



AGENDA MEMORANDUM

Public Hearing and First Reading Ordinance for February 11, 2020
Second Reading Ordinance for February 18, 2020

DATE: January 13, 2020
TO: Peter Zanoni, City Manager
FROM: Al Raymond, Director, Development Services
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Agreement and appropriating funds for the Tamez Development Corporation for a Wastewater Force Main and Lift Station Construction and Reimbursement Agreement

CAPTION:

Ordinance authorizing a Wastewater Force Main and Lift Station Construction and Reimbursement Agreement with Tamez Development Corporation to construct wastewater force main and lift station for a planned residential subdivision located on CR-43 with a completion date of February 28, 2022; transferring \$300,000 from the Sanitary Sewer Collection Line Trust Fund and \$200,000 from the 4030 Water Distribution Main Trust Fund to the Sanitary Sewer Trunk System Trust Fund; and appropriating \$1,965,620.00 from the Sanitary Sewer Trunk System Trust Fund to reimburse the Developer per the agreement. (District 5)

SUMMARY:

Tamez Development Corporation is required to construct 2,300 linear feet of 6-inch wastewater force main line extension and wastewater lift station to the applicant's property from the Lake's Lift Station located north of the Oso Creek, in order to provide wastewater service for a planned residential subdivision named King's Lake Phase 2. A wastewater masterplan amendment for the planned subdivision property was approved by Planning Commission on December 4, 2019 and was presented to and approved by City Council on January 21, 2020. The installation of the new wastewater utilities will extend service to the planned residential subdivision which includes approximately 281 acres of undeveloped property. The developer has requested a reimbursement agreement in accordance with UDC Section 8.5.2 Wastewater Trust Fund.

BACKGROUND AND FINDINGS:

Tamez Development Corporation plans to install approximately 2,300 linear feet of 6-inch wastewater force main line, and a new wastewater lift station, per the wastewater masterplan, in order to provide wastewater service to a planned residential subdivision that will be constructed within City limits located along CR-43, east of the Oso Creek and south of Webber Road. The property encompasses approximately 281 acres of undeveloped property and the planned subdivision build out will total approximately 800 – 1,000 single-family homes.

The lift station and wastewater force main line will connect to the existing wastewater collection lines located in King's Lake Drive, south of Yorktown Boulevard and west of South Oso Parkway. Additionally, the installation of the new wastewater utilities will provide wastewater service to the properties located in the East London Wastewater Sub Basin Service Area.

Wastewater Force Main Lines and wastewater Lift Stations, that are required and comply with the wastewater master plan are eligible for reimbursement under UDC Sections 8.5.2.E.3 and 8.5.2.E.4 respectively. The Sanitary Sewer Trunk System Trust Fund is used to reimburse developers for constructing of wastewater force main lines and lift stations. Additionally, Sections 8.5.1.C.4 and 8.5.2.I of the UDC authorizes the transfer of monies from one fund to another after a public hearing, in order to reimburse the developer for projects that exceed the current balance in any single trust fund.

City Council gave direction to staff at the August 13, 2019 meeting to reexamine the trust funds and to provide recommendations on policies that govern the priority, order, reimbursement rate and fees charged by the trust funds. City Council directed staff return within 75 days and present their recommendations.

Due to the intensive process involved with this study, the department will not meet the 75 days as requested. The plan is to present staff's findings to the Trust Fund Stakeholders and City Council with a tentative date of mid-February 2020.

ALTERNATIVES:

Based upon the current UDC language in section 8.5.2 Wastewater Trust Fund the developer requested reimbursement for the installation of a wastewater force main line and lift station that will serve the planned subdivision and surrounding area. If the request were to be denied and the developer had to assume the costs associated with the installation of the force main line and lift station to serve the property, the project may become cost prohibitive. Another alternative is to identify the project as a capital improvement project to be constructed by the city, establish public improvement taxing district (PID), or impact fees to fund the installation of new utilities infrastructure in this area. These alternatives may delay this project in the short term but would establish a viable long-term funding option for the installation of new water and wastewater utilities infrastructure in the areas within the City and ETJ.

FISCAL IMPACT:

The total amount requested for the reimbursement agreement is \$1,965,620.00 and as of 31 December 2019 the four trust funds have a combined available balance of \$3,547,492.96. The Sanitary Sewer Trunk Main Trust Fund has a balance of \$1,601,751.94 and the transfer of \$300,000.00 from the Sanitary Sewer and \$200,000.00 Distribution Main Trust Funds is required to meet the funding amount for this request and to meet the funding requirement for a future reimbursement agreement request from the Sanitary Sewer Trunk Main Trust Fund. The four trust funds will have a combined available balance of \$1,581,872.96 after this action and will have enough funds available in each of the trust funds to meet the funding needs for the reimbursement agreement requests currently being processed.

The transfer of monies from one fund to another is permitted under Sections 8.5.1.C.4 and 8.5.2.I of the Unified Development Code, with Council Approval.

The expenditures for this project are a one-time cost and are not associated with any other projects. The Utility Trust Funds receive monthly deposits generated from Lot and Acreage Fees, Pro-rata Fees and Surcharge Fees that are charged during the platting process. Over time the

fees collected and deposited will replenish the Trust Funds and enable other developer-initiated water infrastructure projects to be reimbursed. The trust fund balances listed are current as of November 30, 2019.

Funding Detail:

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

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

RECOMMENDATION:

The request is in accordance with UDC Section 8.5.2 Wastewater Trust Fund and the wastewater masterplan. The installation of this wastewater force main and lift station will provide wastewater service to the newly annexed property and the newly installed public utilities will help foster the development of this rural area within city limits and the Corpus Christi ETJ. Staff recommends approval of the applicant's request.

LIST OF SUPPORTING DOCUMENTS:

Ordinance (with exhibit)
Presentation
Location Map