



CITY OF
CORPUS CHRISTI

AGENDA MEMORANDUM

Public Hearing and First Reading Ordinance for the 06/30/26
Second Reading Ordinance for 07/14/26

DATE: June 30, 2026
TO: Peter Zanoni, City Manager
FROM: Yvette Wallace, Interim Director Development Services
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Wastewater Line Construction and Reimbursement Agreement with Mostaghasi George Development, LLC for wastewater improvements for a subdivision known as Kaspian Subdivision Unit 1

CAPTION:

Ordinance authorizing a Wastewater Trust Fund Reimbursement Agreement up to \$2,280,573.90 with Mostaghasi George Development, LLC to construct a wastewater improvement for a proposed residential development located south of FM 43 and east of CR 43, also known as Kaspian Subdivision Unit 1 and authorizing future appropriation of Wastewater Trust Fund revenue up to the \$2,280,573.90 to reimburse the developer in accordance with the agreement and Unified Development Code. (District 5).

SUMMARY:

Mostaghasi George Development, LLC is developing approximately 99.52 acres for 422 homes and is requesting funds to construct sanitary sewer trunk line improvements associated with the development. The estimated one-time cost of the improvements is **\$2,280,573.90**.

BACKGROUND AND FINDINGS:

The Developer, Mostaghasi George Development, LLC has requested reimbursement through a reimbursement agreement for the 99.52-acre development named Kaspian Subdivision Unit 1, located south of FM 43 and east of CR 43.

Kaspian Subdivision Preliminary Plat was approved by the Planning Commission on April 1, 2026. The development, located south of FM 43 and east of Cr 43, has 99.52-acres including street dedications.

The wastewater improvements consist of **2,505 linear feet of 15" PVC pipe**. The allowable reimbursement amount is **\$2,280,573.90**, representing the full construction cost of the project. The terms of the agreement are for **12** months. The project is consistent with the City's Wastewater Line Construction Standards.

The project is eligible for reimbursement from the Sanitary Sewer Trunk Line Trust Fund per UDC Section 8.5.2.E.

CCW Transferred \$9,190,356.00 into the FY25 Trust Fund Budget to address the ongoing deficit Trust Fund balance. Since then, there have been 12 additional reimbursement agreements with an additional commitment of \$2,913,621.60 to be paid out of the Trust Fund, thereby bringing the balance, as of April 30, 2026 to **-\$796,433.85**. There is another reimbursement agreement along with this one. If both are approved, the new proposed Trust Fund balance would be **-\$3,454,856.75**.

ALTERNATIVES:

This project will improve and facilitate development of the Kaspian Subdivision. An alternative to utilizing trust funds to construct the sanitary sewer trust line improvements would be to construct them with a city-initiated CIP project. This option would most likely delay the construction until the required funding for the improvements could be programmed into the CIP budget and would most likely impact on the developer’s ability to build out his planned subdivision in a timely manner.

FINANCIAL IMPACT:

The total estimated project cost for the sanitary sewer line improvements is \$2,280,573.90. Agreement requires authorizing appropriation and transferring of future revenue from Water and Wastewater lot and acreage fees and additional fee from Water and Wastewater Trust Funds. As presented by the City Manager up to \$2,280,573.90 to reimburse the developer in accordance with the agreement from the 4220 Wastewater Trust Fund

FUNDING DETAIL:

Fund:	4220	Wastewater Trust Fund
Organization/Activity:	21800	Sanitary Sewer Trunk Line Trust
Department:	46	Wastewater
Project # (CIP only):		
Account:	540450	Reimbursement to Developers
Amount:	\$2,280,573.90	

RECOMMENDATION:

Staff recommends approval. The project is in accordance with UDC Section 8.5.2.E.

LIST OF SUPPORTING DOCUMENTS:

- Ordinance (with exhibit)
- Presentation
- Certification of Funds
- Location Map