



AGENDA MEMORANDUM

Public Hearing and First Reading Ordinance for the City Council Meeting of September 12, 2023
Second Reading Ordinance for the City Council Meeting of September 19, 2023

DATE: September 12, 2023

TO: Peter Zanoni, City Manager

FROM: Al Raymond, Director Development Services
alraymond@cctexas.com
(361) 826-3575

Wastewater Collection Line Construction and Reimbursement Agreement
with MPM Development for Off-site wastewater improvements for
Oso Creek Corner Subdivision

CAPTION:

Ordinance authorizing a Wastewater Collection Line Extension Construction and Reimbursement agreement up to \$356,613.35 with MPM Development to construct an off-site sanitary sewer improvements for a proposed residential and commercial development located off Yorktown Dr., southeast of Starry Rd. also known as Oso Creek Corner Subdivision and requiring construction completion within 24 months. Appropriating and transferring future trust fund revenues to reimburse the developer in accordance with the agreement (District 5).

SUMMARY:

MPM Development is developing 103.015 acres for various homes and retail centers and is requesting funds to construct the wastewater trunk line improvements associated with the development. The estimated one-time cost of the improvements is **\$356,613.35**.

BACKGROUND AND FINDINGS:

The Developer, MPM Development has requested reimbursement through a reimbursement agreement for the 103.015 acre subdivision named Oso Creek Corner, located off Yorktown Dr., southeast of Starry Rd.

Oso Creek Corner Phase 1 plat was approved by the Planning Commission on October 19, 2022. The development, located off Yorktown St., southeast of Starry Rd, plans on 103.015 acres including street dedications in the Flour Bluff and Encinal Farm and Garden Tracts.

The off-site wastewater improvements consist of **3,075 linear feet of 12" PVC pipe**. The allowable reimbursement amount is **\$356,613.35**, representing 50% of the cost of the project of \$1,063,013.13 less wastewater lot/acreage credits. The term of the agreement is **24** months. The project is consistent with the City's Sanitary Sewer Collection Line Construction Standards.

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

ALTERNATIVES:

This project will improve and facilitate the development of the new Oso Creek Corner Subdivision. An alternative to utilizing trust funds to construct the wastewater trunk 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 the developer's ability to build out his planned subdivision in a timely manner.

FISCAL IMPACT:

The total estimated project cost for the sanitary sewer improvements is \$1,063,013.13, 50 percent of which is reimbursable totaling \$531,506.57 less credit for lot and acreage fees of \$174,893.22 for a total cash reimbursement amount of **\$356,613.35**. The agreement requires appropriating and transferring future revenue from the Water and Wastewater lot and acreage fees and pro-rata fees to the Sanitary Sewer Trunk Line Trust Fund to reimburse the developer per the agreement.

FUNDING DETAIL:

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

Fund: 4030 Water Distribution Main Trust Fund
Organization/Activity: 21806 Water Distribution Main Trust
Mission Element: 777
Project # (CIP Only): **N/A**
Account: 540450 Reimbursement to Developers

Fund: 4220 Sewer Trunk System Trust Fund
Organization/Activity: 21800 Sewer Trunk System Trust
Mission Element: 777
Project # (CIP Only): **N/A**
Account: 540450 Reimbursement to Developers

Fund: 4220 Sewer Trunk System Trust Fund
Organization/Activity: 21801 Sewer Collection Line Trust
Mission Element: 777
Project # (CIP Only): **N/A**
Account: 540450 Reimbursement to Developers

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