



AGENDA MEMORANDUM

First Reading Ordinance Item for the City Council Meeting of June 24, 2014
Second Reading Ordinance for the City Council Meeting of July 8, 2014

DATE: 5/20/14
TO: Ronald L. Olson, City Manager
FROM: Barney Williams, P.E., Interim Director, Development Services
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Approval of agreement and appropriating ordinance to reimburse Kitty Hawk Development, Ltd., for the construction of water arterial transmission and grid main line

CAPTION:

Ordinance authorizing city manager or designee to execute a water arterial transmission and grid main construction and reimbursement agreement ("Agreement") with Kitty Hawk Development, Ltd., ("Developer"), for the construction of a water arterial transmission and grid main line and appropriating \$73,153.29 from the No. 4030 Arterial Transmission and Grid Main Trust Fund to reimburse the Developer in accordance with the Agreement.

PURPOSE:

Kitty Hawk Development Ltd., is required to install 1,205 linear feet of 12-inch water arterial grid main extension in order to provide adequate water to a proposed development. The site is located south of South Staples Street (FM 2444) and between Kitty Hawk Drive and County Road 41.

BACKGROUND AND FINDINGS:

Per Section 8.5.1.C(1) Credits and Reimbursements of the Unified Development Code ("UDC"), Kitty Hawk Development Ltd., is requesting a Reimbursement Agreement for the development of Water's Edge At Kitty Hawk Unit 1 as shown on the final plat. The subdivision is located south along South Staples Street (FM 2444) and west of Kitty Hawk Drive. The development requires the extension of 1,205 linear feet of 12-inch water arterial grid main in order to provide adequate water to the property. A layout of existing and proposed improvements is included as Exhibit 3. The 12-inch waterline is in the Water Master Plan and as such is eligible for full reimbursement from the Water Arterial Transmission and Grid Main Trust Fund.

The Water Master Plan calls for the construction of a 12-inch water arterial grid main along the south side of South Staples Street (FM 2444). Section 8.5.1.C (1b) of the UDC states if the actual costs for installation of such arterial transmission and mains are greater than the lot or acreage fee, the developer shall be reimbursed (less any lot/acreage fee credits) from funds available from the Water Arterial Transmission and Grid Main Trust Fund for that portion of the arterial transmission and grid main installed by the developer. In this case, the total construction cost of the 12-inch water arterial grid main is \$94,931.80 less the lot/acreage fee of \$21,778.51. The developer is eligible for a maximum reimbursement of \$73,153.29.

ALTERNATIVES:

Disapproval of the Reimbursement Agreement.

OTHER CONSIDERATIONS:

None

CONFORMITY TO CITY POLICY:

The developer will be extending a water grid main to serve the proposed residential development and has requested a Reimbursement Agreement, as provided in the Unified Development Code. The proposed water grid main is consistent with the policies of Water Distribution System Standards.

EMERGENCY / NON-EMERGENCY:

Non-emergency

DEPARTMENTAL CLEARANCES:

Legal
Finance

FINANCIAL IMPACT:

Operating Revenue Capital Water Arterial Transmission
Grid Main Trust Fund

Fiscal Year: 2013-2014	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget		\$1,836,294.30		
Encumbered / Expended Amount		\$667,795.21		
This item		\$73,153.29		
BALANCE		\$ 1,095,345.80		

Fund(s):

Comments:

Balance reflects amount for Spear Subdivision Block 1, Lot 1 reimbursement agreement.

RECOMMENDATION:

Staff recommends approval of the ordinance.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
Agreement - Water Arterial Transmission and Grid Main Construction and Reimbursement