



## MEMORANDUM

To: Mayor and Council

From: Douglas G. Faseler  
City Manager

Date: September 26, 2019

Re: **Chapter 380 Agreement with Navarro Oaks 123M, LLC**

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Navarro Oaks 123M (the "Developer") is developing a residential subdivision on 88.28 acres of land located just north of Martindale Road. Unit 1 is nearing completion and construction of new homes should begin within the next thirty (30) days. This subdivision will add significant new valuation to the city's tax base.

Expansion and reconstruction of Martindale Road, particularly near the area of the subdivision, are in the City's Capital Improvement Plan. It is also eligible for partial funding by roadway impact fees. With reimbursement by the City through a 380 Agreement, the Developer is willing to construct the realignment of Martindale Road outside of his subdivision.

The 380 Agreement under consideration would reimburse the Developer for the actual expenses incurred constructing the offsite Martindale Road realignment. The estimated cost of this construction is \$1,527,864. Reimbursement would be derived from roadway impact fees collected when building permits are issued for homes within the subdivision, and from 60% of the maintenance and operation (M&O) portion of the ad valorem taxes collected on the new homes within the subdivision. The Agreement will end in the earlier of ten (10) years, or upon full reimbursement of the cost of construction.

Please see the attached resolution and proposed 380 Agreement. Also included schematics depicting the phasing of the subdivision and the Martindale Road improvements. I will explain these in detail at the meeting. I have also included a photo of the section of Martindale that the developer has already completed.

Staff recommends approval of the agreement.