

RESOLUTION NO. 22-65

A Resolution to Authorize the Mayor to Execute a Memorandum of Understanding with Russell Lands for Sewer Capital Improvement Fees

BE IT RESOLVED, by the City Council of the City of Alexander City, Alabama, be and hereby authorizes the Mayor to execute a Memorandum of Understanding with Russell Lands for Sewer Capital Improvement Fees.

ADOPTED AND APPROVED this 6th of June 2022.

ATTEST:

FOR PUBLIC RELEASE

Amanda F. Thomas, City Clerk

FOR PUBLIC RELEASE

Audrey "Buffy" Colvin, Council President

FOR PUBLIC RELEASE

Curtis "Woody" Baird, Mayor

CERTIFICATION OF CITY CLERK

The undersigned, as City Clerk of the City of Alexander City, Alabama, hereby certifies that the foregoing is a true, correct and complete copy of **Resolution No. 22-65** which was adopted by the City Council on this 6th of June 2022.

WITNESS MY SIGNATURE, as City Clerk of the City Alexander City, Alabama, under the seal thereof, this 6th of June 2022.

FOR PUBLIC RELEASE

City Clerk of the
City of Alexander City, Alabama



Yeas: Tapley, Colvin, Hardy, E. Brown, C. Brown, Keel

Nays: none

STATE OF ALABAMA)

COUNTY OF TALLAPOOSA)

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF ALEXANDER CITY, ALABAMA
AND RUSSELL LANDS, INC.
AND
THE HERITAGE AT LAKE MARTIN, LLC**

THIS MEMORANDUM OF UNDERSTANDING (the "MOU") entered into on the 16th day of May, 2022 by and between the **CITY OF ALEXANDER CITY, ALABAMA**, an Alabama municipal corporation (the "City"), and **RUSSELL LANDS, INC., THE HERITAGE AT LAKE MARTIN, LLC**, and their successors and assigns including Homeowners Associations (collectively referred to as "RLs") for the purpose of cooperation in development of sewer and water infrastructure services.

AGREEMENT

WHEREAS, the City and RLs have entered into a Development Agreement dated March 2, 2021 which set out the development of approximately 1,510 acres +/- (the "site") located within the city limits of Alexander City and located on Lake Martin in Tallapoosa County, Alabama; and

WHEREAS, the City and RLs have been in discussions and negotiations regarding the City proposing to construct and maintain a sewer line including lift stations from the site to the City's Sugar Creek Waste Water Plant and to provide tap connection to the water main to be provided by RLs; and

WHEREAS, the construction of such sewer line and water line would provide service to all residences and commercial properties within the site, relieve RLs from construction and maintenance of a sewer system, and produce revenue to the City from the sewer services provided and sale of water and therefore beneficial to the City, its citizens and RLs; and

WHEREAS, the City shall provide public safety services (Fire, Emergency Medical coverage, and Police protection) to the annexed area which will be staffed and operated by the City and its public service personnel. The specific agreement regarding public safety services will be determined by the City and RLs at a later date.

WHEREAS, such agreement as anticipated by this Memorandum of Understanding will be to the benefit of the City and its citizens by way of promoting economic development including the creation of ad valorem taxes, sales and use taxes and opportunity for employment from newly created jobs; and a substantial increase in sewer and water customers.

THEREFORE, the City and RLs hereby agree as follows:

A. SEWER SYSTEM

1. A Commercial Capital Improvement Fee will be collected by the City for each commercial connection to the City's sanitary sewer system. The fee shall be collected upon the request for

sewer service/building permit for all commercial sites and will be calculated using the forms in Exhibit A and Exhibit C.

2. A Residential Capital Improvement Fee for System Expansion of \$3,752.15 will be collected by RLs for each residential lot sold. This fee will be remitted to the City on or before the 10th day of the month following the sale.
3. This Residential Capital Improvement Fee for System Expansion collected by RLs at the time of the sale of the lot is based on an assumed 1 EDU (equivalent dwelling unit—in this case a 4-bedroom home) per residential lot. This 1 EDU fee will be adjusted up or down later by the City when the property owner or builder requests sewer service/building permit and the exact number of bedrooms can be positively established.
4. For residential lots, the adjustments will be made in accordance with the attachments in Exhibits B and C. The calculation on the form in Exhibit B and the data used as inputs in Exhibit C (Alabama Department of Public Health documentation) are widely accepted as reasonable for such purposes. This calculation and adjustment, if necessary, must be made for each and every attachment (lot sold) to the sanitary sewer.
5. For residential lots, a Capital Improvement Fee for Plant Capacity will be due at the time of request for sewer service/building permit. This fee will be based on the EDUs as previously discussed and as illustrated in Exhibit B and will be the same amount for all other customers of the City's sewer system, regardless of location.
6. The Capital Improvement Fee for System Expansion will remain \$3752.15 (for 1 EDU) for all future residents of The Heritage. The Sewer Plant Capital Improvement Fee, currently \$1,610.54 for 1 EDU, may or may not increase in the future for the entire sewer system as dictated by future capital improvement needs at the wastewater treatment plant that are unforeseeable at this time.
7. A tap fee will be charged upon request for sewer service/building permit at the then current tap fee. This tap fee is not included in the Capital Improvement Fee but is a separate fee.
8. The monthly sewer rates for customers in The Heritage will be the same as rates charged to all other customers of the City's sewer system, regardless of location.
9. RLs will provide a 100' x 100' parcel of land to the City for the purpose of constructing a collection and lift station to tie into the sewer system at The Heritage. In the event that the City has not completed the work on the extension of the sewer line to the Heritage lift station when sewage begins to flow to the lift station, the City will pump the lift station on an "as needed" basis to ensure adequate capacity in the lift station to receive sewage from The Heritage.

B. WATER SYSTEM

1. A Capital Improvement Fee will be collected for each connection to the City's water supply system regardless of location within the City. The fee shall be collected upon the request for water service/building permit for all commercial and residential sites and will be determined by the table in Exhibit D.

2. The typical Capital Improvement Fee will be \$927.00 for a 1" or smaller meter connection to the City's water system. However, fees are based on size of connection as shown in Exhibit D.
3. Upon connection to the City's water supply system, the customer will be charged at the then current rate a tap fee. This tap fee is not included in the Capital Improvement Fee but is a separate fee. The tap fee charged to customers in The Heritage will be the same as the tap fee charged to other customers regardless of location within the City limits.

This Memorandum of Understanding shall be finalized as an addition to the existing Development Agreement.

IN WITNESS WHEREOF, each party hereto has caused this Agreement to be duly executed as of the date first above written.

CITY OF ALEXANDER CITY, ALABAMA

FOR PUBLIC RELEASE

Print Name: CURTIS W. BAIRD

Its: Mayor

Date: 05/16/2022

ATTEST:

FOR PUBLIC RELEASE

By: Amanda Thomas, City Clerk

[SEAL]



RUSSELL LANDS, INC.

FOR PUBLIC RELEASE

Print Name: THOMAS T. LAMBERTH

Its: President & CEO

Date: May 13, 2022

ATTEST:

FOR PUBLIC RELEASE

By: Steve K. Forehand
Secretary