



AGENDA MEMORANDUM
Public Hearing & First Reading Ordinance for 06/13/2023
Second Reading Ordinance for 06/27/2023

DATE: June 13, 2023
TO: Peter Zanoni, City Manager
FROM: Al Raymond, AIA, Director
Development Services Department
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**Amendment to Reimbursement Agreement with Cypress Point Capital, LLC –
Caroline’s Heights Unit 1**

CAPTION:

Ordinance authorizing an amendment in the amount of \$79,923.00 to the Water Arterial Transmission and Grid Main Construction and Reimbursement Agreement with Cypress Point Capital, LLC, to fully fund the construction of a required water arterial transmission grid main line for the proposed residential development located South of Farm Road 2444 on County Road 43, otherwise known as Caroline’s Heights Unit 1; appropriating \$79,923.00 from the Water Arterial Transmission & Grid Main Trust Fund to reimburse the developer in accordance with the agreement.

SUMMARY:

Cypress Point Capital, LLC purposed to construct a water arterial transmission grid main line to serve and develop a new planned residential development. The original cost estimate was from 11/04/2021, however, due to the continual rise in material and construction costs the total amount of the project was higher than originally expected. The developer has requested an amendment to the reimbursement agreement by an increase of \$79,923.00. The total reimbursement amount will be \$551,371.10.

BACKGROUND AND FINDINGS:

The original Construction Cost Estimate was projected on 11/04/2021. Costs for those same items when construction began were considerably higher. For example,

Water Items	Quantity	Original Price	Current Price
12" PVC Pipe	3153	\$90.00	\$115.00

12" Tee	2	\$2,000.00	\$4,200.00
Fire Hydrant Assembly	5	\$7,000.00	\$8,000.00
6"Dia x 30" PVC Pipe Nipple	15	\$800.00	\$1,100.00

These unforeseen cost increase from 2021 caused the cost to increase beyond the original total estimated construction cost.

ALTERNATIVES:

Approve the request or deny the amendment thereby preventing the developer from recouping the increased construction costs.

FINANCIAL IMPACT:

The total cost of the project was originally \$484,907.78 less the \$13,459.68 lot/acreage fee credit, the reimbursable amount is \$471,448.10. The new total reimbursement amount is \$551,371.10. Amendment to the agreement requires appropriating \$79,923.00 from the Water Arterial Transmission and Grid Main Trust Fund 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

RECOMMENDATION:

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

LIST OF SUPPORTING DOCUMENTS:

Ordinance (with exhibits)
 Presentation
 Location Map