

**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: Change Order – TxDOT US 380 Improvements**

**Town Council Meeting – December 10, 2024**

**Strategic Visioning Priority: 1. Acceleration of Infrastructure**

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**Agenda Item:**

Consider and act upon authorizing the Town Manager to execute a Change Order to the Advance Funding Agreement for Voluntary Local Government Contributions to Texas Improvement Projects with No Required Match for On-System Improvements between the Texas Department of Transportation, and the Town of Prosper, Texas, related to the construction of the US 380 Improvements to serve the Costco development.

**Description of Agenda Item:**

The Texas Department of Transportation (TxDOT) is currently widening US 380 from the Collin County/Denton County line to Highway 377 to a six-lane divided roadway with grade separations (overpasses) at Gee Road/FM 423, Teel Parkway, and Legacy Drive within the Town of Prosper. With the proposed widening of US 380, the Town of Prosper and Costco requested that TxDOT's contractor, Zachry Construction Corporation construct the following improvements:

- Three (3) deceleration lanes on US 380
- North leg of the FM 1385 intersection and westbound lanes of US 380 adjacent to Costco
- Left turn lane and hooded median opening on US 380 at Costco main driveway

**Budget Impact:**

The cost for the construction of the improvements is \$1,348,680. Per the terms of a Memorandum of Understanding (MOU) between Costco Wholesale Corporation, Westside Prosper LLC, and the Town, the funding is being provided as follows:

- \$199,685.97: Escrow funds paid by 1385 & 380 INVESTMENTS LP to the Town for the deceleration lanes per an existing Escrow Agreement.
- \$222,502.03: Funds to be paid by Westside for the deceleration lanes per the existing Water Impact Fee Reimbursement Agreement.
- \$193,619.30: Roadway Impact Fees paid by Costco at time of building permit that can be applied to the US 380 Improvements per existing 380 Agreement.
- \$732,872.70: Costco to deposit the remaining balance of funds to the Town.

**Legal Obligations and Review:**

Terrence Welch of Brown & Hofmeister, L.L.P., has reviewed the change order as to form and legality.

**Attached Documents:**

1. Change Order

**Town Staff Recommendation:**

Town Staff recommends that the Town Council authorize the Town Manager to execute a Change Order to the Advance Funding Agreement for Voluntary Local Government Contributions to Texas Improvement Projects with No Required Match for On-System Improvements between the Texas Department of Transportation, and the Town of Prosper, Texas, related to the construction of the US 380 Improvements to serve the Costco development.

**Proposed Motion:**

I move to authorize the Town Manager to execute a Change Order to the Advance Funding Agreement for Voluntary Local Government Contributions to Texas Improvement Projects with No Required Match for On-System Improvements between the Texas Department of Transportation, and the Town of Prosper, Texas, related to the construction of the US 380 Improvements to serve the Costco development.