



MEMORANDUM TO VENICE CITY COUNCIL

THROUGH CHARTER OFFICER: Edward Lavalley, City Manager **E-SIGN:**
FROM: Javier Vargas, Utilities Director, and R. David Jackson, Assistant City Attorney
DEPARTMENT: Utilities Department
DATE: November 28, 2023 **MEETING DATE:** Tuesday, December 12, 2023

SUBJECT / TOPIC: Interlocal Agreement with the Rustic Oaks Community Development District regarding construction of Knights Trail Road Sewer Force Main

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”). On February 14, 2023, the City and Meritage entered into a Utility Upsizing and Reimbursement Agreement (“Agreement”) under which Meritage would construct and upsize certain infrastructure in order to provide adequate wastewater service for the Project, as well as anticipated future development in the area. In addition, the Agreement contemplated the City’s plans to construct an additional 16-inch sewer force main along Knights Trail Road that will eventually provide service to the Project and other anticipated future development in the area (the “Knights Trail Road Sewer Force Main”). The Agreement specified that the City would reimburse Meritage for costs associated with the construction of the Knights Trail Road Force Main, subject to the parties entering into an addendum to the Agreement. Subsequently, Meritage has requested that the Rustic Oaks Community Development District (the “CDD”) be permitted to perform Meritage’s obligations under the Agreement regarding the Knight Trail Road Force Main and the City and Meritage negotiated an addendum to the Agreement that would provide for the CDD to assume Meritage’s obligations, subject to the City and the CDD entering into an Interlocal Agreement setting forth the terms and conditions of the CDD’s obligation to construct the Knight’s Trail Road Force Main and the City’s obligation to reimburse the CDD for the construction.

Under the proposed Interlocal Agreement, the CDD shall assume Meritage’s obligation to construct the Knight’s Trail Road Force Main. As provided for under the terms of the Interlocal Agreement, the CDD will be required to solicit competitive bids in accordance with Florida law and award a contract to the lowest responsive and responsible bidder. In addition, the City will have the opportunity to review and approve the CDD’s bid documents. The City will also be provided with copies of all submittals to the solicitation and provide its consent to the CDD’s recommendation for award. The Interlocal Agreement also includes as an exhibit a “form” District Contractor Agreement and General Conditions that the CDD will use with the selected contractor. Under the terms of the Interlocal Agreement, the City will make payments to the contractor on behalf of the CDD for the construction of the Knight’s Trail Road Force Main.

The Knights Trail Road Sewer Force Main is necessary to be completed as expeditiously as

possible because it serves as the transmission main for the Knights Trail Road Sewer Lift Station, which is already under construction by Meritage pursuant to the Agreement. The Knights Trail Road Sewer Lift Station and the Knights Trail Road Sewer Force Main will serve the Project, as well as several future developments along the Knights Trail Corridor, which are currently in various stages of development. Due to its location, the wastewater infrastructure in this area has limited capacity and these improvements were identified by the City's Northeast Service Area Wastewater Master Plan as necessary to serve the customers in this area.

The construction documents for the Knights Trail Road Sewer Force Main have been completed by the City and are ready to be provided for bid by the CDD upon execution of this Interlocal Agreement.

The Interlocal Agreement has been negotiated with District Counsel for the Rustic Oaks Community Development District and, if approved by the City Council, it is anticipated that the CDD's Board of Supervisors will consider approval of the Interlocal Agreement at its next meeting. Accordingly, the Interlocal Agreement between the City and the CDD is provided for approval by the City Council and execution by the Mayor.

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

COUNCIL ACTION REQUESTED: For Council Adoption by Consent Motion

Original(s) attached: Interlocal Agreement Between the City of Venice and the Rustic Oaks Community Development District

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

Review of Contract Routing Tracker:

(Initial or Signature to indicate your Review/Approval)

Finance Department Reviewed: [s]	<i>Peter Boers</i>	N/A
		<input type="checkbox"/>
Risk Management Reviewed: [s]	<i>Linda Senne</i>	<input checked="" type="checkbox"/>
City Attorney Reviewed: [s]	<u><i>Roy David Jackson, Jr.</i></u> <small>Roy David Jackson, Jr. (Dec 4, 2023 08:33 EST)</small>	<input type="checkbox"/>
City Manager Reviewed: [s]	<u><i>Edward Lavallee</i></u> <small>Edward Lavallee (Dec 4, 2023 09:02 EST)</small>	<input type="checkbox"/>

Funds Availability (account #): 421-1202-536.63-00
Project #: UT2042
