ENGINEERING SERVICES

To: **Mayor and Town Council**

From: **Hulon T. Webb, Jr., P.E., Director of Engineering Services**

Through: **Mario Canizares, Town Manager**
Chuck Ewings, Assistant Town Manager

Re: **Water Impact Fees Reimbursement Agreement**
(Park Place, Prosper Hills, and Prosper Meadows)

Town Council Meeting – September 26, 2023

Strategic Visioning Priority: 1. Acceleration of Infrastructure

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Agenda Item:
Consider and act upon authorizing the Town Manager to execute a Water Impact Fees Reimbursement Agreement between PPP 100 DEV LLC, PROSPER HILLS LP, PROSPER MEADOWS LP, and the Town of Prosper, Texas, related to the extension of water lines to serve the Park Place, Prosper Hills, and Prosper Meadows developments.

Description of Agenda Item:
PPP 100 DEV LLC, PROSPER HILLS LP, and PROSPER MEADOWS LP, are developing multiple residential projects and are planning on constructing the following water lines:

1. twenty-four-inch (24") line from the existing water line near the western limits of the Park Place development (eastern limits of the Prosper Hills development) to the eastern limits of the Park Place development (western limits of the Star Trail development)

Also, to provide the required second connection to the Town's water system and looped water system to serve the Park Place development, prior to the final acceptance of the first phase within any of the three developments, the water line listed above as Project 1 must be completed and accepted by the Town, in addition to:

A. twenty-four-inch (24") line from the eastern limits of the Park Place development to Legacy Drive, and one of the following:

B. twenty-four-inch (24") line along Legacy Drive from Prosper Trail to the existing line at Joyce Hall Elementary, or

C. the onsite water lines constructed with the Pearls of Prosper residential community with a connection to the existing line along Legacy Drive at Joyce Hall Elementary

Since the proposed water lines are depicted on the Town of Prosper Water System Capital Improvement Plan, the actual costs for the design and construction of the improvements are eligible for reimbursement of water impact fees collected by the development.

The purpose of the Water Impact Fees Reimbursement Agreement is to outline the obligations of the Town of Prosper, PPP 100 DEV LLC, PROSPER HILLS LP, and PROSPER MEADOWS LP, related to the design, construction, and reimbursement of collected water impact fees to fund the projects.

Budget Impact:
The total estimated cost for the design and construction of Project 1 is $1,406,859. The current anticipated water impact fees owed by the Park Place, Prosper Hills, and Prosper Meadows development is $1,990,741. In the event that full reimbursement has not been made to PPP 100 DEV LLC, PROSPER HILLS LP, and PROSPER MEADOWS LP, by the Town after the expiration of ten (10) years from the date of the Town's acceptance of the water line, the Town will reimburse PPP 100 DEV LLC, PROSPER HILLS LP, and PROSPER MEADOWS LP, any shortfall.

Legal Obligations and Review:
Terrence Welch of Brown & Hofmeister, L.L.P., has reviewed the agreement as to form and legality. PPP 100 DEV LLC, PROSPER HILLS LP, and PROSPER MEADOWS LP, will contribute up to $2,000 towards the legal preparation fees.

Attached Documents:
1. Town of Prosper Water System Capital Improvement Plan
2. Water Impact Fees Reimbursement Agreement

Town Staff Recommendation:
Town staff recommends that the Town Council authorize the Town Manager to execute a Water Impact Fees Reimbursement Agreement between PPP 100 DEV LLC, PROSPER HILLS LP, PROSPER MEADOWS LP, and the Town of Prosper, Texas, related to the extension of water lines to serve the Park Place, Prosper Hills, and Prosper Meadows developments.

Proposed Motion:
I move to authorize the Town Manager to execute a Water Impact Fees Reimbursement Agreement between PPP 100 DEV LLC, PROSPER HILLS LP, PROSPER MEADOWS LP, and the Town of Prosper, Texas, related to the extension of water lines to serve the Park Place, Prosper Hills, and Prosper Meadows developments.