



STAFF REPORT
City of Dripping Springs
PO Box 384
511 Mercer Street
Dripping Springs, TX 78620

Submitted By: Ginger Faught, Deputy City Administrator

Council Meeting Date: June 17, 2025

Agenda Item Wording: **Discuss and consider approval of Second Amended and Restated Wastewater Service and Fee Agreement between CRTX Development LLC and the City of Dripping Springs.** *Sponsor: Mayor Bill Foulds*

Agenda Item Requestor: Owner/Applicant—CRTX Development LLC

Summary/Background: This WW Utility Agreement is for the apartment complex on South RR 12 known as The Local (AKA—PDD 11). It was determined prior to the start of construction that the city did not have adequate wastewater capacity to serve the project. The Developer opted to build Phase 1 of the project on septic. They will not be able to build any additional Phases of the project until the City is able to serve the project with wastewater service that will be available once the TPDES facilities are constructed. The Developer had previously negotiated with the City to push the payment of Impact Fees (70 LUEs x \$7580= \$530,600) to align with the City's ability to provide service. In exchange, the Developer agreed to start paying Delayed Connection Fees for the reserved LUEs (70 LUEs x \$50= \$3500) on a monthly basis. Those payments began in August 2023. The Delayed Connection Fees are not credited towards Impact Fee payments. These stipulations were placed on the issuance of the Building Permit for Phase 1. In order to issue the Certificate of Occupancy for Phase 1, we need to approve this Amendment to the Wastewater Service and Fee Agreement to reflect these changes. Impact Fee payments for the 70 LUEs will be due within 30 days of the City's notice that wastewater flows from the project can be accepted by the city. Failure to pay Impact Fees within that time frame will result in the Developer's loss of the 70 LUEs. Further, the Developer has 6 months from the date of the Notice to connect the constructed facilities to the City's system and 18 months from the date of the Notice to connect the remaining LUEs—failure to do so will result in the loss of any unconnected LUEs.

Commission
Recommendations: N/A

**Recommended
Council Actions:**

Approve as presented.