

CREDIT AGREEMENT FOR WATER IMPACT FEES

This CREDIT AGREEMENT FOR WATER IMPACT FEES (the "Agreement") is made and entered into by and between the CITY OF PFLUGERVILLE, Texas (the "City"), a Texas municipal corporation, and MCT PROPERTY INVESTMENTS LLC, (the "Developer") on this the 17th day of October, 2025. The City and the Developer may be referred to individually as a "Party" or collectively as the "Parties" herein.

WHEREAS the Developer has approved plans for the construction of Public Infrastructure Construction for the subdivision, (CON2024-00395) (the "Development"); and

WHEREAS developer of the Blackhawk Commercial Lot 2 Subdivision (the "Development"), being one or more subdivisions located within the City, and the Developer is the current owner of that certain real property described in Exhibit A; and

WHEREAS, the Developer is constructing a 12" waterline along portions of Kelly Lane per the City's request, and an 8" was the maximum capacity needed to serve their development, over a portion of their development located within the Blackhawk Commercial Lot 2; and

WHEREAS, the City desires to oversize the overall scope of the Project and related infrastructure to include an increase in the size of the water line from an 8" to a 12", as approved through their Public Infrastructure Construction Plans (CON2024-00395), as described and/or depicted in Exhibit B, (the "City Improvements") to increase capacity of the infrastructure for the benefit of other anticipated development in the area; and

WHEREAS, the City adopted a water impact fee via Ordinance 1577-23-01-10 (the "Ordinance") on April 14, 2020, requirements for which are codified as Chapter 152 of the City Code of Ordinances, and for which provisions, requirements, and procedures are established in Chapter 395, Texas Local Government Code; and

WHEREAS, the Ordinance requires, upon the issuance of a building permit, payment of water impact fees for the City of Pflugerville's water service area for the Development constructed within the Plat; and

WHEREAS, the Ordinance authorizes the City to enter into a credit agreement with an owner/developer of a tract of land which memorializes the credits for the construction and/or financing of requested facility expansions in Section 152.22 ("Credits") to be applied against Collectible Water Impact Fees (as defined below); and

WHEREAS, the cost of constructing the waterline with additional capacity from an 8" to a 12" according to City specifications is \$105,906.57 (the "Construction Cost"), as more precisely set forth in Exhibit C attached hereto; and

WHEREAS the total amount of water impact fees due by the Developer associated with the Development is \$79,450.20 dollars based on water impact fees in effect at the time the

building permit was requested ("Collectible Water Impact Fees"), as approved by the City Engineer and shown in the memorandum attached for water impact fees in Exhibit D; and

WHEREAS the City Engineer has reviewed and approved the Construction Cost amount. The Developer has petitioned the City for Credits against Collectible Water Impact Fees owed for the Construction Costs for the City Improvements; and

WHEREAS, the Developer has posted a warranty bond in the amount of 35% of the cost of the Improvements guarantying all workmanship and materials used to construct the Improvements are free from any defect for a two year period beginning at the date of acceptance. The Warranty Bond guarantees that the Principal will repair, or cause to be repaired, to the original condition at acceptance for (2) two years from the date of acceptance by the City of Pflugerville ("Warranty Period"), all defects in workmanship and material including any deterioration resulting from any defects in workmanship and materials of the Improvements, which may become apparent during the Warranty Period; and

WHEREAS the City desires to offset the Construction Cost as Credits against the Collectible Water Impact Fees due upon the construction and acceptance by the City of the waterline improvements.

NOW, THEREFORE, as of the Effective Date of this Agreement, the Parties agree as follows:

1. The recitals above are accurate and fully incorporated into this Agreement.
2. The Developer shall construct the water line improvements consistent with all applicable codes and agreements with the City and shall dedicate such improvements to the City upon completion of construction of such improvements.
3. Per this Agreement, the Developer is entitled to Credits in an amount equal to the Construction Costs to be applied against the Collectible Water Impact Fees. In no event will Credits be applied in excess of the amount approved through this agreement. The Credits shall be applied against the balance of the Collectible Water Impact Fees when due and payable, per the Ordinance, and Developer will only be responsible for paying the amount of the Collectible Water Impact Fees less the amount of the Credits.

[Signature Pages Follow]

EXECUTED to be effective the day and year first above written.

CITY:

City of Pflugerville,
a Texas municipal corporation

By: _____

Signature: _____

Name: James Hartshorn, Interim City Manager

APPROVED AS TO FORM:

Charles E. Zech

City Attorney

Denton Navarro Rodriguez Bernal Santee & Zech, P.C.

DEVELOPER:

By:
MCT PROPERTY INVESTMENTS LLC,

By: 
Name: Steven Michael Langlois
Title: Owner