



## **AGENDA MEMORANDUM**

First Reading Ordinance for City Council Meeting of April 16, 2019  
Second Reading Ordinance for the City Council Meeting of April 23, 2019

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**DATE:** April 1, 2019

**TO:** Keith Selman, Interim City Manager

**FROM:** Mark Van Vleck, Assistant City Manager  
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(361) 826-3235

Approving a Developer Agreement for PR 22 Bridge
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### **CAPTION:**

Ordinance appropriating \$4,000,000 from the TIRZ #2 Fund for construction of the Park Road 22 Bridge and approving a developer agreement with Diamond Beach Holdings, LLC and Padre Island Holdings, LLC, which certifies the availability of \$11,696,319.50 for the construction of the Park Road 22 Bridge and requires the award of the construction contract for the bridge after the third-party canal is completed.

### **PURPOSE:**

To approve an agreement with Diamond Beach Holdings, LLC and Padre Island Holdings, LLC for development of the third-party canal for the Park Road 22 Bridge.

### **BACKGROUND AND FINDINGS:**

Diamond Beach Holdings, LLC (DBH) and Padre Island Holdings, LLC (PIH) are the current owners of land adjacent to the proposed location for the Park Road 22 Bridge. DBH and PIH are proposing to build a canal to create a water connection under the Park Road 22 Bridge and provide for connectivity from the existing canal system owned by the Padre Island Property Owners Association to the Packery Channel.

The attached agreement lays out the requirements for the proposed bridge and canal project, which requires the City to certify the availability of \$11,696,319.50 for the bridge and to award the construction contract for the bridge project after the canal is completed. \$11,696,319.50 was the amount of the low bid when this project was previously bid by the City. The construction contract related to that bid was never awarded. The construction contract will be brought back to City Council for approval once the canal is completed. If the lowest bid exceeds \$11,696,319.50, the City may terminate this agreement. DBH and PIH will be responsible for connecting the canal under the bridge to the completed canal once the bridge project is completed.

**ALTERNATIVES:**

City Council could choose not to approve the agreement.

**OTHER CONSIDERATIONS:**

None

**CONFORMITY TO CITY POLICY:**

Council authorization to approve an ordinance.

**EMERGENCY / NON-EMERGENCY:**

Non-Emergency

**DEPARTMENTAL CLEARANCES:**

Legal  
City Manager's Office

**FINANCIAL IMPACT:**

X Operating      ☐ Revenue      X Capital      ☐ Not applicable

<b>Fiscal Year: 2018-2019</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Line Item Budget (Operating Fund 1111)	\$4,000,000.00	\$0.00	\$4,000,000.00
Line Item Budget (CIP Funds)	7,696,319.50	0.00	7,696,319.50
Encumbered / Expended Amount	0.00	0.00	0.00
This item	11,696,319.50	0.00	11,696,319.50
<b>BALANCE</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

Fund(s): Fund 1111 – Restricted Fund Balance; CIP Fund 3541 Project 170062; CIP Fund 3544 Project 170062; CIP Fund 3545 Project 170062; CIP Fund 3548 Project 170062

**Comments:**

None

**RECOMMENDATION:**

Staff recommends approval of this ordinance.

**LIST OF SUPPORTING DOCUMENTS:**

Ordinance  
Developer Agreement