



**AGENDA MEMORANDUM**  
for the City Council Meeting of June 19, 2012

**DATE:** 6/13/2012 (Revised)  
**TO:** Ronald L. Olson, City Manager  
**FROM:** Mark Van Vleck, Interim Director, Development Services  
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(361) 826-3246

Request for a Deferment Agreement and Grid Main Extension Construction and Reimbursement Agreement with Hunter CC I, LP, developer of Blue Chip Industrial Tracts Subdivision, Block 1, Lot 4

**CAPTION:**

- A. Motion authorizing the City Manager to execute a Deferment Agreement with Hunter CC I, LP, (Developer), in the amount of \$304,517.68 for public improvements for Hunter CC I, LP located south of Hwy. 44 (Agnes St.) on S. Navigation Blvd. in accordance with the Unified Development Code Section 8.1.10, contingent upon receipt of a Letter of Credit approved by the City.
- B. Ordinance appropriating \$80,887.47 from the No. 4030 Water Arterial Transmission & Grid Main Trust Fund to reimburse Hunter CC I, LP, for the extension of a 12-inch grid main line, including all related appurtenances for development of Blue Chip Industrial Tracts Subdivision, Block 1, Lot 4, as specified in the Water Grid Main Line Extension Construction and Reimbursement Agreement and declaring an Emergency.
- C. Motion approving the Grid Main Extension Construction and Reimbursement Agreement submitted by Hunter CC I, LP, owner and developer of Blue Chip Industrial Tracts Subdivision, Block 1, Lot 4, located south of Hwy. 44 (Agnes St.) on S. Navigation Blvd. for the extension of a 12 inch Grid Main line, including all related appurtenances.

**BACKGROUND AND FINDINGS:**

Hunter CC I, LP, is requesting a Grid Main Extension Construction and Reimbursement Agreement for the platting and development of Blue Chip Industrial Tracts Subdivision, Block 1, Lot 4, as shown on the final plat (Exhibit 1). The subdivision is located South of Hwy. 44 (Agnes St.) on S. Navigation Blvd. The proposed improvements will provide adequate water to the proposed Industrial development. A layout of existing and proposed improvements is included as (Exhibit 3).

The developer has submitted a Construction Cost Estimate (Exhibit 4) and supporting documentation in compliance with provisions of the Unified Development Code, Section 8.5.2. A total of 1,425-feet of the proposed 12-inch water line will be part of the Grid Main System and is eligible for reimbursement. The total installation cost of the

improvements submitted by the developer for the 12-inch water Line is \$80,887.47. The water line will be part of the Grid Main and thus 100% reimbursable. A detailed breakdown of the Engineer's cost estimate is included (Exhibit 4).

A Grid Main extension construction and reimbursement agreement must be approved by the City Council before the developer starts construction. The reimbursement only shall be made when monies are fully available in and appropriated from the Water Arterial and Grid Main Trust Fund. The order of reimbursement will be determined according to the date the reimbursement agreement is approved by the City Council.

**ALTERNATIVES:**

Denial of the Grid Main Extension Construction and Reimbursement Agreement

**OTHER CONSIDERATIONS:**

In an effort to accommodate the property owner's request, these items were not presented as Future Agenda items and are appearing only on the Regular Agenda

**FINANCIAL IMPACT:**      Operating Expense

<b>Fiscal Year: 2011-2012</b>	<b>Project to Date Expenditures (CIP only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Line Item Budget		433,224.37		433,224.37
Encumbered / Expended Amount				
This item		(80,887.47)		(80,887.47)
<b>BALANCE</b>		<b>352,336.90</b>		<b>352,336.90</b>

Fund(s):

**Comments:** A Grid Main extension construction and reimbursement agreement must be approved by the City Council before the developer starts construction. The reimbursement only shall be made when monies are fully available in and appropriated from the Water Arterial and Grid Main Trust Fund. The order of reimbursement will be determined according to the date the reimbursement agreement is approved by the City Council.

**CONFORMITY TO CITY POLICY:**

The owner and developer will be extending off-site water to serve the proposed development and has requested reimbursement of qualified construction costs, as provided in the Unified Development Code.

**EMERGENCY / NON-EMERGENCY:**

Emergency

**DEPARTMENTAL CLEARANCES:**

Legal  
Finance

**RECOMMENDATION:**

Staff recommends approval of the motion and appropriation of funds as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Final Plat  
Application for Grid Main Reimbursement  
Plans and Specifications  
Engineer's Cost Estimate  
Grid Main Extension Construction and Reimbursement Agreement  
Disclosure of Interests  
Deferment Agreement