



CITY OF MCKINNEY, TEXAS

Legislation Text

File #: 18-331, **Version:** 1

Consider/Discuss/Act on a Resolution Authorizing the City Manager to Execute a Non-Binding Conceptual Term Sheet with McKinney Ranch, Ltd. and Honey Creek Investments, LLC Governing the Construction of Portions of Laud Howell Parkway

COUNCIL GOAL: Strategic and Economic Development

MEETING DATE: April 17, 2018

DEPARTMENT: Development Services

CONTACT: Michael Quint, Executive Director of Development Services
Gary Graham, PE, PTOE, Director of Engineering
Mark Houser, City Attorney

RECOMMENDED CITY COUNCIL ACTION:

- Staff recommends approval of the proposed resolution.

ITEM SUMMARY:

- Staff is proposing a resolution that would authorize the City Manager to execute a non-binding conceptual term sheet with McKinney Ranch, Ltd. and Honey Creek Investments, LLC (“Owners”) governing the construction of Laud Howell Parkway from its current terminus just west of US Highway 75 (Central Expressway/Sam Johnson Highway) to the intersection with Future Hardin Boulevard.
- Staff began negotiating the terms of a Chapter 380 Economic Development Agreement with the Owners in the winter of 2015. In the spring of 2017, the City Council agreed to general terms with the Owners regarding the construction of Laud Howell Parkway from its current terminus to Lake Forest Drive. However, in the winter of 2017, after the enacting of Texas Senate Bill 6, the City Council directed Staff to negotiate new terms that saw the reduction in the scope of construction.
- Staff has negotiated conceptual terms and is seeking the City Council’s approval via a resolution. Once approved by the City Council, Staff will begin work on the detailed language to be contained in the Chapter 380 Agreement. Once completed, Staff will bring this agreement forward for the City Council’s consideration and approval.
- The conceptual terms generally include the following:
 - The City will design, bid and construct Laud Howell Parkway;

- The City shall reimburse McKinney Ranch, Ltd. for any right-of-way acquisition up to \$2 per square foot;
 - The City will pay for 75% of the road's NTE (not to exceed) construction contract amount;
 - The Owners will dedicate 140' of right-of-way along with any associated easements;
 - The Owners will zone specific properties adjacent to the Laud Howell Parkway alignment; and
 - The Owners will pay for 25% of the road's NTE construction contract amount up to \$4,000,000.
- The proposed non-binding term sheet is attached hereto along with its associated exhibits.

BACKGROUND INFORMATION:

- Laud Howell Parkway is an ultimate 6 lane, divided roadway that will eventually extend from US Highway 75 (Central Expressway/Sam Johnson Highway) to Custer Road. The road currently exists from US Highway 75 (Central Expressway/Sam Johnson Highway) to the intersection of Trinity Falls Parkway. This roadway is reflected on the Master Thoroughfare Plan which is a segment of the City's Comprehensive Plan, the guiding policy document for development within the community and its ETJ (Extraterritorial Jurisdiction).

FINANCIAL SUMMARY:

- The City has set aside up to \$17,000,000 of its Capital Improvement Program (CIP) funds for construction portion of this partnership. While the final project costs are not known at this time, any cost savings realized through the proposed partnership will be diverted to other CIP projects.
- The City has already spent approximately \$2,570,000 on the design of Laud Howell Parkway from its current terminus to Lake Forest Drive. This \$2,570,000 is in addition to the \$17,000,000 set aside for construction.
- CIP funds generally include monies from bond sales, impact fee revenues, and grants. For this project, only bond sales and grant funds will be utilized.

BOARD OR COMMISSION RECOMMENDATION:

- N/A