



## AGENDA MEMORANDUM

First Reading Ordinance for City Council (09/06/2022)  
Second Reading Ordinance for City Council (09/13/2022)

**DATE:** 08/09/2022

**TO:** Peter Zaroni, City Manager

**FROM:** Albert J Raymond III, Director Development Services  
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Water Arterial Transmission and Grid Main Construction and Reimbursement agreement appropriating trust funds for Cypress Point, LLC for construction of a residential subdivision located on FM 2444 at CR 43, Caroline's Heights Unit 1

### **CAPTION:**

Ordinance authorizing a Water Arterial Transmission Grid Main Construction and Reimbursement Agreement ("Agreement") for up to \$471,488.10 with Cypress Point Capital, LLC ("Developer") for the construction of a water arterial transmission grid main line for a residential development located South of Farm Road 2444 on County Road 43 with a completion date of within 24 months; appropriating \$471,488.10 from the Water Arterial Transmission & Grid Main Trust Fund to reimburse the developer in accordance with the agreement.

### **SUMMARY:**

Legal spoke to TxDOT general counsel's office on two occasions regarding annexation of TxDOT right of way. TxDOT takes a neutral stance for annexation and neither requests nor opposes annexation of right of way. Furthermore, TxDOT has taken the position that their commission does not have the authority to request annexation. Therefore, annexation of TxDOT right of way pursuant to Texas Local Government Code 43.1055 is not an option.

Cypress Point Capital, LLC is required to fund the installation of an 8-inch line running 3,153 linear feet of 8-inch PVC Pipe waterline extension to provide adequate water to the proposed residential subdivision development named Caroline's Heights Unit 1. However, since the Master Plan identifies a 12-inch line, Corpus Christi Water will fund the difference and the applicant will install the Master Plan line. The proposed subdivision will include 29 single family homes.

### **BACKGROUND AND FINDINGS:**

Per UDC Section 8.5.1.C in the event that the arterial transmission and grid main system are not in place when required for development, the developer may install that portion themselves to meet the Water Distribution System Standards, Water Transmission Master Plan, and Fire Suppression Rating Schedule. Under Section 8.5.1.C.B the developer shall be reimbursed from funds available from the Water Arterial Transmission and Grid Main Trust Fund for the portion installed by the developer up to a maximum of that which is required to meet standards.

This case was tabled on July 19<sup>th</sup> to assess the possibility of annexation of the property. TxDOT is unwilling to consent for annexation of FM 2444, since TxDOT does not support or oppose annexation of its roadways. Additionally, the adjacent property owners are not interested in annexation.

The Developer, Cypress Point Capital, LLC has requested reimbursement through a reimbursement agreement for a planned residential subdivision named Caroline's Heights Unit 1, an 18.720-acre tract of land, located on FM 2444 at CR43. Caroline's Heights Unit 1 Plat was approved by Planning Commission on November 10, 2021. The residential development is outside city limits.

The Grid Main Extension consists of installing 3153 liner feet of 12-inch PVC. The allowable reimbursement is \$484,907.78 construction costs less the acreage fee credit of \$13,459.68 for an allowable reimbursement amount of \$471,448.10. The term of the agreement is 24 months.

The project is eligible for reimbursement from the Water Arterial Transmission and Grid Main Trust per UDC Section 8.5.1.C. This water line extension will tie into the 12- inch water line that runs east to west of Staples Street (FM 2444) and is consistent with Water Distribution System Standards, Water Transmission Master Plan, and Fire Suppression Rating Schedule. The applicant has agreed to annexation when the development becomes contiguous to the City.

City Council may, after a public hearing, transfer monies from one trust fund to the other in order to better carry out the purposes of the United Development Code 8.5.1.A.7 and 8.5.2.A.7.

### **ALTERNATIVES:**

This project will improve and facilitate development in the area. An alternative to utilizing trust funds to construct the Water Arterial Transmission Grid Main 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 the planned subdivision in a timely manner.

### **FINANCIAL IMPACT:**

The total estimated project cost for the Water Arterial Transmission and Grid Main Construction is \$484,907.78, less the \$13,459.68 lot/acreage fee credit, the maximum allowable reimbursement is \$471,448.10. Appropriating \$471,448.10 from the Water Arterial Transmission and Grid Main Trust for this reimbursement 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

### **RECOMMENDATION:**

Staff recommends approval. The project is in accordance with UDC Section 8.5.1.C.

**LIST OF SUPPORTING DOCUMENTS:**

Email from TxDOT regarding Annexation (with City of San Antonio v City of Boerne Case)  
Ordinance (with exhibit)  
Presentation  
Certification of Funds  
Location Map