



Legislation Details (With Text)

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On agenda: 3/13/2017 **Final action:**
Title: Consider recommending approval of an amendment to a Development Agreement between the City of Denton and Carmen Investments, Inc., for the provision of water and sanitary sewer service for Phase II A of the Country Club Village Addition.
Sponsors:
Indexes:
Code sections:
Attachments: 1. Exhibit 1 - Location Map, 2. Exhibit 2 - Water Distribution System Study, 3. Exhibit 3 - Development Agreement

Date	Ver.	Action By	Action	Result
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Agenda Information Sheet

DEPARTMENT: Utilities Administration

CM/ ACM: Jon Fortune

Date: March 13, 2017

SUBJECT

Consider recommending approval of an amendment to a Development Agreement between the City of Denton and Carmen Investments, Inc., for the provision of water and sanitary sewer service for Phase II A of the Country Club Village Addition.

BACKGROUND

Carmen Investments, Inc. is the developer of the Country Club Village Addition Phase IIA project located in southwest Denton at the southeast intersection of US 377 and Brush Creek Road (see location map Exhibit 1).

The Developer and City entered into the previous Development Agreement on December 1, 2009, approved by the City Council under Ordinance 2009-299. The Developer has modified the Development and created a new Phase II A comprised of approximately six (6) lots and 2.45 acres and additional phase 2B consisting of 17 lots and 11.97 acres, phase 3A consisting of 44 lots and 21.85 acres, phase 3B consisting of 13 lots and 6.38 acres, phase 3C consisting of 34 lots and 16.21 acres, phase 4 consisting of 14 lots and 12.52 acres, and phase 5 consisting of 3 vacant lots and 9.16 acres; and Developer is requesting that these new phases be incorporated into this amendment to the Development Agreement (see Exhibit 2).

In 2013 the City revised its Water and Wastewater Impact Fees, and in 2016 the City revised its Water and Wastewater Tap Fees. This amendment to the Development Agreement will also reflect the new fee amounts and will apply to newly developed lots in the Development.

Staff has briefed the PUB previously on the water supply issues in the southwestern portion of the City on three occasions (April 23, 2007; September 24, 2007; and March 24, 2008) to discuss the history behind the growth in this area and the evolution of water system improvements that have occurred over time to keep pace with this development activity. The third briefing also included

policy level discussions on the development of an impact fee zone for providing water system improvements for this portion of the water service area. These discussions ultimately lead to the inclusion of a second water impact fee zone for that portion of the water service area south and west of Hickory Creek. This specific water impact fee zone did not include any development that the City had specific development agreements with (either via contract, memorandums of agreement or development exactions as a condition of plat approval). Staff also provided an additional briefing the PUB on August 25, 2008 that covered the results of the Freese and Nichols 2007 Waster Distribution System Master Plan and the amendment to this contract to address short term water supply and capital improvement needs to serve the growing southwest water service area. A copy of the final report on the southwest service area is included as Exhibit 3 for reference purposes.

In an attempt to offer some short term solution for smaller developments in the interim while trying to manage the City's risks in meeting water system demands for existing customers and for developer's that have constructed water supply lines in exchange for platting approval, staff is proposing the following approach:

- Require the developer to make financial commitment for their project in the form of payment of water impact fees at the time of plat approval as opposed to the time of building permit issue.
- Use a voluntary developer agreement approach to deviate from local impact fee ordinance and Chapter 395 TAC procedures.
- Use water impact fee funds collected under these agreements to fund water system improvements to this specific portion of the water service area to work towards improving water supply capacity for this area.

In working with Carmen Investments, Inc., they are in agreement with this approach. Staff has drafted the development agreement in accordance with these principles (Exhibit 2).

OPTIONS

1. Approve the proposed development agreement with Carmen Investments, Inc. as prepared and submitted by staff.
2. Recommend desired changes to the development agreement.
3. Reject the development agreement approach for this situation.

RECOMMENDATION

Staff recommends approval of the proposed development agreement as drafted and submitted.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

Ordinance 2009-299 was approved by City Council on December 1, 2009. Prior PUB briefings on the water supply issues for the southwest portion of the City's service area as listed above.

This item is scheduled for Council review on March 21, 2017.

STRATEGIC PLAN RELATIONSHIP

The City of Denton's Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence; Public Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

Related Key Focus Area: Public Infrastructure
Related Goal: 2.3 Promote superior utility services and facilities

EXHIBITS

1. Location Map
2. Freese and Nichols Water Distribution System Study for the Southwest Service Area.
3. Development Agreement

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