

City Council Meeting

Agenda Item

Data Sheet

Meeting Date: August 21, 2023

Topic:

Approve an Agreement with LIT Interchange 249 Phase I, LLC for Contribution in Aid of Construction for related expenses for the design and construction of the proposed Grand Parkway Natural Gas Gate, authorize the expenditure of funds therefor, and authorize the City Manager to execute the agreement.

Background:

To adequately service the new development on the south side of the city limits, Lovett Industrial and Grand Parkway Town Center, the need for an additional gas gate was identified. Currently there are no gas distribution lines in the immediate vicinity of these developments, however both developments require gas service for their operations.

Staff has worked with Kinder Morgan Tejas Pipeline, LLC and our design engineer, Engineered Utility Solutions, Inc., to design the required interconnect, gas gate, pipelines and other required facilities in order to provide natural gas service to this area. In order to complete the project, the City and developers have agreed to enter into a Cost Sharing Agreement that would allow for the developers to provide a contribution in aid of construction (CIAC) for the design and construction of the new facility.

The total cost for the interconnect, gas gate, and engineering will be split between the City, LIT Interchange 249 Phase I, LLC, and A-K 133 Hwy 249-Grand Parkway, L.P., with each entity contributing approximately 33% for all components of the proposed Grand Parkway Natural Gas Gate. A total breakdown of all proposed expenses is reflected in the table below.

Anticipated Expenses	
Engineered Utility Solutions, Inc	\$29,702.50
Kinder Morgan Tejas Pipeline	\$236,762.00
Estimated Gas Gate Construction	\$275,000.00

This item would approve the agreement with LIT Interchange 249 Phase I, LLC to provide a Contribution in Aid of Construction of approximately 33% of the total cost for the design and construction the Interconnect, Natural Gas Gate, necessary pipeline and required facilities.

Origination: Project Management

Recommendation:

Staff recommends approving an Agreement with LIT Interchange 249 Phase I, LLC to provide a Contribution in Aid of Construction for the design and construction of the Grand Parkway Natural Gas Gate.

Party(ies) responsible for placing this item on agenda: Meagan Mageo, Project Manager

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____

If yes, specify Account Number: # _____

If no, funds will be transferred from account: # _____ To Account: # _____

Signed: Meagan Mageo **Approved by:** _____
Staff Member Date City Manager Date