



## MEMORANDUM TO VENICE CITY COUNCIL

**FROM:** Javier A. Vargas, Utilities Director, and R. David Jackson, Assistant City Attorney

**DEPARTMENT:** Utilities Department

**THROUGH CHARTER OFFICER:** Edward Lavallee, City Manager      **E-SIGN:**

**DATE:** February 3, 2023

**MEETING DATE:** Tuesday, February 14, 2023

**COUNCIL ACTION REQUESTED:** For Council Adoption by Consent Motion

**SUPPORTS STRATEGIC PLAN:** Goal Four: Upgrade and Maintain City Infrastructure and Facilities

**SUBJECT / TOPIC:** Utility Upsizing and Reimbursement Agreement with Meritage Homes of Florida, Inc.

**BACKGROUND INFORMATION:** Meritage Homes of Florida, Inc. (“Meritage”) is currently developing a residential project within the City of Venice, northeast of Interstate 75 in the vicinity of Rustic Road (the “Project”). In order to provide adequate wastewater service for the Project, Meritage is required to construct and upgrade certain infrastructure. This includes a lift station on the site of the Generation at Venice project, which had been designed to serve both projects. Subsequently, the City requested that Meritage upsize the subject lift station so that it would be able to provide City wastewater service for both projects, as well as anticipated future development in the area (the “Knights Trail Road Lift Station”). In addition, the City has plans to construct an additional 16-inch force main along Knights Trail Road that would serve the subject projects, as well as anticipated future development in the area (the “Knights Trail Road Force Main”). Accordingly, Meritage has expressed its willingness to construct the Knights Trail Road Lift Station, as requested by the City, in exchange for reimbursement of certain costs and approval by the City’s Utilities Department for the issuance of Certificates of Occupancy for the Project, subject to certain conditions. In addition, Meritage and the City are in agreement to have Meritage construct the Knights Trail Road Force Main in the near future and for the City to reimburse Meritage for costs associated with that construction, subject to the parties entering into an addendum to the proposed Utility Upsizing and Reimbursement Agreement (the “Agreement”).

**STAFF RECOMMENDATION:** Under the proposed Agreement, Meritage will construct the Knight’s Trail Road Lift Station in accordance with the City’s approved plans and the construction bid attached as Exhibit “E” to the Agreement. At the City’s request, Meritage solicited three bids for the construction of the Knights Trail Road Lift Station. Under the terms of the Agreement, the City will reimburse Meritage for the difference in cost to construct the Knights Trail Road Lift Station requested by the City as compared to the cost for the previously approved lift station to serve the Project and the Generation at Venice project attached as Exhibit “D” to the Agreement. In addition, the Agreement defines an “Interim Condition” during which time the Project will be

sending wastewater through an existing 6-inch force main. Meritage’s consultant has determined that the 6-inch force main can serve a minimum of 503 residential units. Accordingly, under the terms of the Agreement, the City’s Utilities Department agrees to approve the issuance of Certificates of Occupancy up to a maximum of 200 single-family residential units and 303 multi-family residential units for the Project. During this Interim Condition, Meritage has agreed to provide emergency vacuum pumping services on an as-needed basis. The Interim Condition will expire upon completion of the Knights Trail Road Lift Station. At that time, the approval of issuing any additional Certificates of Occupancy for the Project by the City’s Utilities Department will be subject to further monitoring and evaluation of the existing 6-inch force main, until such time that the Knights Trail Road Force Main is constructed and able to serve the Project.

Meritage has approved the Agreement and it is anticipated that it will be executed by Meritage prior to the City Council meeting. Accordingly, the Agreement between the City and Meritage is provided for approval by the City Council and execution by the Mayor.

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- | Yes                                 | N/A                                 |   |
|-------------------------------------|-------------------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | Document(s) Reviewed for ADA compliance <small>(required if for agenda posting)</small> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | City Attorney Reviewed/Approval   |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | Risk Management Review  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | Finance Department Review/Approval  |
- Funds Availability (account number): 421-1204-535.63-00

Original(s) attached: Utility Upsizing and Reimbursement Agreement

Cc: Kelly M. Fernandez, City Attorney  
Kelly Michaels, City Clerk  
Linda Senne, Finance Director  
James Clinch, Assistant City Manager