



**COMMISSIONERS COURT
COMMUNICATION**

COURT ORDER NUMBER 145209

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DATE: 5/20/2025

**SUBJECT: RECEIVE AND FILE NOTICE OF TERMINATION OF FORT WORTH
TAX INCREMENT REINVESTMENT ZONE NUMBER 10/10A**

***** CONSENT AGENDA *****

COMMISSIONERS COURT ACTION REQUESTED

It is requested that the Commissioners Court receive and file this notice of termination of City of Fort Worth Tax Increment Reinvestment Zone (TIRZ) Number 10/10A – Lonestar

BACKGROUND

On September 7, 2004, City of Fort Worth TIRZ 10 was created to develop the area near the intersection of Interstate Highway 35-W and State Highway 170. As a result of the TIRZ establishment, Cabela’s constructed an approximate 230,000 square foot retail store and through the TIRZ, significant public improvements were made that spurred private investment and development of the area. TIRZ 10/10A has reached its term, and all related projects and expenses are complete.

On January 28, 2025, the Fort Worth City Council passed Ordinance No. 27441-01-2025, which terminated TIRZ 10/10A, dissolved the respective TIRZ Board and the tax increment fund. Over the life of the TIRZ (Tax years 2005-2023), Tarrant County contributed a total of \$1,746,814.06.

The Criminal District Attorney’s Office has reviewed this request.

FISCAL IMPACT

Property taxes collected within the TIRZ, which were previously redirected to fund the zone’s improvements, will now be collected at one hundred percent of the value.

SUBMITTED BY	Administrator	PREPARED BY:	Maegan South
		APPROVED BY:	Maegan South

ORDINANCE NO. 27441-01-2025

AN ORDINANCE TERMINATING TAX INCREMENT REINVESTMENT ZONE NUMBER 10, CITY OF FORT WORTH, TEXAS AS DESIGNATED BY ORDINANCE NO. 16002; DISSOLVING THE BOARD OF DIRECTORS AND TAX INCREMENT FUND FOR THE ZONE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A REPEALER CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Fort Worth, Texas (“City”) is a Texas home-rule municipal corporation; and

WHEREAS, pursuant to Ordinance No. 16002 (the “Ordinance”), adopted and effective on June 15, 2004, the City designated a certain contiguous geographic area as Tax Increment Reinvestment Zone Number 10, City of Fort Worth, Texas (“Zone”), created a Board of Directors for the Zone (“Board of Directors”), and created a tax increment fund for the Zone (“Tax Increment Fund”) to promote development or redevelopment in the Zone in accordance with the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, as amended (the “Act”); and

WHEREAS, pursuant to the Ordinance, the Zone is to terminate on the earlier of (1) December 31, 2025, (2) an earlier termination date designated by an ordinance adopted after the effective date of the Ordinance and following a hearing held in accordance with Section 311.007(c) of the Act, or (3) the date on which all project costs, tax increment bonds and interest on those bonds have been paid or otherwise satisfied in full; and

WHEREAS, Tarrant County, the Tarrant County Hospital District, the Tarrant County College District, and the Tarrant County Regional Water District (collectively with the City, the “Participating Taxing Units”) each signed an interlocal agreement allocating a portion of its tax increment to the Zone; and

WHEREAS, the Board of Directors, the City, and the Lone Star Local Government Corporation (“Corporation”) entered into a tri-party agreement that authorized, among other things, the Corporation to issue revenue bonds (“Bonds”) solely payable from and secured by money generated in the Zone by the allocated tax increment of the Participating Taxing Units; and

WHEREAS, as provided in Schedule I of the Bond Purchase Agreement (“BPA”), “If on July 1, 2024, the sources identified as the Trust Estate were not sufficient to pay in full the outstanding principal of and interest on the Bonds, such remaining unpaid amounts shall be forgiven”; and

WHEREAS, the Bonds matured on July 1, 2024, and the sources identified as the Trust Estate were not sufficient to pay the outstanding principal and interest on the Bonds; and

WHEREAS, in accordance with Section 7.01 of the Indenture of Trust for the Bonds, a letter of instructions was provided to the trustee advising that all assets in the Trust Estate had been

remitted and all remaining unpaid amounts were deemed forgiven in accordance with Schedule I of the BPA; and

WHEREAS, the Bond obligations associated with the Zone have been discharged and there are no outstanding or pending project costs or other obligations of the Zone, and in accordance with the Act and the Ordinance, the Zone shall be terminated; and

WHEREAS, in accordance with Section 311.014(d) of the Act, any money remaining in the Tax Increment Fund for the Zone that accrued after the maturity of the Bonds shall be paid to the Participating Taxing Units on termination of the Zone; and

WHEREAS, the Zone is being terminated and this ordinance is being adopted in accordance with the Act; and

WHEREAS, on January 28, 2025, the City Council held a public hearing in accordance with the Act to consider terminating the Zone and dissolving the Board of Directors and Tax Increment Fund for the Zone; and

WHEREAS, notice of such public hearing was published in a newspaper of general circulation in the City at least seven days before the date of the public hearing; and

WHEREAS, at such public hearing interested persons were allowed to speak for or against the termination of the Zone and/or the dissolution of the Board of Directors and Tax Increment Fund for the Zone; and

WHEREAS, the City Council has determined that terminating the Zone and dissolving the Board of Directors and Tax Increment Fund for the Zone is in the best interest of the citizens of the City of Fort Worth.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FORT WORTH, TEXAS, THAT:

Section 1. The Zone shall be deemed to have been terminated in accordance with state law, and accordingly, the Zone is terminated for all purposes. The Board of Directors for the Zone and the Tax Increment Fund for the Zone are dissolved effective December 31, 2024. All funds in the Tax Increment Fund shall be disbursed in accordance with state law.

Section 2. The City Manager is authorized to execute such documents as may be necessary or advisable to carry out the intent and purpose of this ordinance.

Section 3. The statements, facts, findings, and recitals set forth above are found and declared to be true and correct and are incorporated into this ordinance and adopted as part of this ordinance for all purposes.

Section 4. All ordinances or portions thereof in conflict with the provisions of this ordinance, to the extent of such conflict, are repealed. To the extent that such ordinances or portions thereof are not in conflict herewith, the same shall remain in full force and effect.

Section 5. Should any word, sentence, clause, paragraph, or provision of this ordinance be held to be invalid or unconstitutional, the validity of the remaining provisions of this ordinance shall not be affected and shall remain in full force and effect.

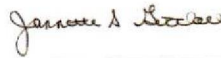
Section 6. It is officially found and determined that the meeting at which this ordinance is passed is open to the public and that public notice of the time, place, and purpose of said meeting was given as required by law.

Section 7. That this ordinance shall take effect immediately from and after its passage.

AND IT IS SO ORDAINED.

APPROVED AS TO FORM AND LEGALITY:

CITY SECRETARY



Denis McElroy
Senior Assistant City Attorney

Jannette S. Goodall
City Secretary

ADOPTED AND EFFECTIVE: January 28, 2025



City of Fort Worth, Texas

Mayor and Council Communication

DATE: 01/28/25

M&C FILE NUMBER: M&C 25-0072

LOG NAME: 17DISSOLVING TIF 10

SUBJECT

(CD 10) Conduct Public Hearing and Adopt Ordinance Dissolving Tax Increment Reinvestment Zone No. 10, Lone Star

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

RECOMMENDATION:

It is recommended that the City Council conduct a public hearing and adopt the attached ordinance terminating Tax Increment Reinvestment Zone No. 10.

DISCUSSION:

Pursuant to a Master Economic Development Agreement (Master Agreement) between the City, Tarrant County, the Lone Star Local Government Corporation (LGC), and Cabela's Retail, Inc. (Cabela's), the LGC issued Lone Star Local Government Corporation Tax Increment Contract Revenue Bonds (Bonds) for construction of public improvements and publicly-owned exhibition and recreation space associated with the Cabela's store being developed near the intersection of Interstate Highway 35-W and State Highway 170 (Project) (M&Cs C-20113 C-20518). The Bonds were supported by allocation of revenues from participating taxing units (Participants) in Tax Increment Reinvestment Zone (TIRZ) 10, or TIF 10.

Cabela's purchased the Bonds from the LGC under a Purchase Agreement dated March 4, 2005. Cabela's sold and assigned the Bonds and rights to payment thereunder to Preston Hollow Capital, LLC in October 2018.

The LGC and Wells Fargo Bank, as Trustee and predecessor in interest to Computershare Trust Company, N.A., created an Indenture of Trust, securing the Bonds. Section 6.01 of the Indenture provides that, if the City transfers all Participants' Tax Increments from its Tax Increment Fund to the Corporation in accordance with the terms of the Tri-Party Agreement, and such Tax Increments transferred are not sufficient for the payment of any Principal Installments or interest payable on the Bonds on the date when such principal installment or interest becomes due and payable, an Event of Default shall not be deemed to have occurred under the terms of the Indenture.

Schedule I of the Purchase Agreement states that principal and interest of the Bonds shall be payable *solely* from the sources identified in the Indenture as the "Trust Estate." It further states that, if on July 1, 2024 (the maturity date of the Bonds), the Trust Estate is not sufficient to pay in full the outstanding principal of and interest on the Bonds, such remaining unpaid amounts shall be forgiven.

All Participants' Tax Increments from the Tax Increment Fund have been transferred by the City to the Corporation and remitted to the Trustee, and the amounts in the Trust Estate as of the Bonds' maturity were not sufficient to pay in full the outstanding principal and interest on the Bonds. In accordance with Schedule I of the Purchase Agreement, such remaining unpaid amounts are considered forgiven.

On September 16, 2024, a letter was submitted to the Trustee with the aforementioned history and background of the project. It was acknowledged and signed by Sandra Adrian, Vice President of Computershare Trust Company, N.A. the same day and remitted to the Economic Development Department.

The final write-off amounts for the bonds are as follows:

- Principal: \$31,617,000.00
- Interest: \$28,377,718.02

This Project and the repayment of the Bonds were the only purposes identified in the project and financing plan for this TIF. Now that the Bonds have matured, staff recommends dissolving the TIF by adoption of the attached ordinance.

TIRZ 10, or TIF 10, is located in COUNCIL DISTRICT 10.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that approval of this recommendation will have no material effect on City funds.

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

Originating Business Unit Head: Robert Sturns 2663

Additional Information Contact: Ori Fernandez 2606

Expedited