



AGENDA MEMORANDUM

Resolution for the City Council Meeting of 5/19/2020

DATE: April 27, 2020

TO: Peter Zaroni, City Manager

FROM: Al Raymond, Director Development Services
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Participation Agreement with MPM Development, LP

CAPTION:

Resolution authorizing a developer participation agreement with MPM Development, LP to reimburse developer up to \$1,539,418.28 for the City's share of the cost to construct Iron Throne Drive and Drogon Street. (District 3)

SUMMARY:

MPM Development, LP is developing a new residential subdivision and is required to construct new C-3 collector streets. The new streets will be named Iron Throne Drive and Drogon Street, and at the City's request, the developer has agreed to enter into a developer participation agreement to oversize the planned streets and construct them out of concrete in order to reduce street maintenance costs and increase the street's longevity. The estimated one-time cost of the oversizing portion of the new streets, including curb and gutter, is \$1,539,418.28.

BACKGROUND AND FINDINGS:

The Developer, MPM Development, LP, has requested reimbursement through a developer participation agreement for the oversizing construction of two new C-3 collector streets named Iron Throne Drive and Drogon Street respectively. The new streets are being constructed in conjunction with a residential subdivision named King's Landing Unit 1. The developer is required to construct Iron Throne Drive and Drogon Street to meet the requirements of a C-3 collector cross section street. The developer is only responsible for the cost of the portion of each street up to that of a Residential Collector Street (C-1) standard, and has agreed to oversize the new streets in accordance with the current Urban Transportation Plan (UTP), provided the project would be eligible for reimbursement for the City requested oversizing portion of the new streets. The developer and City staff agreed that due to the volume of vehicle traffic, the proposed streets will be required to handle that constructing the streets out of concrete, a longer lasting and more durable material, would be in the City's interests. The estimated one-time cost for the oversizing portion of the new street is \$1,539,418.28. Additionally, the oversized portion of the street is

eligible for reimbursement of the construction costs per UDC Section 8.4 and Texas Local Government Code 212.07.

ALTERNATIVES:

This project will extend a new street and will provide greater access to King's Landing Unit 1. An alternative to utilizing Developer Participation funds from available Bond monies to construct the required street improvements would be to construct the new street under a City initiated CIP project. This option would most likely delay the new street construction until the required funding for the street 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 \$1,539,418.28 in funding for this developer participation agreement come from funds that have been earmarked during a City Bond initiative to improve existing or construct new City streets and other related improvements. The 2016 Bond has sufficient funds available to reimburse developers through participation agreements for the construction of new streets, other related improvements, and improvements to existing deteriorated streets in order to bring them up to current standards. This project will construct a new City street with curb and gutter as part of the development of the planned subdivision named King's Landing Unit 1. The planned streets are being oversized along with other improvements, at the City's request, to allow for greater access to the planned subdivision in accordance with the Urban Transportation Plan. This request is a one-time cost associated with the development of the project.

Funding Detail:

Fund: 3702 (Developer Participation Bond 2016)
Organization/Activity: 202269-3702-EXP
Mission Element: 052
Project # (**CIP Only**): 20269 (Iron Throne Drive & Drogon Street)
Account: 550910

RECOMMENDATION:

The request is in accordance with UDC Section 8.4 City Participation in Streets and Drainage Crossings and Section 212.072 of the Local Texas Government Code. The oversizing improvements to Iron Throne Drive and Drogon Street and other improvements will provide greater access to King's Landing Unit 1 and is in compliance with the Urban Transportation Plan. Staff recommends approval.

LIST OF SUPPORTING DOCUMENTS:

Resolution (with exhibit)
Presentation
Location Map