



AGENDA MEMORANDUM

First Reading for the City Council Meeting of December 5, 2023
Second Reading for the City Council Meeting of December 12, 2023

DATE: December 5, 2023
TO: Peter Zaroni, City Manager
FROM: Al Raymond, Director of Development Services
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Amendment to Participation Agreement with MPM Development, L.P. Royal Creek Unit 8

CAPTION:

Ordinance authorizing an amendment to the Participation Agreement with MPM Development, L.P., originally executed on December 7, 2018, to extend the contract term to December 6, 2024, and to increase City Participation by \$167,107.72 for a total not to exceed \$352,113.09 for the construction of Oso Parkway for residential development, Royal Creek Estates Unit 8, located south of Yorktown Boulevard and east of Cimarron Boulevard.; and amending the operating budget by transferring \$167,107.72 from the Public Works (Street) Fund to the Development Services Fund.

SUMMARY:

MPM Development, L.P. proposed to extend the Oso Parkway to serve a new planned development known as Royal Creek Unit 8. This ordinance is to extend the allowable time on the agreement by an additional 24 months and increase the City's contribution by \$167,107.72 for a total contracted amount of \$352,113.09.

BACKGROUND AND FINDINGS:

The City and Developer entered into a participation agreement dated December 7, 2018, for the extension of Oso Parkway for a total City contribution of \$185,005.37. Agreement between the City and the developer is currently on the second amendment for time:

First amendment – December 8, 2020, for 12 months
Second amendment – December 8, 2021, for 24 months

This constitutes a third 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 an increase in the City's contribution to the extension of Oso Parkway for an increase in expected costs. Following is a table showing the original cost estimates versus

the proposed new cost estimates for the project.

	Street Participation	Qty	Unit	Original Unit Cost	Original Cost	Revised Unit Cost	Revised Cost
1	4 Inch Thick Concrete Walk	5,778	SF	\$4.50	\$26,001.00	\$11.00	\$63,558.00
2	Overthickness 2 Inch HMAC to 4 Inch HMAC	5,536	SY	\$17.50	\$96,880.00	\$30.00	\$166,080.00
3	Overthickness 8 Inch Crushed Limestone Base to 11 Inch Crushed Limestone	6,737	SY	\$6.50	\$43,790.50	\$13.00	\$87,581.00
	Engineering, Surveying & Testing				\$18,333.87		\$34,894.09
	TOTAL				\$185,005.37		\$352,113.09

ALTERNATIVES:

Deny the amendment altogether.

Deny the increase in cost but approve the time extension.

FINANCIAL IMPACT:

The fiscal impact for FY 2024 is an amount of \$167,107.72 coming from Development Services fund from the Public Works (Streets) fund operating transfer. The total cost of the project was originally \$185,005.37 paid by Bond 2012 Proposition 8 funds. Increased cost estimates of \$167,107.72 brings the total required funding to \$352,113.09.

Funding Detail:

Fund: **Development Services (Fund 4670)**
 Department: Development Services (56)
 Organization: Land Development (11200)
 Project: Royal Creek Estates Unit 8 (Project D1803)
 Account: Construction (550910)
 Activity: D1803014670EXP
 Amount: \$167,107.72

RECOMMENDATION:

Staff recommends approval. The request is in accordance with UDC Section §8.4.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
 Contract Amendment
 Presentation
 Certification of Funds
 Location Map