



AGENDA MEMORANDUM

Public Hearing & First Reading Ordinance for October 18, 2022
Second Reading Ordinance for October 25, 2022

DATE: October 18, 2022

TO: Peter Zanoni, City Manager

FROM: Al Raymond, Director of Development Services
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**Amendment to Reimbursement Agreement with Mostaghasi Investment Trust
Wastewater Lift Station – River Ridge Unit 4**

CAPTION:

Ordinance authorizing an amendment in the amount of \$1,801,799.00 to the Wastewater Lift Station, Gravity, and Force Main Line Construction and Reimbursement Agreement with The Mostaghasi Investment Trust, DBA Sun George Contracting Company, to construct the Wastewater Lift Station for River Ridge Unit 4; transferring \$39,694.18 from the Wastewater Collection Line Trust Fund, \$163,925.70 from the Water Distribution Main Trust Fund, and \$615,966.67 from the Water Arterial Transmission & Grid Main Trust Fund to the Wastewater Trunk System Trust Fund; authorizing appropriation of \$1,609,387.00 from the Wastewater Trunk System Trust Fund and transferring future revenues in the amount of \$192,412.00 to reimburse the developer per the amended agreement. (District 1)

SUMMARY:

The Mostaghasi Investment Trust proposes to construct wastewater infrastructure to serve and develop a new planned residential subdivision and proposed apartment complex which requires construction of a new Wastewater Lift Station. The project bid prices are higher than the original estimated cost due to the continuous rise in material and construction costs industry wide. In addition to increased construction costs industry wide, constraints within the County Road 52 Right of Way, roadside topography, and difficulty with deep sewer line installation have increased construction costs. Developer has requested an amendment to the original reimbursement agreement in the amount of \$1,801,799.00; this will increase the total reimbursement amount to \$3,862,999.00 less the lot/acreage fee credit of \$19,998.83 for a total payable amount of \$3,843,000.17.

BACKGROUND AND FINDINGS:

This project will serve 256 acres located at US HWY 77 and CR 52. The River Ridge Unit 4 Subdivision consists of 38.75 acres is zoned RS-6 and proposes 136 single family homes. North of CR 52 along US HWY 77 is the Nemece Towne Center. The commercial preliminary plat consists of 26.318 acres and a portion was rezoned from FR to CG-2 to construct a Hobby Lobby &

Shopping Center. 16.137 acres at the southeast corner of US HWY 77 and CR 52 is proposed for annexation and consists of 1.572 commercial acres and 14.62 acres of multi-family development.

Currently, there is no gravity wastewater in this area to serve the proposed developments. Wastewater Lift Stations and Force Main Lines that are required and comply with the wastewater master plan are eligible for reimbursement under UDC Sections 8.5.2.E.3 and 8.5.2.E.4 respectively. The Wastewater Trunk System Trust Fund is used to reimburse developers for the construction of these types of improvements.

ALTERNATIVES:

Denying or partially approve the request.

FINANCIAL IMPACT:

The total cost of the project is \$3,862,999.00 less the \$19,998.83 lot/acreage fee credit, for a total payable amount of \$3,843,000.17. This amendment requires transferring \$39,694.18 from the No. 4220-21801-777 Sanitary Sewer Collection Line Trust Fund, transferring \$163,925.70 is transferred from the No. 4030-21806-777 Water Distribution Main Trust Fund, transferring \$615,966.67 is transferred from the No. 4030-21805-777 Water Arterial Transmission & Grid Main Trust to No 4220-21800-777 Wastewater Trunk System Trust Fund; transferring of future revenue of \$192,412.00 collectively from Water and Wastewater lot and acreage fees and pro-rata fees to the Wastewater Trunk System Trust Fund; authorizing appropriation of \$1,609,387.00 from the Wastewater Trunk System Trust Fund to reimburse the developer per the agreement.

FUNDING DETAIL:

Fund: 4220 Sanitary Sewer Trunk System Trust Fund
Organization/Activity: 2180 Sanitary Sewer Trunk System Trust
Mission Element: 777
Project # (CIP Only): N/A
Account: 540450 Reimbursement to Developers

RECOMMENDATION:

Staff recommends approval of the Amendment for Reimbursement regarding River Ridge Unit 4, Wastewater Lift Station, Gravity and Force Main lines; The request in in accordance with UDC Section 8.5.2.E Wastewater Trunk Force Main Extensions and 8.5.2.E.4 Wastewater Lift station Installation.

LIST OF SUPPORTING DOCUMENTS:

Ordinance (with exhibits)
Presentation
Certification of Funds
Location Map