



AGENDA MEMORANDUM

Public Hearing & First Reading Ordinance for the City Council Meeting

November 14, 2023

Second Reading Ordinance for the City Council Meeting November 28, 2023

DATE: November 14, 2023

TO: Peter Zanoni, City Manager

FROM: Al Raymond, Development Services Department
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**Amendment to Reimbursement Agreement with MPM Development, L.P.
Royal Creek Unit 8**

CAPTION:

Ordinance authorizing an amendment to the Water Arterial Transmission & Grid Main Construction and Reimbursement Agreement with MPM Development, LP to extend the contract term to December 6, 2025, and to increase reimbursement by \$190,212.64 for a total not to exceed the amount of \$374,023.38 for construction of a 12-inch water arterial transmission grid main line for residential development, Royal Creek Estates Unit 8; and authorizing future transfer and appropriation of Water and Wastewater Trust Fund revenue up to \$190,212.64 to reimburse the developer in accordance with the agreement. (District 5).

SUMMARY:

MPM Development, L.P. purposed to construct water arterial transmission grid main line to serve and develop a new planned development. The original cost estimate was from 2017, however, due to the continual rise in material and construction costs the total amount of the project is higher than originally expected. The developer has requested an amendment to the reimbursement agreement by an increase of \$190,212.64. The total reimbursement amount will be \$374,023.38.

BACKGROUND AND FINDINGS:

City and Developer entered into a reimbursement agreement dated December 8, 2018, for the construction of a required water arterial transmission and gid main line for a total cost of \$183,810.74. Agreement between the City and the Developer is currently on the fourth amendment for time:

First amendment – December 8, 2019, for 12 months

Second amendment – December 8, 2020, for 12 months

Third amendment – December 8, 2021, for 24 months

This constitutes a fourth amendment to the contract. However, in previous amendments, the

Developer only requested amendments for time and not for cost. Included in this amendment is an extension to time and a cost increase due to an increase in expected cost. Following is a table showing the original cost estimates versus the proposed new cost estimates for the project.

	Water Items	Qty		Original Unit Cost Estimate	Revised Unit Cost Estimate
1	12-Inch PVC Pipe	1,384	LF	\$60.00	\$112.00
2	12-Inch Cap Tapped for 2-inch	1	EA	\$350.00	\$500.0
3	12-Inch Tee	4	EA	\$850.00	\$1,200.00
4	Crushed Stone embedment for 12-inch Water	1,384	EA	\$30.00	\$40.00
5	Dewatering for 12-inch Water	1,384	LF	\$20.00	\$60.00
6	6-inch PVC Nipple	9	EA	\$250.00	\$450.00
7	6-Inch Gate Valve with Box	3	EA	\$950.00	\$2,000.00
8	6-inch 90 Degree Elbow	3	EA	\$300.00	\$600.00
9	Fire Hydrant Assembly	3	EA	\$4,000.00	\$8,800.00

ALTERNATIVES:

Deny the amendment altogether.

Deny the increase in cost but approve the time extension.

FISCAL IMPACT:

The total cost of the project was originally \$183,810.74 less the \$7,578.26 lot/acreage fee credit, the reimbursable amount was \$183,810.74. Increased cost estimates of \$190,212.64 require additional funding; bringing the total funds of \$190,212.64 from the Water Arterial Transmission and Grid Main Trust Fund to reimburse the developer per the agreement not to exceed \$374,023.38

Funding Detail:

Fund: 4030 Water Arterial Transmission & 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. The request is in accordance with UDC Section §8.5.1.C.

LIST OF SUPPORTING DOCUMENTS:

Ordinance (with exhibits)
 Amendment
 Exhibit
 Location Map
 Presentation