



AGENDA MEMORANDUM

First Reading Ordinance for City Council on 10/18/2022
Second Reading Ordinance for City Council on 10/25/2022

DATE: October 18, 2022
TO: Peter Zanoni, City Manager
FROM: Albert J Raymond III, Director Development Services
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Water Arterial Transmission and Grid Main Construction and Reimbursement agreement appropriating trust funds for MPM Development, LP for construction of a residential subdivision located on North of FM 43 and West of CR 33, Kings Landing Unit 2

CAPTION:

Ordinance authorizing a Water Arterial Transmission Grid Main Construction and Reimbursement Agreement (“Agreement”) for up to \$67,917.98 with MPM Development, LP (“Developer”) for the construction of a water arterial transmission grid main line for a residential development located on Road 43 (Weber Road) and West of County Road 33, East of Digger Lane, with a completion date of within 24 months; appropriating future revenues of \$67,917.98 from the Water Arterial Transmission & Grid Main Trust Fund to reimburse the developer in accordance with the agreement. (District 3)

SUMMARY:

MPM Development, LP is required to install 508 linear feet of 12-inch PVC Pipe waterline extension to provide adequate water to the proposed residential subdivision development named Kings Landing Unit 2. The proposed subdivision will include 129 single family homes.

BACKGROUND AND FINDINGS:

Per UDC Section 8.5.1.C in the event that the arterial transmission and grid main system are not in place when required for development, the developer may install that portion themselves to meet the Water Distribution System Standards, Water Transmission Master Plan, and Fire Suppression Rating Schedule. Under Section 8.5.1.C.B the developer shall be reimbursed from funds available from the Water Arterial Transmission and Grid Main Trust Fund for the portion installed by the developer up to a maximum of that which is required to meet standards.

The Developer, MPM Development, LP has requested reimbursement through a reimbursement agreement for a planned residential subdivision named Kings Landing Unit 2, a 22.431-acre west tract of land and an 8.464 acre East tract, in total 30.895 acres of land, located on North of FM 43 (Weber Road) and West of County Road 33, East of Digger Lane. Kings Landing Unit 2 Plat was approved by Planning Commission on February 03, 2021. The residential development is zoned RS-4.5.

The Grid Main Extension consists of installing 508 liner feet of 12-inch PVC. The allowable

reimbursement is \$90,485.98 construction costs less the acreage fee credit of \$22,568.00 for an allowable reimbursement amount of \$67,917.98. The term of the agreement is 24 months.

The project is eligible for reimbursement from the Water Arterial Transmission and Grid Main Trust per UDC Section 8.5.1.C. This water line extension will tie into the 12- inch water line that runs east to west of Staples Street (FM 2444) and is consistent with Water Distribution System Standards, Water Transmission Master Plan, and Fire Suppression Rating Schedule.

ALTERNATIVES:

This project will improve and facilitate development in the area. An alternative to utilizing trust funds to construct the Water Arterial Transmission Grid Main improvements would be to construct the improvements 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 the planned subdivision in a timely manner.

FINANCIAL IMPACT:

The total estimated project cost for the Water Arterial Transmission and Grid Main Construction is \$90,485.98, less the \$22,568.00 lot/acreage fee credit, for a maximum allowable reimbursement of \$67,917.98. Appropriating \$67,917.98 of future revenues from the Water Arterial Transmission and Grid Main Trust for reimbursement agreement at a time when funds become available.

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

RECOMMENDATION:

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

LIST OF SUPPORTING DOCUMENTS:

Ordinance (with exhibit)
Presentation
Certification of Funds
Location Map