



## AGENDA MEMORANDUM

Resolution for the City Council Meeting of 7/14/2020

**DATE:** June 3, 2020  
**TO:** Peter Zaroni, City Manager  
**FROM:** Al Raymond, Director Development Services  
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Participation Agreement with Walker Holdings and Development, LLC

### **CAPTION:**

Resolution authorizing developer participation agreement with Walker Holdings and Development, LLC to reimburse developer up to \$698,177.56 for construction of Silverado Drive, Emory Drive and stormwater drainage channel improvements as part of a City initiated effort to incentivize single-family housing in Calallen near the Steel Dynamics Plant in nearby Sinton, Texas. (District 1)

### **SUMMARY:**

Walker Holdings and Development, LLC is developing a new residential subdivision named Calallen South Unit 1 and is required to construct two new C-1 collector streets and make stormwater drainage channel improvements associated with the development. The City has agreed to participate in the cost sharing of the improvements as part of an economic development initiative for the Northwest area of the City. The estimated one-time cost of the of the new streets, including curb and gutter, and the stormwater drainage improvements is \$698,177.56

### **BACKGROUND AND FINDINGS:**

The Developer, Walker Holdings and Development, LLC, has requested reimbursement through a developer participation agreement for the construction of two new C-1 collector streets named Silverado Drive and Emory Drive respectively and oversizing improvements to three storm water drainage channels in conjunction with a residential subdivision named Calallen South Unit 1. As part of an economic development initiative to incentivize residential home development in that area, the City has agreed to participate in the construction costs associated with the road and storm drainage improvements required for the new subdivision.

The street improvements for Silverado Drive and Emory Drive include constructing the streets to a C-1 Collector street standard. The City's participation starts at IH-69 and runs to the first lots in the subdivision for an estimated 618 linear-feet for Emory Drive and 632 linear-feet for Silverado Drive per the approved plans.

The drainage improvements are for drainage channels “A”, “B” and “C”. The open drainage channels will be widened to accommodate the runoff due to the impervious cover created by the new subdivision streets and homes. The open drainage channels for Unit 1 are temporary and will have new drainage pipes installed and will get covered during the future development of additional subdivision phases. The Unit 1 drainage channels will connect to the existing storm water drainage system and will have piping and concrete linings at the end of each of the three channels to help offset any potential soil erosion.

The reimbursement for the costs associated with the streets construction and drainage improvements as requested by the developer are eligible for reimbursement per Texas Local Government Code Section 212.072.

### **ALTERNATIVES:**

This project will extend two new streets and improve the stormwater drainage for the new subdivision. An alternative to utilizing Developer Participation funds from available Bond monies to construct the required street and drainage improvements would be to construct the streets and drainage channels under a City initiated CIP project. This option would most likely delay the required streets and drainage channel 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 residential subdivision in a timely manner.

### **FISCAL IMPACT:**

The total estimated project cost for the streets and drainage improvements is \$1,948,535.33. The City’s participation amount for this project is \$698,177.56 and will be funded from an approved City Bond that has funds earmarked to improve existing or construct new City streets and other related improvements. The 2016 Bond has sufficient funds available to reimburse developers, through participation agreements, for the construction of new streets and storm water drainage improvements. This project will construct new City streets with curb and gutter and improve storm water drainage channels as part of the development of the planned subdivision named Calallen South Unit 1. This request is a one-time cost associated with the development of the project.

### **Funding Detail:**

Fund: Developer Participation Bond 2016  
Organization/Activity: 20274-3702-EXP Calallen South Unit 1  
Mission Element: 284 Oversight of Land Development & Public Infrastructure Process  
Project # (CIP Only): 20274 Calallen South Unit 1  
Account: 550910

### **RECOMMENDATION:**

Staff recommends approval. Although the request is not in accordance with UDC Section 8.4 City Participation in Streets and Drainage Crossings, which requires street construction to a level higher than a residential collector (UDC 8.4.1A), the project fulfills the recent Northwest Policy initiative to incentivize housing in the Northwest Corridor. The project is consistent with Section 212.072 of the Texas Local Government Code. The construction of Silverado Drive and Emory Drive, and the stormwater drainage channels oversizing improvements associated with Calallen South Unit 1, are in accordance with the Urban Transportation Plan and Unified Development Code.

### **LIST OF SUPPORTING DOCUMENTS:**

Resolution (with exhibit)

Presentation, Location Map