AGENDA MEMORANDUM
First Reading Ordinance Item for the City Council Meeting of October 8, 2013
Second Reading Ordinance for the City Council Meeting of October 22, 2013

DATE: 9/17/13

TO: Ronald L. Olson, City Manager

FROM: Mark E. Van Vleck, P.E., Director of Development Services
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(361) 826-3897

Approval of Ordinance to reimburse Wal-Mart Real Estate Business Trust for the shared cost to construct Dunbarton Oaks Drive

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CAPTION:

Ordinance appropriating $647.90 of interest earned in the NO. 4730 Infrastructure Fund and transfer to NO. 3530 Streets CIP Fund; and appropriating $102,218.24 from the NO. 4730 Infrastructure Fund to reimburse Wal-Mart Real Estate Business Trust; and approving $194,180.07 to reimburse Wal-Mart Real Estate Business Trust from the NO. 4730 Infrastructure Fund for ½ street construction cost of constructing Dunbarton Oaks Drive for Cimarron Estates.

PURPOSE:

Approval of Ordinance to reimburse Wal-Mart Real Estate Business Trust for the shared cost to construct Dunbarton Oaks Drive and Cimarron Estates.

BACKGROUND AND FINDINGS:

On August 12, 1997, the City of Corpus Christi (the "CITY') accepted $69,267.05 from First Worthing Company as payment in lieu of First Worthing Company's obligation to construct one-half of Dunbarton Oaks and supporting public utility infrastructure as required to develop and plat Brighton Village Unit 5, Block 1, Lot 3.

On April 11, 2006, the CITY entered into a deferment agreement with Mostaghasi Investment Trust for Cimarron Estates and accepted, appropriated and restricted $83,250.49 in an interest-bearing Infrastructure Trust Fund No. 4730 in order to reimburse Wal-Mart Real Estate Business Trust for the construction and completion of Dunbarton Oak Drive and related storm water improvements.

On August 17, 2010, the CITY entered into a deferment agreement with Wal-Mart Real Estate Business Trust and accepted a letter of credit in the amount of $1,086,487.05 for Cimarron Center Subdivision and agreed to award the funds to Wal-Mart Real Estate Business Trust which were deposited with the CITY pursuant to the previously executed First Worthing Company and Mostaghasi Investment Trust deferment agreements. Such funds were being held in CITY interest bearing accounts, yielding a total amount of $194,180.07.

The initial deposit of $69,267.05 from First Worthing Company has accrued $32,951.19 in interest earnings. The initial deposit of $83,250.49 from Mostaghasi Investment Trust has accrued $8,711.34 in interest earnings. This ordinance as presented will streamline the required appropriations and transfers of deferment agreement amounts along with interest earned to reimburse Wal-Mart Real Estate Business Trust for their shared cost of constructing Dunbarton Oaks Drive. Wal-Mart has completed Dunbarton Oaks Drive, and the public improvements were accepted by the CITY on July 11, 2012.

ALTERNATIVES:

Denial of Ordinance

OTHER CONSIDERATIONS:

None

CONFORMITY TO CITY POLICY:

Wal-Mart Real Estate Business has constructed Dunbarton Oaks Drive per the deferment agreement.

EMERGENCY / NON-EMERGENCY:

Non-emergency

DEPARTMENTAL CLEARANCES:

Legal
Finance

FINANCIAL IMPACT:

□ Operating   □ Revenue   □ Capital   X No. 4730 Infrastructure Trust Fund

Fiscal Year: 2013-2014	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget		194,180.07		194,180.07
Encumbered / Expended Amount		0.00		0.00
This item		194,180.07		194,180.07
BALANCE		0.00		0.00

Fund(s): Dunbarton Oaks (21606) – Security $69,267.05, interest $32,951.19
         Cimarron Estates (21367) – Security $83,250.49, interest $8,711.34

Comments:

RECOMMENDATION:

Staff recommends approval of the ordinance.

LIST OF SUPPORTING DOCUMENTS:
Ordinance
Ordinance-First Worthing Company
Deferment Agreement-Mostaghasi Investment Trust
Ordinance-Mostaghasi Deposit to reimburse Wal-Mart Real Estate Business Trust
Deferment Agreement –Wal-Mart Real Estate Business Trust