



## **AGENDA MEMORANDUM**

Public Hearing and First Reading Ordinance for City Council on 12/20/2022  
Second Reading Ordinance for City Council 01/10/2023

**DATE:** December 20, 2022

**TO:** Peter Zaroni, City Manager

**FROM:** Al Raymond, Director of Development Services  
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Approval of a Water Arterial Transmission and Grid Main Construction Reimbursement Agreement; appropriating future trust fund revenues for Cypress Point, LLC to construct a proposed water arterial transmission grid main required for a residential subdivision located at FM 2444 and CR 43, otherwise known as Caroline's Heights Unit 1

### **CAPTION:**

Ordinance authorizing a Water Arterial Transmission Grid Main Construction Reimbursement Agreement ("Agreement") up to \$471,488.10 with Cypress Point Capital, LLC ("Developer") to construct a required water arterial transmission grid main line for the proposed residential development located South of Farm Road 2444 on County Road 43, otherwise known as Caroline's Heights Unit 1; and authorizing future transfer and appropriation of Water and Wastewater Trust Fund revenue up to \$471,488.10 to reimburse the developer in accordance with the agreement.

### **SUMMARY:**

Cypress Point Capital, LLC is required to install 3,153 linear feet of 12-inch PVC pipe waterline to extend and provide adequate water for a proposed residential subdivision at FM2444 and CR43, otherwise known as Caroline's Heights Unit 1. The proposed subdivision will include 29 single-family homes on 18.72 acres, additionally, the extension of the waterline will open an additional 838.93 acres for immediate development.

### **BACKGROUND AND FINDINGS:**

Per UDC Section 8.5.1.C, if the water arterial transmission and grid main systems 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 may 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.

Developer, Cypress Point Capital, LLC, has requested a reimbursement agreement for a required water arterial transmission and grid main to supply a planned residential subdivision located on FM2444 and CR43, otherwise known as Caroline's Heights Unit 1, with adequate water. Caroline's Heights Unit 1 Plat was first approved by Planning Commission on November 10, 2021,

and extended on May 5, 2022, and October 05, 2022.

The extension consists of installing 3,153 linear feet of 12-inch PVC water line to supply water to the proposed development. Allowable reimbursement totals \$484,907.78 with a credit for acreage fees of \$13,459.68 with construction required within 24 months.

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

#### **ALTERNATIVE:**

This project will facilitate development in the area and conforms to UDC and City requirements for reimbursement. An alternative to utilizing trust funds for reimbursement would be to construct the improvements with a city-initiated CIP project or fund the project out of the current public works budget. Any alternative to the trust fund reimbursement agreement will ultimately cause delays in construction and increased costs to the City; thus, delaying development in this area.

#### **FISCAL 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, and the maximum allowable reimbursement is \$471,448.10. Future revenues of the trust funds will be appropriated totaling \$471,448.10 as allowed per UDC.

If approved by Council, updated trust fund balances would be **(\$631,670.64)** after the project is obligated. Positive balances shown are to be transferred to fund River Ridge Unit 4 and Kings Landing Unit 2 agreements.

	Water Arterial Transmission & Grid Main Trust	Water Distribution Main Trust	Sanitary Sewer Trunk System Trust	Sanitary Sewer Collection Line Trust
Funds Available (As Of 10.31.2022)	\$ 339,257.94	\$ 6,110.86	\$ 4,419,435.72	\$ 326,599.78
Appropriated Funds Not Yet Expended (Includes Current Item)	\$ (841,305.46)	\$ (833.66)	\$ (4,560,279.27)	\$ (320,656.55)
Balance After Appropriations	\$ (502,047.52)	\$ 5,277.20	\$ (140,843.55)	\$ 5,943.23

#### **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  
Location Map