



AGENDA MEMORANDUM

First Reading Ordinance Item for the City Council Meeting of February 26, 2013
Second Reading/Action Item for the City Council Meeting of March 19, 2013

DATE: February 5, 2013

TO: Ronald L. Olson, City Manager

FROM: Mark E. Van Vleck, P.E., Director, Development Services
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Ordinance approving waterline reimbursement agreement and appropriation of necessary funding for I5T Investments, LLC, developer/owner of Lot 2, Block 13, Airport Industrial Subdivision

CAPTION:

Ordinance authorizing execution of a distribution main extension construction and reimbursement agreement (“agreement”) with I5T Investments, LLC (“Developer”), for the construction of a distribution waterline and appropriating \$26,290.60 from the No. 4030 Water Distribution Main Trust Fund to reimburse the Developer in accordance with the agreement

PURPOSE:

I5T Investments, LLC, will install 1,481 linear feet of 8-inch water distribution main line to provide adequate water to a proposed warehouse development.

BACKGROUND AND FINDINGS:

Per Section 8.5.1.C Credits and Reimbursements of the Unified Development Code (“UDC”), I5T Investments, LLC is requesting a Reimbursement Agreement for the development of Lot 2, Block 13, Airport Industrial Subdivision, as shown on the final plat. The subdivision is located along the south side of State Highway 44; east of Heinsohn Road and west of North Padre Island Drive (SH 358). The development requires the extension of 1,481 linear feet of 8-inch distribution water main line in order to provide adequate water to the property. The subject property will be served by a proposed 8-inch PVC waterline which will connect to an existing 8–inch waterline at the northend and southend. The improvements will provide adequate water to the proposed warehouse development. A layout of existing and proposed improvements is included in Exhibit C.

I5T Investments, LLC, will be extending an offsite waterline to serve the proposed development. The waterline extension qualifies as a Distribution Main. The total construction cost for the Distribution Main extension will be \$75,972.40. Since the acreage fee is less than 50% of offsite water cost, the developer must pay 50% of offsite water cost which is \$37,986.20, less the acreage fees. The acreage fees are \$11,695.60. The remaining balance is \$26,290.60 which is the amount the developer is requesting for reimbursement. The reimbursement agreement (Exhibit G) will reimburse the Developer an amount not to exceed \$26,290.60 provided the extension is completed within the next 12 months.

ALTERNATIVES:

Denial of the Reimbursement Agreement.
Denial of the ordinance appropriating \$26,290.60.

OTHER CONSIDERATIONS:

Not applicable

CONFORMITY TO CITY POLICY:

The developer will be extending water to serve the proposed development and has requested a Reimbursement Agreement, as provided in the Unified Development Code.

EMERGENCY / NON-EMERGENCY:

Non-emergency

DEPARTMENTAL CLEARANCES:

Legal
Finance

FINANCIAL IMPACT:

Operating Revenue Capital Distribution Main Trust Fund

Fiscal Year: 2012-2013	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget		\$987,305.44		
Encumbered / Expended Amount				
This item		\$26,290.60		
BALANCE		\$961,014.84		

Fund(s):

Comments: Not Applicable

RECOMMENDATION:

Staff recommends approval of the motion as presented.
Staff recommends approval of appropriation ordinance.

LIST OF SUPPORTING DOCUMENTS:

Exhibit A: Location Map

Exhibit B: Final Plat

Exhibit C: Proposed Improvements Layout

Exhibit D: Application for Water Line Credit

Exhibit E: Application for Waterline Reimbursement

Exhibit F: Disclosure of Interest

Exhibit G: Distribution Main Extension Construction and Reimbursement Agreement