

RESOLUTION NO. 2024-12-XXX (R)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE A WATER IMPACT FEE CREDIT AGREEMENT WITH HRC WCD PARTNERS, LP, FOR THE CONSTRUCTION OF A MASTER PLANNED WATER LINE, SERVING AN APPROXIMATELY 477.87 ACRE DEVELOPMENT (HIGHLAND LAKES PHASES 1, 2, 3, AND 5), GENERALLY LOCATED NORTH OF BLOOMDALE ROAD AND WEST OF RIDGE ROAD

WHEREAS, Developer is developing a residential subdivision to be known as **Highland Lakes, Phases 1, 2, 3 and 5**, which property is located on the northwest corner of Bloomdale Road and Ridge Road and is more particularly described in Exhibit A attached hereto (the "Property"); and

WHEREAS, the City's Water and/or Wastewater Improvement Plans (hereinafter referred to individually and collectively as the "Master Plan") require the construction of a variable width water line, ranging from twelve inches (12") to thirty inches (30"), together with all manholes, fittings, connections and appurtenances thereto (the "Oversized Line") extending a distance of approximately eighteen thousand five hundred seventy-three linear feet (18,573') within the subdivision to be known as **Highland Lakes, Phases 1, 2, 3 and 5**, as reflected in the Utility Project Map attached hereto and incorporated herein by reference as Exhibit B and the components of which Oversized Line are generally described in Exhibit C, to serve future development within the Property; and

WHEREAS, projected demand of the Property only requires the construction of a twelve-inch (12") diameter water line together with all manholes, fittings, connections and appurtenances thereto ("12" Line") upon and across the Property, and Developer has constructed or agreed to construct the Oversized Line upon and across the Property as described and depicted in Exhibit B and Exhibit C, which Exhibits are attached hereto and incorporated herein by reference for all purposes allowed by law, in exchange for reimbursement by the City as described herein below; and

WHEREAS, City has agreed that Developer shall construct the Oversized Line, required by the City's Master Plan, to serve the Property (the "Prosper ISD Highland Lakes Water Line Project" or "Project"); and

WHEREAS, Developer has dedicated, or will dedicate, to the City the necessary right-of-way for the Prosper ISD Highland Lakes Water Line Project; and

WHEREAS, City has previously identified the Oversized Line for which Developer has agreed to construct to be on the City's Master Plan and "Impact Fee Capital Improvement Plan or Capital Improvements Plans for Utility Impact Fees" ("Utility Improvements Plan"), adopted by resolution by the City Council; and

WHEREAS, the cost of constructing the Oversized Line is eligible for construction costs reimbursement from water impact fee credits, calculated in accordance with the Ordinance, and which credits shall attach to the Property; and

WHEREAS, due to the nature and scope of constructing the Oversized Line, the amount of eligible water impact fee credits for the Project exceeds the number of remaining single family home sites left on the Property; and

WHEREAS, the City and Developer have agreed that the remaining portion of the oversize water impact fee credits will be made in the form of cash reimbursement, as provided for herein.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, THAT:

- Section 1. The City Council of the City of McKinney, Texas hereby authorizes the City Manager to execute a water impact fee credit agreement with HRC WCD Partners, LP.
- Section 2. Upon the construction and acceptance of the master planned water lines, water impact fee credits totaling 1,771 service units (credit value of \$3,106,328.15) shall attach to the property and be utilized as specified in the following sections.
- Section 3. All water impact fees collected from single family residential lots within the development prior to acceptance of the master planned water lines shall be held in an escrow account and reimbursed to Developer upon line acceptance (approximately 300 lots, with a credit value of \$526,200).
- Section 4. Subsequent to the acceptance of the master planned water lines, the remaining number of single family lots within the development shall not be required to pay water impact fees (approximately 778 single family lots, with a credit value of \$1,364,612). Additionally, a cash reimbursement shall be made to Developer for the remaining unused credit, not to exceed \$1,215,516.15. Developer shall supply City with the actual cost sheets for the construction of the oversized lines. Should the oversized line costs be less than the amount provided at the time of agreement, Developer's cash reimbursement shall be reduced accordingly.
- Section 5. This Resolution shall take effect immediately from and after the date of passage and is so resolved.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, ON THE 17th DAY OF DECEMBER, 2024.

CITY OF MCKINNEY, TEXAS

GEORGE C. FULLER
Mayor

ATTEST:

EMPRESS DRANE
City Secretary
TENITRUS BETHEL
Deputy City Secretary

APPROVED AS TO FORM:

MARK S. HOUSER
City Attorney