



**AGENDA MEMORANDUM**  
Resolution for the City Council Meeting September 29, 2020

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**DATE:** August 18, 2020  
**TO:** Peter Zaroni, City Manager  
**FROM:** Al Raymond, Director Development Services  
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Amend Participation Agreement with MPM Development, LP to increase the total reimbursement amount in the agreement by \$30,788.37

**CAPTION:**

Resolution authorizing an amendment to the Participation Agreement with MPM Development, LP to construct two C-3 collector streets associated with a planned residential subdivision known as Kings Landing; and appropriating \$30,788.37 to reimburse developer. (District 3)

**SUMMARY:**

MPM Development, LP entered into a developer participation agreement to construct two C-3 collector streets associated with the planned subdivision named Kings Landing. The developer has requested an amendment to the participation agreement to request reimbursement for additional costs associated with the project.

**BACKGROUND AND FINDINGS:**

The Developer, MPM Development, LP, was approved for a developer participation agreement for the oversizing construction of two new C-3 collector streets. The approved amount in the agreement is \$1,539,418.28 under Resolution 032120 dated 5/19/20.

The developer submitted an amendment request to the cost estimate associated with the participation agreement for the additional expense associated with obtaining a performance bond for the project.

During the process of acquiring the performance bond for the project, the applicant became aware that there was not enough money authorized in the agreement to cover the cost of construction and the cost of the performance bond. As a result, the applicant has submitted a request for an additional \$30,788.37 for this project.

**ALTERNATIVES:**

Deny the request and have the developer pay for the performance bond. The applicant submitted their estimated costs for the project and had an opportunity to review the agreement and reimbursement amount, prior to signature, to ensure the submitted costs and reimbursement amount was sufficient. However, this oversight was not realized until the City requested the developer to provide proof of bond per the terms of the agreement.

**FINANCIAL IMPACT:**

If approved, the additional funds requested would be added to the current purchase order (PO) associated with the agreement and would be a debt against the 2016 Developers Participation Bond. The encumbered funds for this project would increase by \$30,788.37 and would raise the total reimbursement amount to \$1,570,206.65. \$1,539,418.28 is encumbered in the 3702 Developer Participation Bond 16 fund for this agreement. Currently there are enough funds in the Bond 16 to cover this additional funding request.

**Funding Detail:**

Fund: 3702 (Developer Participation Bond 2016)  
Organization/Activity: 20269-3702-EXP  
Mission Element: 052  
Project # (CIP Only): 20269 (Iron Throne Drive & Drogon Street)  
Account: 550910

**RECOMMENDATION:**

Staff Recommends approval of the amendment request for this participation agreement. The developer is seeking reimbursement for the additional expense associated with the performance bond requirement per the terms of the agreement.

**LIST OF SUPPORTING DOCUMENTS:**

Resolution (with agreement addendum)  
Presentation  
Certification of Funds  
Location Map