

PRESS RELEASE

CONTACT INFORMATION

City of Pilot Point
Office of the City Manager
Britt Lusk
940.686.2165
blusk@cityofpilotpoint.org



FOR IMMEDIATE RELEASE

Developer Participation Agreement Investigation Status Report

Pilot Point, Texas. September 24, 2021- In December of 2016, the City of Pilot Point entered into a Developer Participation Agreement with Iron Horse Development LLC related to the residential development of the Yarbrough Farms neighborhood. The Agreement provided for reimbursement to the developer from the City up to \$3.38 million, or 30% of the cost of public improvements, whichever amount was less.

In early 2019, after several delays and problems with the construction of public infrastructure, an internal audit of the project was performed to determine whether reimbursements paid to the developer had exceeded the project maximum and whether construction, which had been represented as completed, had, in fact, been completed.

In December of 2020, after a complete review and an additional investigation by outside consultants, the audit results were forwarded to the local office of the Federal Bureau of Investigation. The City of Pilot Point has since continued to cooperate with federal investigators.

“The Yarbrough Farms project is a critical part of our future. We have been as frustrated with its progress as many in the public have been. The City felt it was important to let non-partisan eyes look at what has happened with this project and determine whether anything improper has occurred. We will cooperate in every way with the FBI’s investigation.

Because of the ongoing investigation, we cannot go into any details of the matter and must limit our comment to the fact that we have reported the matter to the FBI.

We are hopeful that there will soon be a time when we will be able to provide more information,” said Mayor Shea Dane-Patterson and Council.

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