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

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AGENDA TOPIC: Discussion, consideration and possible action on the execution of a Chapter 377 Project Funding Agreement with the City of Fair Oaks Ranch for development of a gateway monument

DATE: April 9, 2025

DEPARTMENT: Administration

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

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**INTRODUCTION/BACKGROUND:**

At its regular meeting on January 8, 2025, the MDD Board evaluated a grant application in the amount of \$148,128.50 submitted by the City of Fair Oaks Ranch for a gateway monument at the intersection of Fair Oaks Parkway and Leslie Pfeiffer Drive. The Board determined the project complies with relevant statutes and aligns with the MDD's mission, goals, and objectives. Based on those determinations the Board approved the grant application and authorized the President to proceed to negotiate a grant award agreement with the City.

After the grant application was approved, the City issued an RFP for the construction of the gateway monument and received three proposals. A committee reviewed each proposal and selected the vendor with the lowest and best bid. Construction costs for the gateway monument are \$199,840, and the City has expended \$25,000 to date on design costs for the project.

The City is amending its application to include an amount up to \$224,840 to encompass the full project budget. If approved, the Project Funding Agreement presented for your consideration includes the amended not-to-exceed amount of \$224,840 and has been reviewed by the MDD attorney.

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

The use of MDD funds for a gateway monument represents the use of sales tax proceeds to develop an asset that will provide long-term value to the City by reinforcing a positive image of the community and supporting future economic growth. The gateway monument will enhance the entryway into the City and establish a strong visual identity promoting civic pride and supporting the beautification of the City.

**LONG TERM FINANCIAL & BUDGETARY IMPACT:**

The total current fund balance in the MDD is \$3,331,455, of which \$2,081,455 is unallocated. The unallocated fund balance will be \$1,856,615 if the board approves the grant. MDD is in a sound position for cash flows to maintain capacity to consider other projects.

**LEGAL ANALYSIS:**

The project is an authorized project pursuant to Local Government Code Chapter 377 and the Project Funding Agreement was prepared with assistance from the MDD attorney.

**RECOMMENDATION/PROPOSED MOTION:**

I move for the MDD president to execute a Chapter 377 Project Funding Agreement between the Fair Oaks Ranch MDD and the City of Fair Oaks Ranch for development of a gateway monument for an amount not to exceed \$224,840 as described in the terms and conditions of the Agreement.