



## AGENDA MEMORANDUM

Public Hearing and First Reading Ordinance for October 13, 2020  
Second Reading Ordinance for October 20, 2020

**DATE:** September 11, 2020  
**TO:** Peter Zaroni, City Manager  
**FROM:** Al Raymond, Director, Development Services  
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Agreement and appropriating funds for Grangefield Development, LLC for a Wastewater Collection Line Reimbursement Agreement

### **CAPTION:**

Ordinance authorizing Wastewater Collection Line Construction Reimbursement Agreement with Grangefield Development, LLC for a planned residential subdivision named Grange Park Unit 3 with completion within 18 months; transferring \$140,000 from the Water Arterial Transmission and Grid Main Trust Fund to the Sanitary Sewer Collection Line Trust Fund; and appropriating \$160,164.94 from the Sanitary Sewer Collection Line Trust Fund, to reimburse the developer per the agreement. (District 5)

### **SUMMARY:**

Grangefield Development, LLC is required to install a wastewater collection line to provide sanitary sewer service for a planned residential subdivision named Grange Park Unit 3. 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:**

Grangefield Development, LLC has proposed to develop a planned residential subdivision that will be constructed within City limits and is located on Yorktown Boulevard between Fred's Folly Drive and Ranch View Drive. The planned subdivision contains 68 single family home sites, is zoned RS-4.5 and CN-1, and is within the Corpus Christi Independent School District.

The Developer plans to install a total of 1040 linear feet of 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 September or early October 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 \$160,164.94 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.

Sections 8.5.1.C.4 and 8.5.2.I 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 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

Fund: 4030 Water Arterial Transmission and 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

**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  
Location Map