



17-009DA

TITLE: Consider/Discuss/Act on a Resolution Authorizing the City Manager to Execute a Utility Impact Fee Credit, Easement Acquisition, and Pro Rata Agreement with McKinney Ranch, LTD., for the Construction of an Oversized Sanitary Sewer Main, in Order to Serve an Approximately 254 Acre Tract, Generally Located on the South Side of F.M. 543 and on the East Side of C.R. 201

COUNCIL GOAL: Direction for Strategic & Economic Growth

MEETING DATE: April 17, 2018

DEPARTMENT: Development Services

CONTACT: Michael Hebert, P.E., Assistant City Engineer
Brandon Opiela, Development Manager

RECOMMENDED CITY COUNCIL ACTION:

- Approval of the Resolution

ITEM SUMMARY:

- This item authorizes the City Manager to enter into an agreement with McKinney Ranch, LTD., regarding impact fee credits and cash reimbursement for costs incurred by the oversizing of a master planned sanitary sewer main, serving an approximately 254 acre tract ("Property"). The proposed agreement also defines a process for easement acquisition and pro rata reimbursement, associated with the construction of the sanitary sewer main, detailed further below.
- This sewer line improves opportunities for development of approximately 2,300 acres within city limits.
- The cost estimate of the items associated with the construction of the 36" diameter sanitary sewer main and related appurtenances is \$2,245,365.28.
- The proposed agreement stipulates that the City agrees to participate in the cost of construction for the oversized portion of the wastewater main (36" diameter),

up to \$1,018,592.43, which is the estimated difference between the costs of the oversized main and the cost to construct the City's minimum standard 12" diameter main that would otherwise be sufficient to serve the Property.

- Funds from WW4354 (Undesignated Oversize Participation) will be used to fulfill the obligations of the oversize reimbursement. The total reimbursement (not to exceed \$1,018,592.43) shall be through a combination of sewer impact fee credits (6,282.18 Service Unit Equivalents) and cash reimbursement of \$300,000 available in WW4354. Any additional cash payments in lieu of impact fee payments shall be at the discretion of the city and determined through the development of the 2019 Capital Improvements Program. This program requires the approval of City Council.
- The location of the proposed 36" diameter wastewater main is shown on the attached sanitary sewer exhibit and will extend a total of 7,526 linear feet.
- The proposed agreement also states that the City will exercise its eminent domain authority, subject to the approval and finding of necessity by the City Council, to condemn a sanitary sewer easement across the Blake Property (identified in the agreement) if the Developer is not able to finalize the acquisition and purchase of and close on the Blake Easement within forty-five (45) days of the effective date of the agreement. The agreement further stipulates that the Developer will pay all costs associated with acquiring the Blake Easement. The developer anticipates being able to obtain this easement, and Staff will only submit a request to use eminent domain to City Council should the developer be unsuccessful.
- Per the proposed agreement, the City agrees to collect any pro rata fees due to Developer related to the construction of the sanitary sewer main from specific offsite properties identified in the agreement, during the period of ten (10) years after the date of execution of the agreement.

BACKGROUND INFORMATION:

- The General Development Plan (GENERAL2017-00000023) for the approximately 254 Acre Tract being served by the proposed sanitary sewer main is currently under review by Staff.

FINANCIAL SUMMARY:

- Reimbursement for the oversize portion of the installation will be through a combination of impact fee credits and available oversize participation funding.
- \$300,000 is available in WW4354 (Undesignated Oversize Participation) to assist in fulfilling the obligations of the oversize reimbursement. Per the agreement, the city is only required to provide sewer impact fee credits (6,282.18 Service Unit Equivalents). Any cash reimbursement in lieu of impact fee credits shall be as determined through.

- Thus, the 6,282.18 Service Unit Equivalents will be reduced by 1,850.25 to 4,431.93 Service Unit Equivalents if the \$300,000 is paid to McKinney Ranch, LTD.

BOARD OR COMMISSION RECOMMENDATION:

- N/A

SUPPORTING MATERIALS:

[Resolution](#)

[Location Map and Aerial Exhibit](#)

[Proposed Agreement](#)

[Proposed Sanitary Sewer Exhibit](#)

[Proposed Blake Easement Acquisition](#)

[Proposed Sewer Basin Exhibit](#)

[1295 Certificate](#)