



REVISED

AGENDA MEMORANDUM
for the City Council Meeting of May 15, 2012

DATE: 4/26/2012

TO: Ronald L. Olson, City Manager

FROM: Mark Van Vleck, Interim Director of Development Services
MarkVV@cctexas.com
(361) 826-3246

Grid Main Extension Construction and Reimbursement Agreement with
Commercial Metals Company, developer of CMC Subdivision Lot 4A

CAPTION:

Motion approving the Grid Main Extension Construction and Reimbursement Agreement submitted by Commercial Metals Company, owner and developer of CMC Subdivision Lot 4A, located north of Hwy. 44 (Agnes St.) on Bronco Road for the extension of an 8-inch and 12 inch Grid Main line, including all related appurtenances.

Ordinance appropriating \$415,070.00 from the No. 4030 Water Arterial Transmission & Grid Main Trust Fund to reimburse Commercial Metals Company, for the extension of a 12-inch grid main line, including all related appurtenances for development of CMC Subdivision Lot 4A, as specified in the Water Grid Main Line Extension Construction and Reimbursement Agreement.

BACKGROUND AND FINDINGS:

Commercial Metals Company, Inc. is requesting a Grid Main Extension Construction and Reimbursement Agreement for the platting and development of CMC Subdivision Lot 4A, as shown on the final plat (Exhibit 1). The subdivision is located north of Hwy. 44 (Agnes St.) on Bronco Road. 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 3,600-feet of the proposed 8-inch water line and a total of 7,300-feet of the proposed 12-inch water line are off-site and eligible for reimbursement. The total installation cost of off-site improvements submitted by the developer for the 8-inch and 12-inch water Line is \$492,850.00. The water line will be part of the Grid Main and thus 100% reimbursable. The 8-inch water line is eligible for a maximum reimbursement of an off-site extension to 50% of the total cost. Therefore, the maximum reimbursable amount will be \$415,070.00. A detailed breakdown of the Engineer's cost estimate is included as 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 collection main construction and reimbursement agreement is approved by the City Council.

ALTERNATIVES:

Denial of the Grid Main Extension Construction and Reimbursement Agreement

OTHER CONSIDERATIONS:

Not applicable

FINANCIAL IMPACT: Operating Expense

Fiscal Year: 2011-2012	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget		867,727.55		867,727.55
Encumbered / Expended Amount		19,433.18		19,433.18
This item		415,070.00		415,070.00
BALANCE		433,224.37		433,224.37

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 collection main construction and 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 provide in the Unified Development Code.

EMERGENCY / NON-EMERGENCY:

Non-emergency

DEPARTMENTAL CLEARANCES:

Legal
Finance

RECOMMENDATION:

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

LIST OF SUPPORTING DOCUMENTS:

- Exhibit 1 Final Plat
- Exhibit 2 Application for Grid Main Reimbursement
- Exhibit 3 Plans and Specifications
- Exhibit 4 Engineer's Cost Estimate
- Exhibit 5 Grid Main Extension Construction and Reimbursement Agreement