



AGENDA MEMORANDUM

Public Hearing and First Reading Ordinance for November 12, 2019
Second Reading Ordinance for November 19, 2019

DATE: September 27, 2019
TO: Peter Zaroni, City Manager
FROM: Al Raymond, Director, Development Services
AlRaymond@cctexas.com
(361) 826 - 3276

Agreement and appropriating funds for Braselton Custom Homes, LTD for a Water Arterial and Grid Main Line Extension Construction and Reimbursement Agreement

CAPTION:

Ordinance authorizing a Water Arterial Transmission and Grid Main Line Extension Construction and Reimbursement Agreement with Braselton Custom Homes, LTD to extend a water transmission and grid main line for a planned residential subdivision located on CR-33 with a completion date of May 30, 2021; and appropriating \$1,233,230.25 from the Water Arterial Transmission and Grid Main Trust Fund to reimburse the Developer per agreement. (District 3)

SUMMARY:

Braselton Custom Homes LTD is required to construct a 16-inch masterplan water arterial transmission and grid main line extension fronting the development property along County Road 33 to provide water and fire suppression service to the planned residential subdivision phase named London Towne Unit 1. A water masterplan amendment for the 16-inch grid main line was approved by City Council on October 30, 2018. The installation of the new water utilities will extend service to the planned residential subdivision and the surrounding undeveloped properties. The developer has requested a reimbursement agreement in accordance with UDC Section 8.5.1 Water Trust Fund.

BACKGROUND AND FINDINGS:

Braselton Custom Homes LTD plans to install 4580 linear feet of 16-inch water grid main line per the water masterplan, to service a planned residential subdivision within city limits located on County Road 33 north of FM-43 and south of the Oso Creek. The property encompasses 22.91 acres of platted property with 93 single-family home lots and is zoned RS-4.5. The new 16-inch water grid main line is required to extend water service to the planned subdivision and the surrounding properties per the water master plan. The 16-inch water grid main line will connect to an existing 48-inch water arterial transmission and grid main line located near the north end of County Road 33 and will extend southward to the southern end of the planned subdivision. In the future the grid main line can be extended from this point and connect with the 16-inch arterial grid main line along FM-43 completing the masterplan water grid main line. A map of the water line is

not part of the agenda memo but is included as part of the presentation.

Arterial Transmission and Grid Mains are lines that are used to supply the water grid system up to one square mile and are 12-inches of inside diameter, or larger. The Water Arterial Transmission and Grid Main Trust Fund is used to reimburse developers for constructing arterial grid mains. Additionally, Section 8.5.1 of the UDC authorizes the redistribution of monies between the four trust funds in order to reimburse the developer for projects that exceed the current balance in any single trust fund.

At the August 13, 2019 Council meeting, City Council requested that staff reexamine the trust funds and provide recommendations on policies that govern the priority, order, reimbursement rate and fees charged by the trust funds. City Council requested staff return within 75 days and present their recommendations.

On November 12, 2019 during the first reading of this reimbursement item, City Council authorized a floor amendment changing the reimbursement amount from \$1,485,130.25 to \$1,233,230.25. The amendment also eliminated the transfer of \$65,000.00 from the Water Distribution Main Trust Fund to the Water Arterial Transmission and Grid Main Trust Fund.

ALTERNATIVES:

Based upon the current UDC language in section 8.5.1 Water Trust Fund the developer requested reimbursement for the installation of a water arterial transmission and grid main line that that will serve the planned subdivision and surrounding area. If the request were to be denied and the developer had to assume the costs associated with the installation of the water line to serve the property, the project may become cost prohibitive. Another alternative is to identify the project as a capital improvement project to be constructed by the city. This alternative may delay this project in the short term but would leave the trust funds with a large enough balance to encourage other developers to continue with their planned projects, without having the wait until enough revenue in Trust Fund fees is collected to reimburse developers.

FISCAL IMPACT:

The total amount required for the requested reimbursement agreement is \$1,233,230.25 and as of 30 August 2019, the Water Arterial Grid Main Trust Fund has an available balance available of \$1,421,865.73. If the reimbursement agreement is approved by Council the Water Arterial Transmission and Grid Main Trust fund will have an available balance of \$188,635.48.

The expenditures for this project are a one-time cost and are not associated with any other projects. The Utility Trust Funds receive monthly deposits generated from Lot and Acreage Fees, Pro-rata Fees and Surcharge Fees that are charged during the platting process. Over time the fees collected and deposited into the Water Trust Fund will replenish the Trust Funds and enable other developer-initiated water infrastructure projects to be reimbursed.

Funding Detail:

Fund:	4030 Water Arterial Transmission & Grid Main Trust Fund
Organization/Activity:	21805 Water Arterial Transmission & Grid Main Trust
Mission Element:	777
Project # (CIP Only):	N/A
Account:	540450 Reimbursement to Developers

RECOMMENDATION:

The request is in accordance with UDC Section 8.5.1 Water Trust Fund and the water masterplan. The installation of this water arterial grid main line will lead to the completion of a masterplan water grid main system and will provide water service to this newly annexed property and the surrounding undeveloped properties. Coupled with the Wastewater Lift Station project associated with the London Towne residential subdivision project, nearly 1000 acres of rural undeveloped property will have access to the newly installed public utilities which will help foster the development of this area within the Corpus Christi ETJ. Staff recommends approval of the applicant's request.

LIST OF SUPPORTING DOCUMENTS:

Ordinance (with exhibit)
Presentation
Location Map