



CITY OF
CORPUS CHRISTI

AGENDA MEMORANDUM

Public Hearing and First Reading Ordinance for the 01/13/26
Second Reading Ordinance for 01/27/26

DATE: January 13, 2026

TO: Peter Zaroni, City Manager

FROM: Michael Dice, Director Development Services
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Water Arterial Transmission and Grid Main Construction and Reimbursement
Agreement with MPM Development for water improvements for Phase-II subdivision
known as Oso Creek Corner Unit 3

CAPTION:

Ordinance authorizing a Water Arterial Transmission & Grid Main Construction and Reimbursement Agreement up to \$380,460.00 with MPM Development, LP to construct a 12-inch water arterial transmission grid main line for a proposed Phase-II residential development located off Yorktown Boulevard, southeast of Starry Rd. also known as Oso Creek Corner Unit 3; and authorizing future transfer and appropriation of Water and Wastewater Trust Fund revenue up to \$380,460.00 to reimburse the developer in accordance with the agreement. (District 5).

SUMMARY:

MPM Development, LP is developing approximately 20 acres for 100 homes 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 **\$380,460.00**.

BACKGROUND AND FINDINGS:

The Developer, MPM Development, LP, has requested reimbursement through a reimbursement agreement for the 20-acre subdivision named Oso Creek Corner, located off Yorktown Dr., southeast of Starry Rd.

Oso Creek Corner Master Preliminary Plat was approved by the Planning Commission on October 5, 2022. The development, located off Yorktown St., southeast of Starry Rd, plans on 269.95 acres including street dedications in the Flour Bluff and Encinal Farm and Garden Tracts.

Construction consists of installing **1,300 liner 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.

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 development of Phase-II of the Oso Creek Corner Subdivision. An alternative to utilizing trust funds to construct the water transmission & grid main 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.

FINANCIAL IMPACT:

The total estimated project cost for the water improvements is \$380,460.00. Agreement requires authorizing appropriation and transferring of future revenue from Water and Wastewater lot and acreage fees and additional fee from Water and Wastewater Utilities fund as presented by the City Manager for the FY2026 budget up to \$380,460.00 to reimburse the developer in accordance with the agreement.

CCW Transferred \$9,190,356.00 into the FY25 Trust Fund Budget to address the ongoing deficit Trust Fund balance. Since then, there have been 8 additional agreements with an additional commitment of \$1,991,301.60 to be paid out of the Trust Fund, thereby bringing the balance, as of November 30, 2025 to **-\$1,099,460.98**. There are (4) agreements scheduled for today, which include the following:

1. King's Landing Unit 12 (Water Arterial Transmission & Grid Main): \$252,720.00
2. King's Landing Unit 13 (Water Arterial Transmission & Grid Main): \$62,040.00
3. Oso Creek Corner Unit 3 (Water Arterial Transmission & Grid Main): \$380,460.00
4. Oso Creek Corner Unit 3 (Wastewater Collection Line): \$227,100.00

If all (4) are approved, that would be an additional \$922,320.00 to the previously approved obligations to developers with a new proposed Trust Fund balance of **-\$2,021,780.98**.

FUNDING DETAIL:

Fund: 4030 Water Arterial Transmission & Grid Main Trust Fund
Organization/Activity: 21805 Water Arterial Transmission and Grid Main Trust
Department: 45
Account: 540450 Reimbursement to Developers

Fund: 4030 Water Distribution Main Trust Fund
Organization/Activity: 21806 Water Distribution Main Trust
Department: 45
Account: 540450 Reimbursement to Developers

Fund: 4220 Sewer Trunk System Trust Fund
Organization/Activity: 21800 Sewer Trunk System Trust

Department: 46
Account: 540450 Reimbursement to Developers

Fund: 4220 Sewer Trunk System Trust Fund
Organization/Activity: 21801 Sewer Collection Line Trust
Department: 46
Account: 540450 Reimbursement to Developers

RECOMMENDATION:

Staff recommends approval. The project is in accordance with UDC Section 8.5.2.E.

LIST OF SUPPORTING DOCUMENTS:

Ordinance (with exhibit)
Presentation
Certification of Funds
Location Map