

## A G E N D A



## Recommendation for Council Action

Austin City Council	Item ID	13077	Agenda Number	3.
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Meeting Date:	3/22/2012	Department:	Austin Water Utility
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## Subject

Authorize the negotiation and execution of a developer agreement with D 71, L.P. to reimburse costs to construct an oversized 24-inch water transmission main and appurtenances related to Service Extension Request No. 3046 to provide water service to the 71 Commercial development located at 4650 E. SH 71 for a total reimbursement not to exceed \$1,098,077.50.

## Amount and Source of Funding

Funding is available in the Fiscal Year 2011-2012 Capital Budget of the Austin Water Utility.

## Fiscal Note

A fiscal note is attached.

Purchasing Language:	
Prior Council Action:	
For More Information:	Brian Long, P.E., 972-0177; Denise Avery, 972-0104
Boards and Commission Action:	Recommended by the Water and Wastewater Commission
MBE / WBE:	
Related Items:	

## Additional Backup Information

The 71 Commercial development, consisting of approximately 107 acres of land generally located east of Ross Road and south of E. SH 71 (the "Property") within the City of Austin's 2-mile extraterritorial jurisdiction is proposed to include the facilities necessary for a 116,000 sq. ft. retail and 6,000 sq. ft. restaurant development. D 71, L.P. (the "Owner") requested that the Austin Water Utility ("AWU") provide water utility service to the Property as proposed in Service Extension Request No. 3046. Proposed retail water service by the City of Austin is subject to the successful completion of the Property being decertified from the certificate of convenience and necessity of the Garfield Water Supply Corporation by the Texas Commission on Environmental Quality. The Property is within the City's Impact Fee Boundary, the Desired Development Zone, and the Dry Creek South Watershed.

In accordance with Chapter 25-9 of the City Code, the City has asked the Owner to oversize a portion of the water line that provides water to the Property and will serve other properties in the area, as well as improving water pressure and fire flow for the area. In addition, AWU determined that the proposed oversized water improvements are

necessary in accordance with the City's long range planning goals for this area.

Under the proposed agreement, the City will reimburse the Owner in accordance with the applicable provisions of Chapter 25-9 of the City Code for costs incurred to construct oversized water improvements, provided that the property is no longer in the Garfield WSC's certificate of convenience and necessity. The proposed improvements include:

- The construction by the Owner of approximately 3,180 feet of 24-inch water transmission main from the existing 16-inch water line (Project No. 2002-0526) in Ross Road, north along Ross Road, east along the right-of-way of E SH 71, and then north across E SH 71.

The City will reimburse the Owner for an overall total amount not to exceed \$1,098,077.50. The breakdown of cost reimbursement by project component is:

- For costs of the 24-inch water line and appurtenances, the City's maximum participation is \$1,098,077.50, consisting of up to \$954,850 of Owner's hard costs and Owner's soft costs up to the lesser of 15% of Owner's hard costs or \$143,227.50.

Other terms of the agreement with the Owner will provide that the Owner will:

- Bear all costs for financing, interest, fiscal security, accounting, insurance, inspections, permitting, easement acquisition and legal services associated with the project;
- Conform to the City's design criteria and construction standards;
- Construct all improvements at their cost and, after approval of construction, dedicate the facilities to the City for ownership, operation, and maintenance;
- Meet applicable M/WBE goals and policies established by City Council Resolution 20120112-058;
- Allow AWU to use the project plans and specifications approved by AWU's Director to solicit and publish invitations for bids for the construction of the improvements; and
- Follow standard City bidding practices and procedures, including the minority-owned business enterprise procurement program found in Title 2 of the City Code, and Chapters 212 and 252 of the Texas Local Government Code.