



## AGENDA MEMORANDUM

Action item for the City Council Meeting 9/17/19

**DATE:** August 13, 2019  
**TO:** Peter Zaroni, City Manager  
**FROM:** Nina Nixon-Mendez, Director, Development Services  
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Amend Water Arterial Transmission and Grid Main Construction and Reimbursement Agreement and Developer Participation Agreement for Royal Creek Estates Unit 7 to extend the expiration date for MPM Development, LP.

### **CAPTION:**

Resolution authorizing an extension of a Reimbursement Agreement for the installation of water arterial transmission and a grid main line with MPM Development, LP for a planned residential development, Royal Creek Estates Unit 7 in Council District 5 in an amount not to exceed \$109,354.20 and an extension of a Developer Participation Agreement for partial construction of Oso Parkway in an amount not to exceed \$207,386.85.

### **SUMMARY:**

MPM Development, LP is required to install 1,187 linear feet of 12-inch water arterial grid main line extension in order to provide adequate water to a proposed residential subdivision development. The subdivision is located south of Yorktown Boulevard and east of Cimarron Boulevard. The approved agreement expires on October 24, 2019. Additionally, the developer has entered into a Developer Participation Agreement for street improvements associated with the planned subdivision development and that approved agreement expires on November 7, 2019. This motion will extend the performance date for both agreements to November 7, 2020. (District 5)

### **BACKGROUND AND FINDINGS:**

City Council approved a Reimbursement Agreement on October 24, 2017 with MPM Development L.P for the extension of 1,187 linear feet of 12-inch waterline in order to provide adequate water to the property in an amount not to exceed \$109,354.20. The extension of the expiration date will not change the authorized dollar amount in this agreement. This agreement was originally scheduled to expire on October 24, 2018 and an addendum extended the performance date to October 24, 2019.

MPM Development, L.P, also has a Developer Participation Agreement to extend Oso Parkway, near the planned project. The developer is required to construct a larger street to meet UTP Street standards and the City is participating in the street construction for Oso Parkway. The participation

agreement includes street improvements, curb and gutter, and sidewalk installation. The developer will be reimbursed from funds available from No. 3701 Developer Participation BD12 for this portion of the street improvement, not to exceed \$207,386.85. The extension of the performance date will not change the authorized dollar amount in this agreement. The agreement has an expiration date of November 7, 2019.

MPM Development, LP. is requesting a performance date extension on both the Water Arterial Transmission and Grid Main Construction and Reimbursement Agreement and the Developer Participation Agreement to November 7, 2020. This extension will allow for additional time to complete the improvements for Royal Creek Estates Unit 7.

**ALTERNATIVES:**

Deny the request and unencumber the funds. Allow other developers with more mature projects access to the unused Utilities Trust Fund and Bond 2012 funding. MPM Homes LP can reapply for Bond funds via a new participation agreement and Trust Fund monies via a new reimbursement agreement when the construction on the proposed subdivision is closer to starting.

**FISCAL IMPACT:**

Water Distribution Main Trust Funds and Developer Participation Funds will not change with this addendum. The encumbered funds for these projects will remain encumbered and future public improvement projects should not be affected. The reimbursement agreement amount is for \$109,354.20 and is currently encumbered in the Water Arterial Transmission and Grid Main Trust Fund. The participation agreement amount is for \$207,386.85 and the funds are encumbered and are part of the revenue produced from Bond 2012.

**Funding Detail:**

Fund: 3701 Developer Participation BD12  
Organization/Activity: Street Bond Fund 2012  
Mission Element: 777  
Project # (CIP Only): D-1801  
Account: 550910

Fund: 4030 Water Arterial Transmission and Grid Main Trust Fund  
Organization/Activity: 21805 Water Arterial Transmission and Grid Main Trust  
Mission Element: 777  
Project # (CIP Only): N/A  
Account: 540450 Reimbursement to Developers

**RECOMMENDATION:**

Staff Recommends Approval of the extension of both agreements. The agreements are helping to facilitate the build out of a residential subdivision and associated infrastructure.

**LIST OF SUPPORTING DOCUMENTS:**

Resolution  
Amendment to Water Arterial Transmission and Grid Main Construction and Reimbursement Agreement  
Amendment to Participation Agreement  
Justification Letter  
Presentation