



**AGENDA MEMORANDUM**  
Resolution for the City Council Meeting 1/25/22

**DATE:** December 5, 2021  
**TO:** Peter Zaroni, City Manager  
**FROM:** Al Raymond, Director Development Services  
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Participation Agreement with MPM Development, LP for Off-site Stormwater improvements for Royal Oak Future Units subdivision

**CAPTION:**

Resolution authorizing developer participation agreement with MPM Development, LP to reimburse developer up to \$867,649.76 for construction of Off-site stormwater improvements for a planned residential and commercial development, Royal Oak Future Units, located on Rand Morgan Road, south of Leopard Street (District 1).

**SUMMARY:**

MPM Development, LP is developing a new residential subdivision named Royal Oak Future and is requesting funds to construct off-site stormwater improvements associated with the development. The City has agreed to participate in the cost sharing of the improvements as part of an economic development initiative for the Northwest area of the City. The estimated total project cost of the stormwater drainage improvements is \$2,443,071.65. City participation will be \$675,180.81 or 30 percent of the base cost and \$192,468.95 or 100% for oversizing for a total of \$867,649.76.

**BACKGROUND AND FINDINGS:**

The Developer, MPM Development, LP, has requested reimbursement through a developer participation agreement for off-site storm water improvements in conjunction with a residential subdivision named Royal Oak Future Units. As part of an economic development initiative to incentivize residential homes development in that area, the City has agreed to participate in the construction costs associated with the storm water improvements required for the new subdivision.

Royal Oak Future Units planned unit development was approved by City Council on February 9, 2021. The development, located on Rand Morgan Road, south of Leopard Street, plans for 218 single family homes and 9.5 acres of commercial development on 55.24 acres and is zoned RS-4.5 PUD and CN-1.

The storm water improvements consist of 2755 linear feet of 60" high density polyethylene pipe (HDPP), manholes, box culvert, pavement patching, and removal and replacing sanitary sewer pipe, service lines, and curb and gutter. The improvements will enable stormwater runoff to drain into an underground drainage pipe to the McNorton Reach 4 Drainage Channel. The portion of the system that traverses Norton subdivision to the south of Royal Oak Future Units is oversized to take additional stormwater flow.

The reimbursement for the costs associated with the stormwater improvements as requested by the developer are eligible for reimbursement per Texas Local Government Code Section 212.072.

**ALTERNATIVES:**

This project will improve the stormwater drainage for the new subdivision. An alternative to utilizing Developer Participation funds from available Bond monies to construct the required drainage improvements would be to construct the drainage system under a City initiated CIP project. This option would most likely delay the stormwater improvements construction 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 his planned residential subdivision in a timely manner.

**FINANCIAL IMPACT:**

The total estimated project cost for the off-site stormwater improvements is \$2,434,360.47. The City's participation amount for this project is \$861,923.70 and will be funded from an approved City Bond that has funds earmarked to improve existing or construct new City streets and other related improvements. The 2012, 2016 & 2018 Bond have over \$2 million in funds available to reimburse developers, through participation agreements, for the construction of storm water drainage improvements. This project will improve storm water drainage as part of the development of the planned subdivision named Royal Oak Future Units. This request is a one-time cost associated with the development of the project.

**Funding Detail:**

Fund: 3701, 3702 & 3703 Developer Participation Bond 2012, 2016, 2018  
Organization/Activity: 220203701EXP/220203702EXP/220203703EXP Royal Oak Future Units  
Mission Element: 284 Oversight of Land Development & Public Infrastructure Process  
Project # (CIP Only): 22020 Royal Oak Future Units  
Account: 550910

**RECOMMENDATION:**

Staff recommends approval. The project is in accordance with UDC Section 8.4.1.C City Participation in Streets and Drainage Crossings, which states, "Other public improvements may be considered for funding if they are consistent with the comprehensive plan or utility master plans and implement city initiatives including but not limited to incentivizing affordable or work force housing, walkable communities, mixed use projects in an area development plan designated for mixed use development, redevelopment of vacant buildings; streetscape enhancements along UTP streets, and rehabilitation of buildings with local, state or national historic designations." The project is consistent with Section 212.072 of the Texas Local Government Code.

**LIST OF SUPPORTING DOCUMENTS:**

Resolution (with exhibit)  
Presentation  
Certification of Funds  
Location Map