



AGENDA MEMORANDUM

Public Hearing and First Reading Ordinance for the 07/26/22
Second Reading Ordinance for 08/09/22

DATE: May 31, 2022
TO: Peter Zaroni, City Manager
FROM: Al Raymond, Director Development Services
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Wastewater Collection Line Construction and Reimbursement Agreement
with MPM Development, LP for Off-site wastewater Improvements for
Royal Oak Unit 3

CAPTION:

Ordinance authorizing a Wastewater Collection Line Extension Construction and Reimbursement Agreement for up to \$252,213.49 with MPM Development, LP to construct off-site wastewater improvements for a planned residential subdivision, Royal Oak Unit 3, located on Rand Morgan Road, south of Leopard Street, with a completion date of within 24 months; transferring \$153,836.09 from the Wastewater Trunk System Trust Fund to the Wastewater Collection Line Trust Fund appropriating \$252,213.49 to reimburse the Developer per the agreement. (District 1)

SUMMARY:

MPM Development, LP is developing a new residential subdivision named Royal Oak Unit 3 and is requesting funds to construct wastewater improvements associated with the development. The estimated one-time cost of the wastewater improvements is \$760,336.80.

BACKGROUND AND FINDINGS:

The Developer, MPM Development, LP, has requested reimbursement through a reimbursement agreement for a residential subdivision named Royal Oak Future Unit 3, located on Rand Morgan Road, south of Leopard St.

The Preliminary Plat for Royal Oak Future Units was approved by City Council on February 9, 2021, and will be recorded as a Final Plat as Royal Oak Unit 3. The plat was approved by Planning Commission on February 23, 2021. The development, located on Rand Morgan Road, south of Leopard Street, plans for 262 lots for single family homes and 3 commercial lots for a total development of 262 lots/55.24 acres and is zoned RS-4.5 PUD and CN-1.

The off-site wastewater improvements consist of 3638 linear feet of 12" PVC pipe, 10 manholes, pavement patching, storm water pollution prevention, trench safety, & dewatering. The collection line will connect to an existing line leading to the Clarkwood North Lift Station. A wastewater plan

amendment which will realign the 12" pipe around known areas of contaminated groundwater is scheduled for City Council's consideration on July 26,2022.

The project is eligible for reimbursement from the Wastewater Collection Line Trust Fund per UDC Section 8.5.2.E.

ALTERNATIVES:

This project will facilitate development of the new subdivision. An alternative to utilizing trust funds to construct the wastewater improvements would be to construct the improvements 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 the developer's ability to build out his planned subdivision in a timely manner.

Deny the use of trust funds requiring the developer to fund the construction economically.

FINANCIAL IMPACT:

The total estimated project cost for the wastewater improvements is \$760,336.80. The eligible amount for reimbursement is 50% or \$380,168.40. Less the \$127,954.91 lot/acreage fee credit, the maximum allowed reimbursable amount is \$252,213.49. The available balance of the Wastewater Collection Line Trust as of May 2022, is \$98,377.40. A transfer of \$153,836.09 from the Wastewater Trunk System Trust Fund to the Wastewater Collection Line Trust Fund appropriating \$252,213.49 to pay the developer per the agreement.

Funding Detail:

Fund: 4220 Wastewater Collection Line Trust Fund
Organization/Activity: 21801 Wastewater Collection Line Trust
Mission Element: 777
Project # (CIP Only): N/A
Account: 540450 Reimbursement to Developer

Fund: 4220 Wastewater Trunk Main Trust Fund
Organization/Activity: 21800 Wastewater Trunk Main Trust
Project # (CIP Only): N/A
Account: 540450 Reimbursement to Developer

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