



AGENDA MEMORANDUM

First Reading Ordinance for the City Council Meeting of February 25, 2020
Second Reading Ordinance for the City Council Meeting of March 17, 2020

DATE: January 17, 2020

TO: Peter Zaroni, City Manager

FROM: Al Raymond, Director, Development Services
AlRaymond@cctexas.com
(361) 826 - 3276

Agreement and appropriating funds for the Walker Holdings and Development, LLC for a Wastewater Collection Line Extension Construction and Reimbursement Agreement

CAPTION:

Ordinance authorizing a Wastewater Collection Line Extension Construction and Reimbursement Agreement with Walker Holdings and Development, LLC to extend a 12-inch wastewater collection line for a planned residential subdivision located on IH-69 with a completion date of March 30, 2021; and appropriating \$215,393.85 from the Sanitary Sewer Collection Line Trust Fund to reimburse the Developer per the agreement. (District 1)

SUMMARY:

Walker Holdings and Development, LLC is required to construct 1,551 linear feet of 12-inch wastewater collection line to the applicant's property from the existing sewer main line located in the city's drainage easement north of the property in order to provide wastewater service for a planned residential subdivision named Calallen South Unit 1. The installation of the new wastewater utilities will extend service to the planned residential subdivision which includes 23.145 acres of undeveloped property. The developer has requested a reimbursement agreement in accordance with UDC Section 8.5.2 Wastewater Trust Fund. The planned subdivision phase will total approximately 73 single-family homes located in the Calallen Independent School District.

BACKGROUND AND FINDINGS:

Walker Holdings and Development, LLC plans to install 1,551 linear feet of 12-inch wastewater collection line in order to provide wastewater service to a planned residential subdivision named Calallen South Unit 1 that will be constructed within City limits located along IH-69, south of Northwest Boulevard. The property encompasses 23.145 acres of property that is zoned RS-6. The planned subdivision phase will total approximately 73 single-family homes located in the Calallen Independent School District.

The wastewater collection line will connect to the existing wastewater collection line located in the city's drainage easement north of the property. Additionally, the installation of the new wastewater

utilities will provide wastewater service to the surrounding properties that are located in the Calallen South Wastewater Service Area.

City Council gave direction to staff at the August 13, 2019 meeting to reexamine the trust funds and to provide recommendations on policies that govern the priority, order, reimbursement rate and fees charged by the trust funds. City Council directed staff return within 75 days and present their recommendations.

Due to the intensive process involved with this study, the department will not meet the 75 days as requested. The plan is to present staff's findings to the Trust Fund Stakeholders and City Council with a tentative date of mid-February 2020.

ALTERNATIVES:

Based upon the current UDC language in section 8.5.2 Wastewater Trust Fund the developer requested reimbursement for the installation of a wastewater collection line that that will serve the planned subdivision and surrounding area. If the request were to be denied and the developer had to assume the costs associated with the installation of the collection line to serve the property, the project will become cost prohibitive. Another alternative is to identify the project as a capital improvement project to be constructed by the city, establish public improvement taxing district (PID), or impact fees to fund the installation of new utilities infrastructure in this area. This alternative may delay this project in the short term but would establish a viable long-term funding option for the installation of new water and wastewater utilities infrastructure without burdening the taxpayers.

FISCAL IMPACT:

The total amount requested for the reimbursement agreement is \$215,393.85 and as of December 31, 2019 the Sanitary Sewer Collection Line Trust Fund has an available balance of \$713,989.32. If the applicants request is approved the Sanitary Sewer Collection Line Trust Fund will have a remaining available balance of \$498,595.47.

The expenditures for this project are a one-time cost and are not associated with any other projects. The Utility Trust Funds receive monthly deposits generated from Lot and Acreage Fees, Pro-rata Fees and Surcharge Fees that are charged during the platting process. Over time the fees collected and deposited will replenish the Trust Funds and enable other developer-initiated water infrastructure projects to be reimbursed. The trust fund balances listed are current as of December 31, 2019.

Funding Detail:

Fund:	4220 Sanitary Sewer Collection Line Trust Fund
Organization/Activity:	21801 Sanitary Sewer Collection Line Trust
Mission Element:	777
Project # (CIP Only):	N/A
Account:	540450 Reimbursement to Developers

RECOMMENDATION:

The request is in accordance with UDC Section 8.5.2 Wastewater Trust Fund. The installation of this wastewater collection line will provide wastewater service to the planned residential subdivision and will make available wastewater service to the surrounding undeveloped property. The newly installed public utilities will help foster the development of this area within this area of

Corpus Christi. Staff recommends approval of the applicant's request.

LIST OF SUPPORTING DOCUMENTS:

Ordinance (with exhibit)

Presentation

Location Map