

**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  
(Legacy Gardens Phases 3 and 4)**

**Town Council Meeting – January 27, 2026**

**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 Toll Southwest LLC, and the Town of Prosper, Texas, related to the construction of a water line along Frontier Parkway to serve the Legacy Gardens Phases 3 and 4 developments.

**Description of Agenda Item:**

Toll Southwest LLC, is developing Legacy Gardens Phases 3 and 4 on the west side of Shawnee Trail south of Frontier Parkway. To facilitate the development, they have agreed to construct a 12" water line on Frontier Parkway from the western limit of the development to the eastern limit of the development adjacent to Shawnee Trail, as shown on Exhibit B in the agreement.

Since the proposed water line is 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, and Toll Southwest LLC, related to the design, construction, credit and reimbursement of collected water impact fees to fund the project.

**Budget Impact:**

The estimated cost for the design and construction of the extension of approximately 2,804 feet of a 12" water line is \$447,598. The current anticipated water impact fees owed by the Legacy Gardens Phases 3 and 4 development is \$1,031,670. In the event that full reimbursement has not been made to Toll Southwest LLC, 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 Toll Southwest LLC, any shortfall.

**Legal Obligations and Review:**

Terrence Welch of Brown & Hofmeister, L.L.P., has reviewed the agreement as to form and legality. Toll Southwest LLC, 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 Toll Southwest LLC, and the Town of Prosper, Texas, related to the construction of a water line along Frontier Parkway to serve the Legacy Gardens Phases 3 and 4 developments.

**Proposed Motion:**

I move to authorize the Town Manager to execute a Water Impact Fees Reimbursement Agreement between Toll Southwest LLC, and the Town of Prosper, Texas, related to the construction of a water line along Frontier Parkway to serve the Legacy Gardens Phases 3 and 4 developments.