



AGENDA MEMORANDUM

Public Hearing and First Reading Ordinance for City Council on 12/12/2023
Second Reading Ordinance for City Council 01/09/2024

DATE: December 12, 2023
TO: Peter Zanoni, City Manager
FROM: Al Raymond, Director Development Services
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Water Arterial Transmission and Grid Main Construction and Reimbursement Agreement with Dorsal Development, LLC for water improvements for Queen's Crossing Unit 2.

CAPTION:

One-reading ordinance authorizing a Water Arterial Transmission and Grid Main Construction and Reimbursement Agreement up to \$285,914.93 with LSK Development, LLC to construct a 12-inch water arterial transmission grid main line for the proposed residential development located off Cimarron Blvd, also known as Queen's Crossing Unit 2 Subdivision; and authorizing future transfer and appropriation of Water and Wastewater Trust Fund revenue up to \$285,914.93 to reimburse the developer in accordance with the agreement. (District 5).

SUMMARY:

LSK Development, LLC is developing 103.015 acres and is requesting funds to construct a new water arterial transmission and grid main line improvements associated with the development. The estimated one-time cost of the improvements is **\$285,914.93**.

BACKGROUND AND FINDINGS:

The Developer, LSK Development, LLC, has requested reimbursement through a reimbursement agreement for the 19.747-acre subdivision named Queen's Crossing Unit 2, located south of the Cimarron Blvd and Lens Dr intersection near Oso Parkway.

Queen's Crossing Unit 2 plat was approved by the Planning Commission on October 5, 2022. The development, located south of the Cimarron Blvd and Lens Dr. intersection, plans on 19.747 acres including street dedications.

Construction consists of installing **1,881 liner feet of 12-inch PVC water line** to supply water to the proposed development. The term of the agreement is **24** months. The project is consistent with the City's Water Arterial Transmission and Grid Main Trust Construction Standards.

Project is eligible for reimbursement from the Water Arterial Transmission and Grid Main Trust

per UDC Section 8.5.1.C.

ALTERNATIVES:

This project will improve and facilitate development of the new Queen’s Crossing Unit 2 Subdivision. An alternative to utilizing trust funds to construct the water 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 less water lot/acreage fee of \$20,104.25 for the Water Arterial Transmission and Grid Main improvements is **\$285,914.93**. This agreement requires appropriating and transferring of future revenue from Water and Wastewater lot and acreage fees and pro-rata fees to the Water Arterial Transmission and Grid Main Construction 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 8.5.1.C.

LIST OF SUPPORTING DOCUMENTS:

Ordinance (with exhibits)

Presentation
Certification of Funds
Location Map