



CITY COUNCIL CONSIDERATION ITEM

CITY OF FAIR OAKS RANCH, TEXAS

AGENDA TOPIC: Consideration and possible action approving a resolution directing the City Manager to terminate a Chapter 377 Project Funding Agreement Economic Development Agreement between the City of Fair Oaks Ranch, Texas and the Fair Oaks Ranch Municipal Development District

DATE: June 19, 2025

DEPARTMENT: Administration

PRESENTED BY: Scott M. Huizenga, ICMA-CM, City Manager

INTRODUCTION/BACKGROUND:

The City of Fair Oaks Ranch and the Fair Oaks Ranch Municipal Development District (MDD) entered into a Project Funding Agreement for a civic center on September 25, 2020. The Agreement was amended on July 20, 2023, to extend the expiration date and increase the grant amount to \$1.2 million.

On June 5, 2025, City Council considered a resolution to further amend the Agreement and increase funding to \$2,463,722.81; however, the item was indefinitely postponed. Given this action, it is in the best interest of both parties to terminate the Agreement.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

The current agreement provides \$1.2 million in funding for construction of a civic center. With total project costs exceeding \$2.4 million and no further funding being pursued from the MDD, it is unlikely the project will proceed under the existing terms. Terminating the agreement will allow the MDD to release the committed funds and reallocate them to other potential projects.

LONGTERM FINANCIAL & BUDGETARY IMPACT:

Terminating the agreement has no budgetary impact if the civic center is not constructed. However, if the City proceeds with construction after termination, the City will forgo the \$1.2 million in MDD funding.

LEGAL ANALYSIS:

Resolution approved as to form.

RECOMMENDATION/PROPOSED MOTION:

I move that the City Council approve a resolution directing the City Manager to terminate a Chapter 377 Project Funding Agreement Economic Development Agreement with the Municipal Development District for the construction of a civic center.