



AGENDA MEMORANDUM

Public Hearing and First Reading Ordinance for the 08/13/24
Second Reading Ordinance for 08/20/24

DATE: August 13, 2024

TO: Peter Zaroni, City Manager

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

Water Arterial Transmission & Grid Main Line Construction and Reimbursement Agreement with MPM Development, LP for water improvements for Royal Oak South

CAPTION:

Ordinance authorizing a Water Arterial Transmission & Grid Main Construction and Reimbursement Agreement up to \$141,108.94 with MPM Development, LP to construct a water arterial transmission grid main related to Royal Oak South subdivision located south of the Chisolm Trail and Rand Morgan Rd intersection; and authorizing future transfer and appropriation of Water and Wastewater Trust Fund revenue up to \$141,108.94 to reimburse the developer in accordance with the agreement. (District 1).

SUMMARY:

MPM Development is developing 20.261 acres of single-family residential homes with approximately 115 lots to be built and is requesting funds to construct the water distribution line improvements associated with the development. The estimated one-time reimbursable cost of the improvements is \$141,108.94.

BACKGROUND AND FINDINGS:

The Developer, has requested reimbursement through a reimbursement agreement for the 20.261 acres subdivision named Royal Oak South subdivision located south of the Chisolm Trail and Rand Morgan Rd intersection. The plat was approved by the Planning Commission on November 1, 2023.

The water improvements consist of 365 linear feet of 16" PVC pipe. The allowable reimbursement amount is \$141,108.94. The term of the agreement is 24 months. The project is consistent with the City's Water Arterial Transmission and Grid Main Construction Standards.

The project is eligible for reimbursement from the Water Arterial and Grid Main Line Trust Fund per UDC Section 8.5.2.E.

ALTERNATIVES:

This project will improve and facilitate development of the new Royal Oak South subdivision development. An alternative to utilizing trust funds to construct the water arterial transmission & grid main 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.

FINANCIAL IMPACT:

The total estimated project cost for the water improvements is \$141,108.94. Agreement requires authorizing appropriation and transferring of future revenue from Water and Wastwater lot and acreage fees and additional fee from Water and Wastwater Utilities fund as presented by the City Manager with the Proposed FY2025 budget up to \$141,108.94 to reimburse the developer in accordance with the agreement. (District 5).

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