



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 6, 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: Second Amendment to Utility and Cost Sharing Agreement with Sarasota County Public Hospital District

BACKGROUND INFORMATION: On July 21, 2020, the City and the Sarasota County Public Hospital District ("Hospital") entered into a Utility and Cost Sharing Agreement (the "Agreement") regarding the utilities serving the Hospital's project within the City of Venice, located south of Laurel Road, east of Pinebrook Road, and west of Interstate 75 (the "Property"). As part of the Agreement, the Hospital was required to contribute towards costs to be incurred by the City for the design, permitting, and construction of a new 24"-force main across I-75 in an amount equal to 3.1% of the City's actual costs, but not to exceed \$93,000 (the "Proportionate Share"). The proposed contribution was based on hydraulic modeling, data analyses and reports available to the City at that time, which indicated a lack of hydraulic capacity in the existing City's infrastructure and an inability for the City to adequately serve the Hospital project during extreme weather conditions. Subsequently, the City has observed improved conditions in its existing infrastructure, namely improvements to the East Gate Phases I & II project, the Venetian Parkway sewer replacement project, and the satisfactory performance of the system during Hurricane Ian, which was a 500-year rain event. Accordingly, City staff has determined that it is appropriate to re-evaluate the Hospital's contribution of the Proportionate Share towards the new 24"-force main.

In addition, the City had requested that the Hospital oversize certain infrastructure to allow for future development located upstream of the Property to be served by the City. This further requires the Hospital to turnover this infrastructure to the City so that the City can provide wastewater service to the upstream developments. The upstream developments are now ready to come online and be served by the City thus necessitating turnover of the Hospital's system to the City before the new 24"-force main is constructed.

STAFF RECOMMENDATION: Under the proposed Second Amendment to the Utility and Cost Sharing Agreement (the "Amendment"), the Hospital will agree to immediately turnover and the City will agree to accept the on-site and off-site wastewater facilities, including the lift station,

wet well, and generator, a portion of the sewer gravity system, and the force mains in their “as-is” condition. In addition, the City will agree to install a grinder for the lift station and replace any impellers for the lift station deemed necessary to accommodate the additional flows to the lift station from the projects upstream of the Property. The Hospital has provided all required documentation to implement the turnover of the infrastructure to the City so that the City can timely serve the projects upstream of the Property. In addition, the City has agreed to waive the Hospital’s obligation to contribute the Proportionate Share.

The Hospital has approved the Second Amendment and it is anticipated that it will be executed by the Hospital’s President and Chief Executive Office prior to the City Council meeting. Accordingly, the Second Amendment between the City and the Hospital is provided for approval by the City Council and execution by the Mayor.

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- | Yes | N/A | |
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| <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 type="checkbox"/> | <input checked="" type="checkbox"/> | Finance Department Review/Approval |
| | | Funds Availability (account number): Click or tap here to enter text. |

Original(s) attached: Amendment
cc: Kelly M. Fernandez, City Attorney
Kelly Michaels, City Clerk
James Clinch, Assistant City Manager