

Ordinance authorizing a Wastewater Trunk System Construction Reimbursement Agreement (“Agreement”) up to \$1,382,148.68 with Grangefield Development, LLC (“Developer”) to construct a required wastewater trunk line extension for the proposed residential development of Oso Ranch Unit 1 located in Flour Bluff and requiring construction completion within 24 months; transferring \$434,396.35 collectively from the Water Trust Funds and Wastewater Collection Line Trust Fund to the Wastewater Trunk System Trust Fund; appropriating \$808,539.84 from the Wastewater Trunk System Trust Fund; transferring of future revenue of \$573,608.84 collectively from Water and Wastewater lot and acreage fees and pro rate fees to the Wastewater Trunk System Trust Fund; authorizing appropriation of \$573,608.84 from the Wastewater Trunk System Trust Fund to reimburse the Developer per the agreement.

WHEREAS, the Developer/Owner, in compliance with the City’s Unified Development Code (“UDC”), has a plat, approved by the Planning Commission on March 23, 2022, to develop a tract of land, approximately 45.523 acres known as Oso Ranch Unit 1;

WHEREAS, under the UDC, the Developer/Owner is responsible for construction of the Wastewater Trunk System (“Wastewater Improvements”);

WHEREAS, under the UDC, the Developer/Owner is eligible for reimbursement of the Developer/Owner's costs for the construction of Wastewater Improvements;

WHEREAS, it is in the best interests of the City to have the Wastewater Improvements be constructed to its ultimate capacity under the City’s applicable Master Plan; and

WHEREAS, the City’s participation as Trustee does not create a loan of its credit because Texas Constitution Article 1.1, Section 3 prohibits the City from becoming a subscriber to the capital of any private corporation or association, or make any appropriation or donation to the same, or in anywise loan its credit;

WHEREAS, execution of the Agreement constitutes a promise to pay only to the extent that the assets and future assets of the trust are sufficient for such purpose and that any judgement will only be satisfied out of the assets of the trust and not out of the City’s assets and the City is excluded from personal liability;

WHEREAS, the Wastewater Trunk System Trust Fund does not currently have sufficient funds to fully reimburse Developer/Owner for Wastewater Improvements under the Agreement;

WHEREAS, a construction and reimbursement agreement must be approved by the City Council before the developer starts construction. Reimbursement only shall be made when monies are available in and appropriated from the Wastewater Trunk System Trust Fund. The order of the reimbursement will be determined according to the date construction and reimbursement agreement is approved by the City Council;

WHEREAS, the Agreement approved herein will be first in line in the order for reimbursement from the Wastewater Trunk System Trust Fund based on the date the agreement is approved by the City Council per UDC 8.5.3.E; and

WHEREAS, If the developer is owed funds from the Wastewater Trunk System Trust Fund reimbursement shall be made as funds are deposited into the trust fund from other development and/or, the developer will be given credit for lot or acreage fees that are due on subsequent final plats filed with the County Clerk per UDC 8.5.3.E.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CORPUS CHRISTI, TEXAS:

SECTION 1. The City Manager, or designee, is authorized to execute a Wastewater Trunk System Construction and Reimbursement Agreement (“Agreement”), attached hereto, for up to \$1,382,148.68 with Grangefield Development, LLC (“Developer”), for the extension of a 24-inch wastewater trunk system, including all related appurtenances, for the development of Oso Ranch Unit 1 Subdivision, Corpus Christi, Nueces County, Texas.

SECTION 2. In the event of a project delay, the City Manager or designee is authorized to execute an extension of the agreement for a period not to exceed a period of 24 months.

SECTION 3. Funding in the amount of \$323,942.79 is transferred from the No. 4030-21805-777 Water Arterial Transmission and Grid Main Trust to the No.4220-21800-777 Wastewater Trunk System Trust Fund.

SECTION 4. Funding in the amount of \$40,944.27 is transferred from the No. 4030-21806-777 Water Distribution Main Trust to the No.4220-21800-777 Wastewater Trunk System Trust Fund.

SECTION 5. Funding in the amount of \$69,509.29 is transferred from the No. 4220-21801-777 Wastewater Collection Line Trust to the No.4220-21800-777 Wastewater Trunk System Trust Fund.

SECTION 6. Funding in the amount of \$808,539.84 is appropriated from the No.4220-21800-777 Wastewater Trunk System Trust Fund to reimburse the Developer for the construction of a Wastewater Lift Station, Gravity and Force Main Line, and improvements in accordance with the Agreement.

SECTION 7. The future revenue of the Water Arterial Transmission and Grid Main Trust Fund, Distribution Mains Trust Fund, and Wastewater Collection Line Trust Fund are transferred to the Wastewater Trunk System Trust Fund until \$573,608.84 is appropriated from the No.4220-21800-777 Wastewater Trunk System Trust Fund by way of water and wastewater lot and acreage fees and pro-rata fees being deposited into the Wastewater Trunk System Trust Fund until \$573,608.84 is appropriated from the No.4220-21800-777 Wastewater Trunk System Trust Fund in accordance with Section 8 of this ordinance.

SECTION 8. The City Manager or designee is authorized to appropriate \$573,608.84 from the No.4220-21800 Wastewater Trunk System Trust Fund as fund become available to reimburse the Developer for the construction of a Wastewater Lift Station, Gravity and Force Main Line, and improvements in accordance with the Agreement.

SECTION 9. This ordinance takes effect upon passage.

That the foregoing ordinance was read for the first time and passed to its second reading on this the ____ day of _____, 2023, by the following vote:

Paulette Guajardo	_____	Jim Klein	_____
Roland Barrera	_____	Mike Pusley	_____
Sylvia Campos	_____	Everett Roy	_____
Gil Hernandez	_____	Dan Suckley	_____
Michael Hunter	_____		

That the foregoing ordinance was read for the second time and passed finally on this the ____ day of _____, 2023, by the following vote:

Paulette Guajardo	_____	Jim Klein	_____
Roland Barrera	_____	Mike Pusley	_____
Sylvia Campos	_____	Everett Roy	_____
Gil Hernandez	_____	Dan Suckley	_____
Michael Hunter	_____		

PASSED AND APPROVED on this the ____ day of _____, 2023.

ATTEST:

Rebecca Huerta
City Secretary

Paulette Guajardo
Mayor