



## AGENDA MEMORANDUM

Public Hearing and First Reading Ordinance for the City Council Meeting of September 12, 2023  
Second Reading Ordinance for the City Council Meeting of September 19, 2023

**DATE:** September 12, 2023  
**TO:** Peter Zaroni, City Manager  
**FROM:** Al Raymond, Director Development Services  
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Water Arterial Transmission and Grid Main Construction and Reimbursement Agreement with MPM Development for water improvements for Oso Creek Corner Subdivision

### **CAPTION:**

Ordinance authorizing a Water Arterial Transmission & Grid Main Construction and Reimbursement Agreement up to \$1,087,852.60 with MPM Development, LP to construct a 12-inch water arterial transmission grid main line for the proposed residential and commercial development located off Yorktown Dr., southeast of Starry Rd., also known as Oso Creek Corner Subdivision; and authorizing future transfer and appropriation of Water and Wastewater Trust Fund revenue up to \$1,087,852.60 to reimburse the developer in accordance with the agreement. (District 5).

### **SUMMARY:**

MPM Development, LP is developing 103.015 acres for various homes and retail centers and is requesting funds to construct a new water arterial transmission and grid main improvements associated with the development. The estimated one-time cost of the improvements is **\$1,087,852.60**.

### **BACKGROUND AND FINDINGS:**

The Developer, MPM Development, LP, has requested reimbursement through a reimbursement agreement for the 103.015 acre subdivision named Oso Creek Corner, located off Yorktown Dr., southeast of Starry Rd.

Oso Creek Corner Phase 1 plat was approved by the Planning Commission on October 19, 2022. The development, located off Yorktown St., southeast of Starry Rd, plans on 103.015 acres including street dedications in the Flour Bluff and Encinal Farm and Garden Tracts.

Construction consists of installing 4,684 linear feet of 12-inch PVC water line to supply water to the proposed development. The term of the agreement is 24 months. The project is consistent with the City's Water Arterial Transmission and Grid Main Trust Construction Standards.

The project is eligible for reimbursement from the Water Arterial Transmission and Grid Main Trust per UDC Section 8.5.1.C.

### **ALTERNATIVES:**

This project will improve and facilitate the development of the new Oso Creek Corner Subdivision. An

alternative to utilizing trust funds to construct the wastewater trunk line improvements would be to construct them with a city-initiated CIP project. This option would most likely delay the construction until the required funding for the improvements could be programmed into the CIP budget and would most likely impact the developer's ability to build out his planned subdivision in a timely manner.

**FISCAL IMPACT:**

The total estimated project cost less water lot/acreage fee of \$122,132.84 for the Water Arterial Transmission and Grid Main improvements is \$1,087,852.60. The agreement requires appropriating and transferring future revenue from the Water and Wastewater lot and acreage fees and pro-rata fees to the Water Arterial Transmission and Grid Main Construction to reimburse the developer per the agreement.

**FUNDING DETAIL:**

Fund: 4030 Water Arterial Transmission & Grid Main Trust Fund  
Organization/Activity: 21805 Water Arterial Transmission and Grid Main Trust  
Mission Element: 777  
Project # (CIP Only): N/A  
Account: 540450 Reimbursement to Developers

Fund: 4030 Water Distribution Main Trust Fund  
Organization/Activity: 21806 Water Distribution Main Trust  
Mission Element: 777  
Project # (CIP Only): N/A  
Account: 540450 Reimbursement to Developers

Fund: 4220 Sewer Trunk System Trust Fund  
Organization/Activity: 21800 Sewer Trunk System Trust  
Mission Element: 777  
Project # (CIP Only): N/A  
Account: 540450 Reimbursement to Developers

Fund: 4220 Sewer Trunk System Trust Fund  
Organization/Activity: 21801 Sewer Collection Line Trust  
Mission Element: 777  
Project # (CIP Only): N/A  
Account: 540450 Reimbursement to Developers

**RECOMMENDATION:**

Staff recommends approval. The project is in accordance with UDC Section 8.5.1.C.

**LIST OF SUPPORTING DOCUMENTS:**

- Ordinance (with exhibits)
- Presentation
- Certification of Funds
- Location Map