



AGENDA MEMORANDUM

First Reading Ordinance for April 13, 2021
Second Reading Ordinance for April 20, 2021

DATE: March 1, 2021

TO: Peter Zaroni, City Manager

FROM: Al Raymond, Director, Development Services
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Amend Wastewater Lift Station Construction and Reimbursement Agreement with Peterson Properties, Ltd. to increase the total reimbursement amount in the agreement by \$44,057.00

CAPTION:

Ordinance authorizing an amendment to the Wastewater Lift Station Construction and Reimbursement Agreement with Peterson Properties, Ltd. to construct the Wastewater Lift Station for the Greenwood Service Area 5 and according to the Wastewater Master Plan approved on July 6, 2020 and located at the intersection of Westpoint Rd and S Padre Island Drive (Highway 358 FWY); and appropriating \$44,057.00 from the Wastewater Trunk System Trust Fund to reimburse developer. (District 3)

SUMMARY:

Peterson Properties, Ltd entered into a wastewater lift station construction and reimbursement agreement to provide wastewater service for Westpoint Crossing Unit 2, Block 2, Lot 1. The developer has requested an amendment to the reimbursement agreement to request reimbursement for additional costs associated with the project.

BACKGROUND AND FINDINGS:

Peterson Properties, Ltd requested, and was approved for the Wastewater Lift Station Construction and Reimbursement Agreement for the construction wastewater lift station. The approved reimbursement amount for the agreement is \$712,412.82 under Ordinance 0322665 dated November 10, 2020.

Peterson Properties, Ltd plans to install a lift station, 75 linear feet of 8-inch force main line, and 110 linear feet of 10-inch collection line in order to provide wastewater service to a planned commercial subdivision that will be constructed within City limits along Westpoint Road and Highway 358. The planned subdivision property encompasses approximately 6.91 acres with a proposed VA Community Based Outpatient Clinic to be constructed on the property. The proposed lift station will extend wastewater service to approximately 483 acres of property in the surrounding area, is in accordance with the wastewater master plan, and is in the Greenwood Wastewater Service Area 5. The property in this service area is predominately Zoned IL and CG-

2 and nearly all the land is undeveloped.

The developer submitted an amendment request to the Wastewater Lift Station System Trust Fund for the construction and reimbursement agreement for the additional expense due to increased costs to construction for this project. The applicant has submitted a request for an additional \$44,057.00 for this project.

Staff requested a copy of the bid tabulation from all three bidders to confirm the estimated cost and actual low bid cost difference was \$44,057.00.

ALTERNATIVES:

Deny the request and have the developer pay for the cost difference. The applicant submitted their estimated costs based on the current material cost at the time of the estimated cost for construction due to COVID -19 certain material cost have gone up due to the pandemic.

FISCAL IMPACT:

If approved, the additional funds requested would be added to the reimbursement associated with the agreement and would be a debt against the Wastewater Trunk System Trust Fund. The encumbered funds for this project would increase by \$44,057.00 and would raise the total reimbursable amount in the agreement to \$756,469.82. \$712,412.82 is encumbered in the Wastewater Trunk System Trust Fund for this agreement. Currently there are enough funds in the Wastewater Trunk System Trust Fund to cover this additional funding request.

Funding Detail:

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

RECOMMENDATION:

Staff recommends approval of the amendment request for this reimbursement agreement. These additional costs are reimbursable under UDC Section 8.5.2 Wastewater Trust Fund and Wastewater Master Plan.

LIST OF SUPPORTING DOCUMENTS:

Ordinance (with exhibit)
Presentation
Bid Tabulation
Location Map