



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

Submitted By: Laura Mueller, City Attorney; David Tuckfield, Wastewater Attorney

Council Meeting Date: April 18, 2023

Agenda Item Wording: **Discuss and consider approval of Agreements related to the Gateway Village Subdivision. Applicant: Matthew Scrivener**

- a. Staff Report
- b. Offsite Road Agreement
- c. Wastewater Agreement
- d. Water Agreement
- e. Line Extension Agreement

Agenda Item Requestor: Matthew Scrivener

Summary/Background In order to provide adequate infrastructure for the Gateway Village residential subdivision, multiple agreements have been negotiated related to the construction of the infrastructure. These agreements include an Offsite Road Agreement, Water Agreement, Wastewater Agreement, and a Line Extension Agreement related to the East Interceptor Project.

Offsite Road Agreement:

The development will be responsible for the percentage pro rata share of two offsite roads that will serve the project. These roads include the North/South Arterial which is planned to be Wild Ridge Boulevard and the East/West Arterial through the Wild Ridge Development. As part of the Wild Ridge/Meritage MUD Consent Agreement the City agreed to coordinate funding for the pro rata share of these roads that were in excess of Wild Ridge/Meritage's and these contributions will go towards that pro rata share.

	East/West Arterial Contribution	North/South Arterial Contribution	Soft costs (30%)	Contingency (20%)	Total
Gateway Village Project	6.3% of actual costs; \$1,668,000 = \$105,084 (estimate)	15.77% of actual costs; (\$771,500 + 1,302,600) = \$327,086 (estimate)	\$129,651 (estimate)	\$86,434 (estimate)	\$648,254 Estimate

Wastewater Service Agreement

This Wastewater Service Agreement addresses wastewater service for the proposed Gateway Village Development on what has been referred to as the East Cannon Tract. The Owner is North DSP, LLC (“Owner”). The proposed agreement is based on our standard wastewater agreement. Salient points of the proposed Agreement are listed below.

- 1) LUEs made available to Gateway Village:
 - a. 307 residential LUEs, 8 commercial LUEs, and up to an additional 2 LUEs for the amenities center.
 - b. Owner may construct and operate Pump & Haul Facilities for wastewater flows up to 75 LUEs as a temporary solution to wastewater needs of the Development. This was agreed to several years ago in order to obtain an easement across the Cannon Tract. Pump & Haul must cease as soon as the City System or package plant becomes available.
 - c. Owner may construct and build a package plant as a temporary solution. Once the City System becomes available, the package plant will be removed.
- 2) Facilities and easements
 - a. Owner pays all costs of building facilities (onsite and offsite) to connect to the East Interceptor.
 - b. Owner pays all costs associated with removal of temporary facilities.
- 3) Payments – Owner must pay the following
 - a. Impact Fees
 - i. Impact fees in the amount of \$7,580 per LUE will be due upon such time as the permit required for construction of Units for that LUE is submitted to City.
 - ii. Owner will pay the Beneficial Reuse Infrastructure fee. This payment shall be due This payment shall be due within sixty (60) days after the recording of each final plat of the Project.
 - b. Owner pays for City inspection and review and legal fees.

Water Agreement

This Proposed Water Agreement will memorialize our Agreement with North DSP, LLC to provide retail water service to the residential development at the Gateway Village subdivision (often referred to as the Cannon East tract). This Proposed Agreement provides the following salient points:

- 1) The City will obtain wholesale service from WTCPUA and the City will, in turn, provide retail water service to the Gateway Village Development.
- 2) Developer will provide, at its cost:
 - A) All facilities that are required to connect to and extend water service from the WTCPUA System to the Proposed Development through and including retail water meters.
 - B) Necessary easements.
- 3) City will Provide up to 317 LUEs of retail water service for residential service.
- 4) Developer agrees to:
 - A) Pay fees associated with Agreement and obtaining water from WTCPUA.
 - B) Construct facilities in accordance with City policies, WTCPUA policies, and TCEQ rules.
 - C) Pay City inspection fees and any WTCPUA fees.
 - D) Obtain any necessary permits.
 - E) Obtain easements and convey them to City.
 - F) Convey facilities to the City.
 - G) Pay rates and charges imposed by City (which will include a pass through of any rates and charges charged to the City by the WTCPUA).
- 5) The City has the Right to:
 - A) Inspect and approve facilities.
 - B) Approve Easements
- 6) Miscellaneous
 - A) Facilities will have a two-year warranty.

B) The City has already adopted a rate structure that has been codified by as an ordinance for retail water rates.

East Interceptor Line Extension Agreement

The East Interceptor Agreement (“Agreement”) memorializes an agreement for the construction of a portion of the East Interceptor wastewater transmission line from Gateway Village (north of 290), under 290 and down through Village Grove (the “East Interceptor Segment”).

The Agreement is between the City of Dripping Springs, Dripping Springs Partners, LLC (The Village Grove Developers), and North DSP, LLC (the Gateway Village Developers).

DSP and North will provide to the City (at no cost to the City) easements necessary for the East Interceptor Segment.

The City, in its sole discretion, shall elect within ninety (90) days after the date of the Agreement to (1) construct the East Interceptor Segment, or (2) allow North to construct the East Interceptor Segment.

If the City constructs the East Interceptor Segment, North will pay the City a sum of money equal to the cost of constructing the Developer Lines consisting of an eight inch wastewater line.

If the City allows North to construct the East Interceptor Segment, the City will reimburse North for the oversizing of the line beyond 8-inches from Texas Water Development Board Funds, if available, or from a surcharge to be imposed (called a Reimbursement Fee) from each LUE on the development.

**Commission
Recommendations:**

P&Z recommends approval of the project.

**Recommended
Council Actions:**

Approval of all agreements related to this development.

Attachments:

Offsite Road Agreement
Wastewater Agreement
Water Agreement
Line Extension Agreement

Next Steps/Schedule:

If approved all documents will be executed. Also, the City must make a decision related to the East Interceptor.

