



## AGENDA MEMORANDUM

First Reading for the City Council Meeting of January 9, 2024  
Second Reading for the City Council Meeting of January 18, 2024

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**DATE:** January 9, 2024  
**TO:** Peter Zaroni, City Manager  
**FROM:** Al Raymond, Director of Development Services  
[alraymond@cctexas.com](mailto:alraymond@cctexas.com)  
(361) 826-3575

Approval of a Developer Participation Agreement for paving improvements; transferring and appropriating funds for a participation agreement.

### **CAPTION:**

Ordinance authorizing a Developer Participation Agreement with MPM Development, L.P. to reimburse the developer an amount not to exceed \$1,118,463.05 for the construction of a section of Oso Parkway related to the Oso Creek Corner subdivision located off Yorktown Boulevard and southeast of Starry Road; and amending the operating budget by transferring \$896,527.00 from the Public Works – Streets Fund (No. 1041) and \$221,936.05 from the Public Works – Storm Water Fund (No. 4300) to the Development Services Fund (No. 4670). (District 5)

### **SUMMARY:**

MPM Development is developing a new residential and commercial subdivision which requires construction of pavement improvements. The City has requested that the Developer construct Oso Parkway to Parkway Collector standards, and the developer has agreed to enter into a developer participation agreement for the requested oversizing of Oso Parkway inside of the proposed development. The total cost to construct Oso Parkway at the requested standard is \$2,350,124.00, of which the City will fund \$1,118,463.05; which is the difference between the Parkway Collector construction cost and the C1 collector street construction cost; details of the cost estimate are included in the agreement as Exhibit 3.

### **BACKGROUND AND FINDINGS:**

The City has requested the developer to oversize Oso Parkway from a C1 Collector (60' right of way) to a P1 Parkway Collector (80' right of way) to accommodate anticipated future traffic flows. Developers' cost to construct the C1 Collector was estimated to be \$1,436,347.00; developers' cost to construct the P1 Parkway was estimated to be

\$2,350,124.00. The City and developer have agreed to enter into a Development Participation Agreement to fund the difference between the P1 and C1 Cost Estimates. Thus, the city will contribute \$913,777.00 for the construction with \$63,964.39 in contingency (7%), \$118,791.01 in engineering (13%), and \$21,930.65 in bond cost (2%); for a total not to exceed the amount of \$1,118,463.05.

The Developer, MPM Development, L.P., has requested and will be eligible for reimbursement through a developer participation agreement for the paving improvements at Oso Creek Corner for the construction cost per UDC Section 8.4.

**ALTERNATIVES:**

An alternative to utilizing Developer Participation funds to construct the required stormwater infrastructure improvements would be to construct the improvements under a city-initiated CIP project. This option would most likely delay the development of the property until the required funding for the improvements could be programmed into the CIP budget and would most likely impact the developer's ability to build out the planned residential subdivision in a timely manner.

**FINANCIAL IMPACT:**

This project will oversize the ROW infrastructure of the development of the planned subdivision named Oso Creek Corner. This request is a one-time cost associated with the development of the project.

**Funding Detail:**

Fund: Development Services Fund (No. 4670)  
Department: Development Services (No. 56)  
Organization: Land Development (No. 11200)  
Project: Oso Creek Corner Streets Participation  
Account: Construction (No. 550910)  
Amount: \$1,118,463.05

**RECOMMENDATION:**

The request is in accordance with UDC Section 8.4 City Participation in Streets and Drainage Crossings. The pavement will be an improvement and provide a greater overall construction of the development. Staff recommends approval.

**LIST OF SUPPORTING DOCUMENTS:**

Ordinance (with exhibit)  
Presentation  
Location Map