities; direct obligations of the State of Texas or its agencies and instrumentalities; collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities; certificates of deposit issued by a state or financial institution domiciled in the State of Texas which is guaranteed or insured by the Federal Deposit Insurance Corporation ("FDIC") or otherwise secured; and certain repurchase agreements.

#### **2. Fair Value**

The District has applied Governmental Accounting Standards Board ("GASB") Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes

# City of Fair Oaks Ranch Municipal Development District

## NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

and applying fair value to certain investments and disclosures related to all fair value measurements.

### 3. Fund Balance

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned, or unassigned based primarily on the extent to which the District is bound to honor constraints on how specific amounts can be spent:

- Nonspendable fund balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventories or prepaid amounts) or legally required to remain intact. Nonspendable items are not expected to be converted to cash within the next year.
- Restricted fund balance - represents amounts with external constraints placed on the use of these resources (such as debt covenants, grantors, other governments, etc.) or imposed by enabling legislation (such as municipal court fines).
- Committed fund balance - represents amounts that can only be used for specific purposes imposed by a formal action of the entity's highest level of decision-making authority, the Board of Directors. Committed resources cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by the same action previously used to commit those amounts. Commitments are typically done through adoption and amendment of the budget.
- Assigned fund balance - represents amounts the entity intends to use for specific purposes as expressed by the Board of Directors or an official delegated the authority to assign amounts. This is the residual classification for all governmental funds other than the general fund.
- Unassigned fund balance - represents the residual classification for the general fund or deficit fund balances in other funds.

### 4. Fund Balance Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted,

# City of Fair Oaks Ranch Municipal Development District

## NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are to be applied. The District considers restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

### 5. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

### 6. Sales tax revenue

In 2011, the citizens of the City of Fair Oaks Ranch approved by a vote an additional one-half of one percent (1/2 cent or \$0.005) local sales and use tax to be used by the District for economic development within the City of Fair Oaks Ranch and the Bexar County and Kendall County ETJ.

### 7. Federal Income Tax Status

As a City Municipal Development Corporation formed in accordance with Texas state statute, the District's income is derived from essential government function under the general definitions of a public agency of the state, a political subdivision thereof, or a municipality, as provided for by the Internal Revenue Code and as such is excludable from gross income. Therefore, no provision for income taxes is made in the financial statements.

### 8. Subscription Based Information Technology Arrangements ("SBITA")

The District adopted the provision of Governmental Accounting Standard Board (GASB) Statement No. 96, entitled Subscription-Based Information Technology Arrangements ("SBITA") in the prior year. The Statement is based on the principle that SBITAs are financings of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). It establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability.



# City of Fair Oaks Ranch Municipal Development District

## NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

The District monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

### 9. Budgets

The District adopts annual operating, and, if necessary, capital budgets which are approved by the City of Fair Oaks Ranch, Texas's City Council. Formal budgetary accounting is employed as a management control. The budgets can be amended by the Board of Directors, subject to City Council approval. Actual expenditures cannot legally exceed budgeted appropriations at the fund level. All budgeted appropriations lapse at the end of each fiscal year.

## II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

### A. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general fund. The legal level of control is the fund level.

The following procedures are followed in establishing the budgetary data:

- Prior to September 30, the District prepares a budget for the next succeeding fiscal year beginning October 1. The operating budget includes proposed expenditures and the means of financing them.
- A meeting of the Board is then called for the purpose of adopting the proposed budget.
- Prior to September 30, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. The City Council of the City of Fair Oaks Ranch must also approve the budget and any amendments to that budget.
- All budget appropriations lapse at year end.

# City of Fair Oaks Ranch Municipal Development District

## NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

### III. DETAILED NOTES ON ALL FUNDS

#### A. Deposits and Investments

##### Deposits

*Custodial credit risk* – at September 30, 2024, the carrying amount of the District’s deposits in the bank was \$63,675 and the bank balance was the same. The bank balance was fully covered by federal deposit insurance as of September 30, 2024.

##### Investments

The District is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowance investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

The Public Funds Investment Act (“Act”) requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statement disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the District has adhered to the requirements of the Act. Investment practices of the District were in accordance with local policies. The Act determines the types of investments which are allowable for the District. These include, with certain restrictions, 1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, 2) certificates of deposit, 3) money market mutual funds, and 4) eligible public funds investment pools.

As of September 30, 2024, the District had the following investments:

<u>Investment Type</u>	<u>Value</u>	<u>Weighted Average Maturity (Years)</u>
Investment pool - Texpool	\$ 1,012,848	0.07
Investment pool - Texas CLASS	2,180,457	0.10
Total	<u>\$ 3,193,305</u>	
Portfolio weighted average maturity		0.09

# City of Fair Oaks Ranch Municipal Development District

## NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

### *Custodial credit risk*

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. All of the District's investments are held by its agents in the District's name.

### *Interest rate risk*

In accordance with its investment policy, the District manages its exposure to declines in fair values by limiting the weighted average maturity of its operating investment portfolio to less than 13 months. The District's investment policy limits the final stated maturity of any security to no more than two years. As a matter of policy, the District holds all investments to maturity.

### *Credit risk*

The District's investment policy states that investments in local government pools will be no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service.

### *Investment accounting policy*

The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

### *Public funds investment pools*

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other

# City of Fair Oaks Ranch Municipal Development District

## NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares. TexPool is an investment pool that meets these criteria.

TexPool is an investment pool in which the Comptroller of Public Accounts is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company (the Trust Company), which is authorized to operate the pool. Federated Investors, Inc. manages the assets under an agreement with the Comptroller, acting on behalf of the Trust Company. TexPool is reported at amortized cost and does not have any limitations or restrictions on participants' withdrawals.

The District is invested in Texas Cooperative Liquid Assets Securities System (Texas CLASS) Trust. Texas CLASS was created as an investment pool for its participants pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code, or other laws of the State of Texas governing the investment of funds of a participant or funds under its control. Texas CLASS is administered by Public Trust Advisors, LLC with Wells Fargo Bank Texas, NA as the Custodian and is supervised by a Board of Trustees who are elected by the participants. The District does not have any unfunded commitments related to the pool. Each investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity. The fair value of the investments in each pool have been determined using the NAV per share of investments. The redemption frequency is daily and there is not a redemption notice period for the pool.

### B. Receivables

The following comprise receivable balances of the District at year end:

	<b>General</b>
Sales tax	\$ 75,342
<b>Total</b>	<b>\$ 75,342</b>

# City of Fair Oaks Ranch Municipal Development District

*NOTES TO FINANCIAL STATEMENTS, Continued*

September 30, 2024

## IV. OTHER INFORMATION

### A. Litigation

Management of the District is not aware of any pending litigation.

### B. Subsequent Events

There were no material subsequent events warranting disclosure through January 3, 2025, the date the financial statements were available to be issued.

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***REQUIRED SUPPLEMENTARY INFORMATION***

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# City of Fair Oaks Ranch Municipal Development District

## BUDGETARY COMPARISON SCHEDULE

### GENERAL FUND

For the Year Ended September 30, 2024

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Sales taxes	\$ 450,000	\$ 510,915	\$ 60,915
Investment income	83,000	157,987	74,987
<b>Total Revenues</b>	<u>533,000</u>	<u>668,902</u>	<u>135,902</u>
<b>Expenditures</b>			
Current - General government:			
Administrative	500	-	500
Management service fee	30,150	30,150	-
Professional services	11,350	8,334	3,016
Insurance	50	50	-
<b>Total Expenditures</b>	<u>42,050</u>	<u>38,534</u>	<u>3,516</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	490,950	630,368	139,418
<b>Net Change in Fund Balance</b>	<u>\$ 490,950</u>	630,368	<u>\$ 139,418</u>
Beginning fund balance		2,701,087	
<b>Ending Fund Balance</b>		<u>\$ 3,331,455</u>	

#### Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

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**ARTICLE I  
OFFICE, AGENT, PURPOSE, POWERS**

**SECTION 1. REGISTERED OFFICE AND REGISTERED AGENT**

The Fair Oaks Ranch Municipal Development District ("District") shall have and continuously maintain in the City of Fair Oaks Ranch ("City") a registered office, which registered office shall be the depository for all records of the district, and a registered agent whose office is identical with such registered office. The Registered Agent for the District shall be the President of the District. The registered office of the District shall be 7286 Dietz Elkhorn, Fair Oaks Ranch, TX 78015 whose mailing address is the same.

**SECTION 2. PURPOSE**

The District is a political subdivision of the State of Texas and the City for the purposes set forth in the Rules of Procedure, the same to be accomplished on behalf of the City as its duly constituted authority and instrumentality in accordance with Chapter 377 of the Texas Local Government Code ("Act"), other Applicable laws. The District was established for the purpose of developing and financing all permissible projects prescribed by the Act.

**SECTION 3. POWERS**

In the fulfillment of its purpose, the District shall be governed by the Act, and shall have all of the powers set forth and conferred in the Act, and in other applicable laws, subject to the limitations prescribed therein and herein and to the provisions thereof and hereof.

**ARTICLE II  
BOARD OF DIRECTORS**

**SECTION 1. NUMBER AND TERM OF OFFICE**

- A. The property and affairs of the District shall be managed and controlled by the Board and subject to the restrictions imposed by law and these Rules of Procedure. The Board shall exercise all of the powers of the District.
- B. The Board shall consist of seven (7) ~~Directors~~, each of whom shall be appointed by the City Council of the City. Each of the Directors shall be a resident of the City of Fair Oaks Ranch ~~or a resident of the City of Fair Oaks Ranch's Extraterritorial Jurisdiction~~ Municipal Development District.
- C. ~~Each member~~ Director of the Board shall be appointed and serve two (2) years or until a successor is appointed as hereinafter provided.
  - a. Two (2) members ~~Directors~~ shall be ~~persons who are~~ appointed from the members of the Fair Oaks Ranch City Council. If a Director appointed to a City Council designated Place leaves the City Council during their term and is still eligible to serve on the MDD Board, the Director will continue to serve in their position until the end of their MDD term, unless they resign or are removed by City Council.

b. Five (5) Directors shall be appointed from at-large residents of the District. If an At-Large Director becomes a member of the City Council during their term and is still eligible to serve on the MDD Board, the Director will continue to serve in their position until the end of their MDD term, unless they resign or are removed by City Council. and one (1) member shall be a person who is a member of the Fair Oaks Ranch Homeowner's Association.

c. At no time shall there be a quorum of City Council on the Board.

D. Any Director may be removed from office ~~by the~~ by the City Council, ~~at~~ will.

**SECTION 2. VACANCIES AND RESIGNATIONS**

A vacancy in any position of Director which occurs by reason of death, resignation, disqualification, removal or otherwise shall be filled by the City Council. A Director may resign at any time. Such resignation shall be made in writing, addressed to the Mayor and the City Secretary, with a copy to the Board, and shall take effect at the time specified therein, or if no time is specified, at the time of its receipt by the City Secretary. If a vacancy occurs within a term, the appointment will be for the unexpired term of the vacated position.

**SECTION 3. MEETINGS**

The Board will meet in a public place, and on a day and time as set forth by the President at a minimum of no less than each ~~six three (63)~~ calendar months of each fiscal year. The President, or upon the President's incapacity, the Vice-President, may call special meetings of the Board of Directors at such time as may be required.

**SECTION 4. QUORUM**

A quorum shall consist of a majority of the non-vacant Board positions, which shall be present for the conduct of the official business of the District. The act of a majority of the Directors at a meeting at which a quorum is in attendance shall constitute an action of the Board and of the District.

**SECTION 5. COMPENSATION OF DIRECTORS**

The Directors, including Officers shall not receive any salary or compensation for their services, however, Directors may, with prior approval of the Board, be reimbursed for their actual expenses incurred in the performance of their duties hereunder, including but not limited to the cost of travel, lodging and incidental expenses reasonably related to the duties of the Board. Travel expenses incurred by Directors for both regular and special meetings are not eligible for reimbursement.

**ARTICLE III  
OFFICERS**

**SECTION 1. TITLES AND TERM OF OFFICE**

The Board of Directors shall choose from its members a President, Vice-President, Secretary and a Treasurer. The President, Vice-President, Secretary and Treasurer shall be elected by the Board of Directors by a majority vote of a quorum of the members at the first meeting held after the annual appointment of Board members by the Fair Oaks Ranch City Council.

**SECTION 2. POWERS AND DUTIES OF THE PRESIDENT**

The President shall be the Chief Executive Officer of the District, and shall, subject to the authority of the Board, preside at all meetings of the Board, and absent any different designation by the majority of the Board, shall sign and execute all contracts, conveyances, franchises, bonds in the name of the District. In addition, the President shall:

- A. Call both regular and special meetings of the Board and establish the agenda for such;
- B. Have the right to vote on all matters coming before the Board;
- C. Have the authority to appoint standing or study committees to aid and assist the Board in its business undertaking or other matters incidental to the operation and functions of the Board.
- D. Perform all duties incident to the office, and such other duties as shall be prescribed from time to time by the Board.
- E. Appear before the City Council, or be represented by a designee, periodically to give a report on the status of the activities of the District; and
- F. Appear before the City Council, or be represented by a designee, regarding any item being considered by the City Council concerning the District.

**SECTION 3. VICE-PRESIDENT**

The Vice-President shall exercise the powers of the President during that officer's absence, inability to act or expired term before the election of a new President. The Vice-President shall perform other duties as from time to time may be assigned by the President or the Board.

**SECTION 4. SECRETARY**

The Secretary shall ensure that: the minutes of the Board and its committees are recorded and retained as records of the District, all notices posted and served as required by law, the books, records and all documents and instruments are open to public inspection upon application at the office of the District during business hours. The Secretary shall attest the signature of the President or any other officer of the District.

**SECTION 5. TREASURER**

The Treasurer shall have the responsibility to ensure the proper handling, custody and security of all funds and securities of the District. The Treasurer may be required, at the expense of the District to give such bond for the faithful discharge of the duties in such form and amount as the Board may require by resolution. The Treasurer shall provide for financial reports of the District's activities in accordance with all statutory and MDD policy requirements. The Treasurer shall ensure compliance with the requirements under Article IV. Section 1: Annual Budget, and Section 2. Financial Books, Records, Audits.

**SECTION 6. CONFLICT OF INTEREST**

The members of the Board of Directors shall be considered local public officials within the meaning of Chapter 171 of the Texas Local Government Code. If a Director has a substantial interest, as that term is defined in said Chapter, in a business entity or real property which is the subject of

deliberation by the Board of Directors, the Director shall file an affidavit with the Secretary of the District stating the nature or extent of the interest. Such affidavit shall be filed prior to any vote or decision upon the matter of the Board of Directors, and if required by said Chapter, the interested Director shall abstain from any vote or decision upon the matter.

**SECTION 7. IMPLIED DUTIES**

The District is authorized to take such actions as it may deem reasonable or necessary to accomplish any of the purposes or duties set out in these Rules of Procedure in accordance with the Act and any other applicable law.

**ARTICLE IV  
FUNCTIONAL DUTIES AND RESPONSIBILITIES  
GENERAL ECONOMIC DEVELOPMENT PLAN**

The District may research, develop and prepare any Economic Development Plan for the City, which shall include proposed methods and the expected costs of implementation. The Plan shall include both short- term and long-term goals for the economic development of the City, proposed methods for the elimination of unemployment and under-employment, and the promotion of employment, through the expansion and development of a sound, retail and commercial base for and within the City. The District shall review and update the Plan each year prior to submission of the annual budget required by other provisions of these Rules of Procedure.

**SECTION 1. ANNUAL BUDGET**

On or before July 15th of each year the Treasurer shall prepare and present a proposed budget of expected revenues and proposed expenditure for the next ensuing fiscal year to the Board. The fiscal year of the District shall commence on October 1st of each year and end on September 30th. The Budget shall be approved by the Fair Oaks Ranch City Council no later than the Council's last regular September Council Meeting.

**SECTION 2. FINANCIAL BOOKS, RECORDS, AUDITS**

The Treasurer shall keep and properly maintain, in accordance with generally accepted accounting principles, complete financial books, records, accounts and financial statements pertaining to its funds, activities and affairs.

The District's financial books, records, accounts, and financial statements shall be audited at least once each fiscal year by an outside, independent auditing and accounting firm selected by the District. Such audit shall be at the expense of the District.

A copy of the final audit shall be filed with the City Secretary of the City of Fair Oaks Ranch.

**ARTICLE V  
MISCELLANEOUS PROVISIONS**

**SECTION 1. INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES**

As provided in the Act, the District is for the purpose of the Texas Tort Claims Act (Subchapter A, Chapter 101, Texas Civil Practices and Remedies Code), a governmental unit, and its actions are governmental functions. The District shall indemnify each and every member of the Board, its officers and its employees to the fullest extent permitted by law against any and all liability or expense, including attorney fees, incurred by any of such person by reason of any actions or omissions that may arise out of the functions and activities of the District. The indemnity shall apply even if one or more of those to be indemnified was negligent or caused or contributed to cause any loss, claim, action, or suit.

Specifically, it is the intent of these Rules of Procedure and the District to require the District to indemnify those named for indemnification, even for the consequences of the negligence of those indemnified which caused or contributed to cause any liability.

The District shall purchase and maintain insurance on behalf of any Director, Officer, employee or agent of the District, or on behalf of any person serving at the request of the District as a Board member, officer, employee or agent of another District, partnership, joint venture, trust or other enterprise, against any liability asserted against that person and incurred by that person in any such capacity or arising out of any such status with regard to the District, whether or not the District has the power to indemnify that person against liability for any of those acts.

**SECTION 2. GIFTS**

The Board may accept on behalf of the District any contribution, gift, bequest or device for the general purposes of the District.

**SECTION 3. AMENDMENTS TO RULES OF PROCEDURE**

The Board's Rules of Procedure may be amended or repealed, and new Rules of Procedure may be adopted by any affirmative vote of Five (5) of the authorized Directors serving on the Board.

**SECTION 4. EFFECTIVE DATE**

These Rules of Procedure and any subsequent amendments hereto, shall be effective as of and from the date on which approval has been given by the Board of Directors of the Fair Oaks Ranch Municipal Development District.

I certify that I am the duly elected President of the Fair Oaks Ranch Municipal Development District, and these Rules of Procedure were duly adopted at the meeting of the Board of Directors held on ~~October 13~~ January 8, 2021 and do constitute the Rules of Procedure of the District.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2025.

ATTEST:

\_\_\_\_\_  
Laura Koerner  
President of the District

\_\_\_\_\_  
Keith Rhoden  
Secretary of the District

CODE OF ORDINANCES  
City of Fair Oaks Ranch

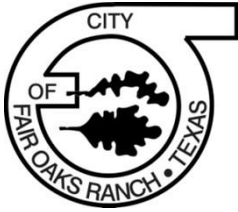
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### Sec. 1.08.001 Municipal Development District Board of Directors

- (a) Creation of Board of Directors. A Board of Directors (the "board") which is hereby created which shall manage and control the district. The board shall exercise all of the powers of the district subject to the restrictions imposed by law and any duly and properly enacted ~~by laws~~ rules of procedure adopted by the board.
- (b) Composition and terms of office.
- (1) The board shall consist of seven (7) Directors, each of whom shall be appointed by the City Council by resolution. Each of the Directors shall be a resident of the Fair Oaks Ranch Municipal Development District (the "District"). ~~City or a resident of the City's extraterritorial jurisdiction.~~
  - (2) Two (2) Directors shall be designated to be appointed from persons who are members of the City Council. ~~Five (5) Directors shall be designated to be appointed from at-large residents of the District. and one (1) Director shall be a person who is a member of the City's Homeowner's Board of Directors.~~ Each Director shall be appointed to a place as follows:
    - (A) Place one: City Councilmember.
    - (B) Place two: City Councilmember.
    - (C) Place three: At-large. ~~Member of the City's Homeowner's Board of Directors.~~
    - (D) Place four: At-large.
    - (E) Place five: At-large.
    - (F) Place six: At-large.
    - (G) Place seven: At-large.
  - (23) Each Director shall be appointed for a two (2)-year staggered term to begin on October 1st and end on September 30th of the second year. A Director shall serve until a successor is appointed.
  - (43) Any Director may be removed from the board by the City Council at any time without cause.
  - (5) If a Director appointed to a City Council designated Place leaves the City Council, for any reason, during their term and is still eligible to serve on the MDD Board, the Director will continue to serve in their position until the end of their MDD term, unless they resign or are removed by City Council.
  - (6) If an At-Large Director becomes a member of the City Council during their term, the Director will continue to serve in their position until the end of their MDD term, unless they resign or are removed by City Council.
  - (7) At no time shall there be a quorum of City Council members serving on the board.
- (c) Annual budget. The fiscal year of the district shall commence on October 1st of each year and end on September 30th of the following year. The board's budget shall be approved by the City Council no later than the City Council's ~~last regular~~ September council meeting.
- (d) Annual audit. The district's financial books, records, accounts, and financial statements shall be audited at least once each fiscal year by an outside, independent auditing and accounting firm at the expense of the district. A copy of the final audit shall be filed with the City Secretary no later than March 30th of the following fiscal year for which the audit is performed for.

(Ordinance 2011-08 adopted 8/18/11)






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

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AGENDA TOPIC: Consideration and possible action regarding an MDD Grant Funding Application for Gateway Feature from the City of Fair Oaks Ranch

DATE: January 8, 2025

Department: MDD Board

PRESENTED BY: Laura Koerner, MDD President

---

**INTRODUCTION/BACKGROUND:**

City staff received an MDD funding application (**Exhibit A**) from the City of Fair Oaks Ranch on December 23, 2024, requesting funding support for the Fair Oaks Ranch Gateway Monument Project. The project aims to create an iconic entryway at the intersection of Fair Oaks Parkway and Leslie Pfeiffer Drive. The City is requesting a cumulative amount of \$148,128.50, which represents the full project cost inclusive of the \$25,000 designated for the design and engineering costs that the City has already funded, as well as the projected construction costs of the project in the amount of \$123,128.50.

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

The Fair Oaks Ranch Municipal Development District Policy For Evaluation Of Development Projects (**Exhibit B**) established an objective and consistent process for evaluating proposed development projects to ensure that Fair Oaks Ranch Municipal Development District Board grant awards are in compliance with legal and policy requirements and provide enduring value for Fair Oaks Ranch. Appendix A of Exhibit B, MDD Eligible Project Category, states that the Board will consider development projects as allowed and defined by Local Government Code Chapter 377; and Chapters 505.151-158.

**LONG TERM FINANCIAL & BUDGETARY IMPACT:**

If the grant application is approved, a budget amendment appropriating \$148,128.50 will be required as no grant expenditures have been budgeted this fiscal year. Budget amendments must be approved by the Board and City Council.

**LEGAL ANALYSIS:**

The MDD attorney has been provided a copy of the application. If the Board takes action to approve the application, a grant agreement will be drafted for this project by the MDD Attorney.

**RECOMMENDATION/PROPOSED MOTION:**

I move to approve the MDD funding application from the City of Fair Oaks Ranch for a Gateway Monument Project for an amount not to exceed \$148,128.50. Additionally, I move to authorize the MDD Chair to enter into negotiations for a grant award agreement with the City of Fair Oaks Ranch, with the final, tentative agreement to be presented to the MDD Board for review and approval prior to execution.



**Date:** December 11, 2024  
**To:** Municipal Development District (MDD)  
**From:** City of Fair Oaks Ranch  
**Ref:** MDD Grant Funding Application for Gateway Feature

On behalf of the City of Fair Oaks Ranch, I am pleased to submit the attached grant application for funding support from the Municipal Development District (MDD) for the Fair Oaks Ranch Gateway Monument Project. This project aims to create a visually striking and iconic entryway at the intersection of Fair Oaks Parkway and Leslie Pfeiffer Drive. The project is a key component of our ongoing efforts to enhance community identity, increase property values, and support economic growth within the City.

The Gateway Monument Project involves the construction of a masonry entry monument with decorative signage, metal beams, and an arched metal element. Additional enhancements include stone columns, electrical service, lighting, a concrete header curb, and landscaping with native vegetation. Collectively, these elements will serve to beautify the area, promote civic pride, and make Fair Oaks Ranch more attractive to residents, businesses, and visitors.

We are requesting grant funding in the cumulative amount of \$148,128.50, which represents the full project cost inclusive of the \$25,000 designated for the design and engineering costs that the City has already funded, as well as the projected construction costs of the project in the amount of \$123,128.50. The City's Public Works Department, led by Public Works Director Grant Watanabe, P.E., and Project Manager Kelsey Delgado, will oversee the project to ensure timely and efficient completion.

To support this funding request, we have included the following key attachments for your review:


- Grant Application: Comprehensive details about the project's scope, benefits, and funding request.
- Required Document Responses for questions 1-8 of the grant application.
- Opinion of Probable Construction Costs: An itemized cost breakdown prepared by Halff Associates, Inc., with a total project cost for construction services of \$123,128.50.
- Project Depictions: Design documents and visual representations of the planned monument, landscaping, and related features.
- Resolution 2024-28: A Resolution of the City Council of the City of Fair Oaks Ranch, Texas Authorizing Execution of an Agreement for Design Services of a Gateway Feature, Expenditure of the Required Funds, and Execution of All Applicable Documents by the City Manager and Directing the City Manager to Submit a Grant Application to the Municipal Development District.

We believe that the Gateway Monument will provide long-term value to the City by reinforcing a positive image of our community and supporting future economic development. The project's sustainable ongoing operations and upkeep will be incorporated into the routine maintenance schedule managed by the City's Public Works Department.

We appreciate your consideration of this request and look forward to your support. Should you require any additional information or have questions regarding the project, please do not hesitate to contact Joanna Merrill, Director of Human Resources and Communications at 210-698-0900 or via email at [jmerrill@fairoaksranchtx.org](mailto:jmerrill@fairoaksranchtx.org).

Thank you for your time and attention to this important initiative.

Sincerely,

DocuSigned by:  
  
48B670FFA492487...

Scott Huizenga  
City Manager  
O: 210-698-0900  
Email: [shuizenga@fairoaksranchtx.org](mailto:shuizenga@fairoaksranchtx.org)

Required Documents Response:

- 1.) Applicable Building Permits and Zoning Board approval.
  - a. N/A
- 2.) Contractors detailed cost estimate on Contractors letterhead
  - a. See "Attachment A"
- 3.) Project Budget breakdown of all anticipated expenses

DESCRIPTION	AMOUNT
DESIGN & ENGINEERING COSTS	\$25,000.00 Pre-Paid
REMOVE EXISTING CURB ENTRY MONUMENT	\$500.00
CONCRETE HEADER CURB	\$36,000.00
FENCE COLUMNS	\$8,200.00
FENCE	\$18,000.00
VEGETATION	\$10,000.00
IRRIGATION	\$1,225.00
LIGHTING	\$3,000.00
ELECTRICAL SERVICE	\$14,000.00
INSURANCE & BOND (2%)	\$10,000.00
MOBILIZATION (10%)	\$2,018.50
CONTINGENCY (10%)	\$10,092.50
<b>CONSTRUCTION TOTAL</b>	<b>\$148,128.50</b>

- 4.) Plan for Post-Construction Upkeep and Sustainable Ongoing Operations
  - a. The upkeep and sustainable ongoing operations of the Fair Oaks Ranch Gateway Monument will be incorporated into the routine maintenance schedule of the City's existing properties. This will ensure consistent care and preservation of the monument's structural integrity, landscaping, and lighting features. Regular inspections, cleaning, and any necessary repairs will be managed by the City's Public Works Department as part of its ongoing maintenance responsibilities.
- 5.) Letter from Property owner if applicant is a tenant authorizing project
  - a. N/A
- 6.) Photographs of project location and existing structure
  - a. See "Attachment B"

- 7.) Detailed project plan and timeline for major milestones
  - a. See below project schedule

**GATEWAY SCHEDULE**

	DEC 24	JAN 25	FEB	MAR	APR	MAY	JUN	JUL
Advertise Request for Proposals								
Bid Opening								
Council Award								
Notice to Proceed								
Construction Start								
Construction End								

- 8.) FORHA and Unit HOA Restriction Committee Approvals (if applicable)
  - a. N/A

## 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 2011 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. Funds are intended to be accessed by constituents of the City of Fair Oaks Ranch and its ETJ.

### **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<sup>^</sup> 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, FFA, 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 – MDD Eligible Project Category List](#)

[\\*Appendix B – Project Application and Evaluation Guidelines](#)



Item #9.

## Fair Oaks Ranch Municipal Development District Grant Funding Application

Applicant Name: City of Fair Oaks Ranch Business Name City of Fair Oaks Ranch

Contact Information: Name Joanna Merrill Title Director of Human Resources & Communications

Mailing Address 7286 Dietz Elkhorn, Fair Oaks Ranch, Texas 78015

Telephone Primary 210-698-0900 Secondary 210-888-2552 Email jmerrill@fairoaksranchtx.org

Business Email: jmerrill@fairoaksranchtx.org Website https://www.fairoaksranchtx.org/

Address of Project: Fair Oaks Parkway / Leslie Pfeiffer Drive

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

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

Property Owner: City of Fair Oaks Ranch

Telephone 210-698-0900 Email \_\_\_\_\_

**List of Partners/Principals of the Business** (attach if necessary) require on 1<sup>st</sup> entry only

Name	Title	Contact #	Ownership%	Email
Joanna Merrill	Director of HR & Communicat	210-888-2552		jmerrill@fairoaksranchtx.org
Kelsey Delgado	Project Manager	210-698-0900		kdelgado@fairoaksranchtx.org
Grant Watanabe	Director of Public Works	210-698-0900		gwatanabe@fairoaksranchtx.org
Scott Huizenga	City Manager	210-698-0900		shuizenga@fairoaksranchtx.org

**Project Type:** (Select One)

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

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

The City of Fair Oaks Ranch has extensive experience managing municipal improvement projects and has successfully overseen the construction and maintenance of public infrastructure, including roadways, and public facilities. The City's Public Works Director, Grant Watanabe, P.E., along with Project Manager Kelsey Delgado, will be responsible for overseeing the project to ensure it is completed on time and within budget.



# Fair Oaks Ranch Municipal Development District Grant Funding Application

## Applicant Funding Source

Bank or Financial institution providing Funding Frost Bank

Contact Name: Manuel Long Title Vice President - Public Finance

Address 111 W. Houston St., San Antonio, Texas 78205 Telephone 210-220-5372

Email manuel.long@frostbank.com Website \_\_\_\_\_

Overall Project Cost \$ 148,128.50 Has Applicant received economic assistance before? Yes

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

The City has been awarded a grant from the MDD for construction of a Community/Civic Center on the City campus. Additionally, the City has received FEMA assistance during declared storms to cover costs of debris clean-up and damages to City property related to storms, and received ARPA funds from the federal government during COVID.

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

The project involves the construction of a gateway monument at the intersection of Fair Oaks Parkway and Leslie Pfeiffer Drive. This project will include masonry with decorative signage, metal beams, and an arched metal element. A few of the detailed elements include stone columns, a concrete header curb, electrical service for lighting, and natural native vegetation for landscaping.

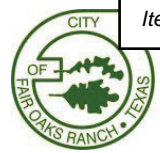
Project Title:

City Gateway Feature

Project Objective:

This project's objective is to enhance the entryway into Fair Oaks Ranch with a welcoming and iconic gateway monument, promoting civic pride, enhancing community identity, and supporting the beautification of the City.





# Fair Oaks Ranch Municipal Development District Grant Funding Application

## Expected Benefits:

Establish a strong visual identity for the City's entryway, making Fair Oaks Ranch more attractive to residents, promoting civic pride, and it will clearly identify entrance into Fair Oaks Ranch since the previous structures were removed by TxDOT.

MDD Funds Requested: \$ 148,128.50 Estimated Total Cost of the Project: 148,128.50

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

Name of Contractor or Construction Manager: David Beyer

Company Name: Halff Associates, Inc.

Address: 100 NE Loop 410, Suite 200, San Antonio, TX 78216

Primary Telephone 210-798-1895 Mobile

Email address Website

Applicants Architect: Marc Zak

Primary Telephone 830-455-6209 Mobile

Email Address

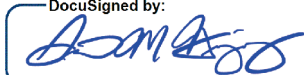
*(Note: Blueprints or Rendering must be attached)*

Estimated Date of Project Commencement: March 2025 and Completion: July 2025

**\*\*\*Percentage of the project cost funded will be determined by the MDD Board of Directors.\*\*\***

### 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)

DocuSigned by:  Applicant's Signature \_\_\_\_\_ Date 12/20/2024 \_\_\_\_\_  
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## **Appendix A**

### **MDD Eligible Project Category**

The MDD will consider development projects as allowed and defined by Local Government Code Chapter 377; and Chapters 505.151-158.

## 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 (*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

## RESOLUTION 2024-28

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS AUTHORIZING EXECUTION OF AN AGREEMENT FOR DESIGN SERVICES OF A GATEWAY FEATURE, EXPENDITURE OF THE REQUIRED FUNDS, AND EXECUTION OF ALL APPLICABLE DOCUMENTS BY THE CITY MANAGER AND DIRECTING THE CITY MANAGER TO SUBMIT A GRANT APPLICATION TO THE MUNICIPAL DEVELOPMENT DISTRICT.**

**WHEREAS**, the City of Fair Oaks Ranch ("City") has been without a signature gateway feature since the feature referred to as "The Boat" was removed; and,

**WHEREAS**, the City Branding Committee selected a Citizens Committee on November 2023; and,

**WHEREAS**, the Committee discussed and advanced the scope to provide for conceptual design of a gateway feature with several options; and,

**WHEREAS**, these options were presented to citizens at a Town Hall Event on February 27, 2024, and with a resident survey to gain input on this Project; and,

**WHEREAS**, City Council desires a Gateway Feature, with the first feature located on Fair Oaks Parkway, which may serve as the primary feature for more in the future; and,

**WHEREAS**, grant funding for community purposes is available through the Municipal Development District under Local Government Code Chapter 377; and,

**WHEREAS**, City Council wishes to begin the Project immediately.

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

- Section 1.** The City Council hereby authorizes the City Manager to negotiate and execute an agreement to provide for design, survey and geotechnical services within the City's approved Procurement Policy and based on the conceptual design included in **Exhibit A**, to expend required funds and to execute any and all applicable documents to effectuate this Resolution.
- Section 2.** The City Council directs the City Manager to submit an application to the Municipal Development District for grant funding to support this project.
- Section 3.** That the recitals contained in the preamble hereto 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 Council.
- Section 4.** 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 City Council hereby declares that this resolution would have been enacted without such invalid provision.

**Section 5.** That it is officially found, determined, and declared that the meeting at which this resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

**Section 6.** All resolutions or parts thereof, which are in conflict or inconsistent with any provision of this resolution are hereby repealed to the extent of such conflict, and the provision of this resolution shall be and remain controlling as to the matters resolved herein.

**Section 7.** This resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

**Section 8.** 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 16<sup>th</sup> day of May 2024.**

Gregory C. Maxton, Mayor

ATTEST:

APPROVED AS TO FORM:

Christina Picioccio, TRMC  
City Secretary

Denton Navarro Rodriguez Bernal Santee & Zech  
P.C., City Attorney

**EXHIBIT A**

Exhibit A

Item #9.

Sign Envelope ID: 84C509D5-21FC-4475-B6CC-BECB70D48368



**CITY OF FAIR OAKS RANCH**  
COMMUNITY ENTRY CONCEPT; MAY 3, 2024





**EXHIBIT A**

Exhibit A

Item #9.

Sign Envelope ID: 84C509D5-21FC-4475-B6CC-BECB70D48368



**CITY OF FAIR OAKS RANCH**  
COMMUNITY ENTRY CONCEPT; MAY 3, 2024



**EXHIBIT A**

Exhibit A

Item #9.

Sign Envelope ID: 84C509D5-21FC-4475-B6CC-BECB70D48368



**CITY OF FAIR OAKS RANCH**  
COMMUNITY ENTRY CONCEPT; MAY 3, 2024





# “Attachment A”

**OPINION OF PROBABLE CONSTRUCTION COSTS**

PROJECT: CITY OF FAIR OAKS RANCH GATEWAY MONUMENT - 100%  
 PROJECT NUMBER: 43067.010  
 CONSULTANT: HALFF ASSOCIATES  
 DATE: 12/4/2024  
 PREPARED BY: DAVID BEYER

NO.	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT
<b>CONSTRUCTION</b>					
1	Remove Existing Curb	50	LF	\$10.00	\$500.00
2	ENTRY MONUMENT (masonry columns with cap, signage, metal beam and metal arch)	1	LS	\$36,000.00	\$36,000.00
3	CONCRETE HEADER CURB (6" wide by 18" deep)	205	LF	\$40.00	\$8,200.00
4	FENCE COLUMNS (masonry columns with cap)	9	EA	\$2,000.00	\$18,000.00
5	FENCE (3 rail cedar fence and post, stained, 8'-0" long section)	10	EA	\$1,000.00	\$10,000.00
6	VEGETATION (grass replacement; native grass seed mix)	3,500	SF	\$0.35	\$1,225.00
7	IRRIGATION (temporary)	3	MO	\$1,000.00	\$3,000.00
8	LIGHTING (column lights and letter lights)	1	LS	\$14,000.00	\$14,000.00
9	ELECTRICAL SERVICE (including boring to locate service in center median)	1	LS	\$10,000.00	\$10,000.00
<b>SUBTOTAL</b>					<b>\$100,925.00</b>
INSURANCE & BOND (2%)					\$2,018.50
MOBILIZATION (10%)					\$10,092.50
CONTINGENCY (10%)					\$10,092.50
<b>CONSTRUCTION TOTAL</b>					<b>\$123,128.50</b>



# “Attachment B”

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CITY OF FAIR OAKS RANCH  
COMMUNITY ENTRY CONCEPT; MAY 3, 2024



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CITY OF FAIR OAKS RANCH  
COMMUNITY ENTRY CONCEPT; MAY 3, 2024



# **Fair Oaks Ranch Municipal Development District Policy For Evaluation Of Development Projects**

Approved on April 10, 2024



# Fair Oaks Ranch Municipal Development District Policy For Evaluation Of Development Projects

## 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 (*Appendix A*) to describe the types of projects that are qualified for MDD funding consideration. The information on the Eligible Project Category (*Appendix A*) may be modified at the discretion of the Board. Items may be placed on the Eligible Project Category (*Appendix A*) 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**

The MDD will consider development projects as allowed and defined by Local Government Code Chapter 377; and Chapters 505.151-158.

## **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 (*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