



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



AGENDA TOPIC: Consideration and possible action to approve an MDD Funding Application from Leon Springs Fire Department

DATE: March 27, 2024

Department: MDD Board of Directors

PRESENTED BY: Nicholas DiCianni, Subcommittee Chairman

INTRODUCTION/BACKGROUND:

City staff received an MDD funding application from the Leon Springs Fire Department (LSFD) on January 3, 2024 requesting funding for a mobile Potable Water tank to be used to provide drinking water in emergency situations when drinking water is unavailable (**Exhibit A**). LSFD is requesting \$12,333.75 for the purchase of a 1,000-gallon mobile tank that has an estimated total cost of \$13,000. LSFD is the contracted Fire Department for Fair Oaks Ranch. The department also services Leon Springs and other local communities with mutual aid agreements. At their January 10, 2024 regular meeting, the Fair Oaks Ranch Municipal Development District accepted the application and appointed a subcommittee to review the application and provide a recommendation to the Board. The MDD appointed Nicholas DiCianni to Chair the subcommittee which also includes Board Members Ruben J. Olvera and Steven Robertson.

The subcommittee used the following process to evaluate the request:

The subcommittee used the Board's existing process and methodology as well as reviewed the existing categories and application documentation to ensure consistency with the existing policy and to ensure compliance. A legal review was provided by the MDD's Attorney".

The criteria used in the evaluation is listed below:

- Matching the stated goals and objectives of the MDD
- Compliance with approved categories
- Compliance with state and local requirements
- Benefits to the citizens of Fair Oaks Ranch
- Risks, financial, liability, and precedent
- Financial commitment of the requestor

Findings:

- The request fits the MDD objectives and would offer benefits to the community if a water emergency existed
- The request did not comply with the MDD Category list in Appendix A
- Funding request did not have matching funds
- The requesting organization is outside of the City of Fair Oaks Ranch and its ETJ'S funding may set a precedent

- Having a mobile unit does present some potential risks such as damage from use and being out of the city when mutual aid has been requested

The subcommittee used the Policy statement and Categories along with the procedures in Appendix A and B of the “Fair Oaks Ranch Municipal Development District Policy for Evaluation of Development Projects” (**Exhibit B**) to evaluate the LSFDF application. While the project offers benefits it is not in compliance with the Categories in Appendix A and is being submitted by an organization outside of the City of Fair Oaks Ranch and its ETJ’s which may set a precedent for future requests. The subcommittee unanimously agrees that it cannot recommend funding this project at this time.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

The MDD policy for evaluating, and approving funding of developing project grants will be conducted in accordance with the approved guidelines that have been established by the Board. The established guidelines, titled “Fair Oaks Ranch Municipal Development District Policy For Evaluation Of Development Projects” (**Exhibit B**), that have been approved by the Board are to ensure consistency and objectivity when evaluating project applications.

To assess eligibility of the proposed project, the Board has established Eligibility Categories (referenced in Appendix A of **Exhibit B**) that describe the types of projects that are qualified for MDD funding consideration. The approved categories listed in Appendix A are: Façade Improvement Program, Infrastructure Projects, Civic Venues & Related Improvements, and Recreation & Community Projects.

Projects proposed should be from businesses, organizations, or agencies within the City of Fair Oaks Ranch or its ETJ’s. Projects should provide benefits to the citizens of Fair Oaks Ranch with minimum risk to the City.

BUDGETARY IMPACT:

If the grant application is approved, a Budget Amendment appropriating \$12,333.75 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 was consulted by the subcommittee during the evaluation process.

RECOMMENDATION/PROPOSED MOTION:

The subcommittee recommends that the MDD Board of Directors not approve the application due to ineligibility under the “Fair Oaks Ranch Municipal Development District Policy for Evaluation Of Development Projects”.

MOTION: I move to approve the MDD Funding Application from Leon Springs Fire Department for a 1,000 gallon mobile tank for an amount not to exceed \$12,333.75