



AGENDA MEMORANDUM

Public Hearing and First Reading Ordinance for September 15, 2020
Second Reading Ordinance for September 22, 2020

DATE: August 07, 2020
TO: Peter Zaroni, City Manager
FROM: Al Raymond, Director, Development Services
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Agreement and appropriating funds for Mostagashi Enterprises, LLC for a Wastewater Collection Line Reimbursement Agreement

CAPTION:

Ordinance authorizing Wastewater Collection Line Construction Reimbursement Agreement with Mostagashi Enterprises, LLC for a planned residential subdivision named Empire Subdivision with completion within 18 months; transferring \$110,000 from the Sanitary Sewer Trunk Main Trust Fund to the Sanitary Sewer Collection Line Trust Fund; and appropriating \$133,620 from the Sanitary Sewer Collection Line Trust Fund, to reimburse the developer per the agreement. (District 5)

SUMMARY:

Mostagashi Enterprises, LLC is required to install a wastewater collection line to provide sanitary sewer service for a planned residential subdivision named Empire Subdivision. A wastewater masterplan amendment establishing the wastewater service area surrounding the planned subdivision was approved by City Council on May 12, 2006.

BACKGROUND AND FINDINGS:

Mostagashi Enterprises, LLC has proposed to develop a planned residential subdivision that will be constructed within City limits and is located along Ametrine Road, south of CR 7B. The planned subdivision contains 68 single family home sites, is zoned RS-6 and is within the Corpus Christi Independent School District.

The Developer plans to install 1,361 linear feet of 10-inch wastewater collection line that is part of the Wastewater Master Plan for Oso Sub Basin SPA 30 and is required to provide wastewater service to the proposed subdivision property. When the collection line is completed wastewater service will be available to this subdivision and the surrounding undeveloped properties adjacent to the planned subdivision. Additionally, the extension of this wastewater collection line is consistent with the adopted wastewater master plan in this 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.

Staff conducted detailed research into the trust funds and briefed Council on their background, history and their current operational status as well as briefed Council on the update to the 2019 Alternative Utility Financing Study which ultimately recommended transitioning from trust funds to impact fees. Staff worked with Contracts and Procurement to issue an RFQ to provide Master Plans for the City's water, wastewater, stormwater and roadway infrastructure and to provide an Impact Fee Study. Once evaluations and interviews are completed, the RFQ should be placed on the City Council Agenda for consideration in late July or early August 2020.

ALTERNATIVES:

An alternative to the applicant's request could be to identify the master planned line extensions as vital infrastructure to be installed as part of a capital improvement project or other means of funding, like the establishment of a public improvement taxing district (PID) or impact fees to fund the installation of master planned utilities infrastructure in this area. This alternative may delay this project in the short term but could establish a viable long-term funding option for the installation of new wastewater utilities infrastructure within the City Limits.

FISCAL IMPACT:

The total requested reimbursement amount for the reimbursement agreement is \$133,620 from the Sanitary Sewer Collection Line Trust Fund. 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 and wastewater infrastructure projects to be reimbursed. Section 8.5.2 of the UDC authorizes the redistribution of monies between the four trust funds, after a public hearing, in order to reimburse the developer for projects that exceed the current balance in any single trust fund.

FUNDING DETAIL:

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

Fund: 4220 Sanitary Sewer Trust Fund
Organization/Activity: 21800 Sanitary Sewer Trunk Main Trust
Mission Element: 777
Project# (CIP Only): N/A
Account: 540450 Reimbursement to Developers

RECOMMENDATION:

The request is in accordance with 8.5.2. Wastewater Trust Fund and the Wastewater Masterplan. The installation of the public utilities will extend wastewater service to the subdivision property

and will make wastewater service available to the surrounding properties. The proposed public utilities will help foster the development of this area of the City. Staff recommends approval of the applicant's request.

LIST OF SUPPORTING DOCUMENTS:

Ordinance (with agreement)
Presentation
Certification of Funds
Location Map