

**CIP  
EXPENSE DETAIL**

**DATE OF COUNCIL CONSIDERATION:**

4/17/14

**CONTACT DEPARTMENT(S):**

Economic Development Department

**SUBJECT:** Approve an ordinance authorizing the negotiation and execution of a developer participation agreement with GW APARTMENTS, LLC, for cost participation in the construction of streetscape infrastructure associated with Block One of the Green Water Treatment Plant Redevelopment project in an amount not to exceed \$641,000.00, and authorize the use of the Construction Manager at Risk method under Chapter 2269 of the Texas Government Code by TC Green Water Master Developer, its permitted assigns, and construction manager, as a method of providing better value to the city, as required by Section 252.022(d) of the local government code, for the development and construction of the Green Redevelopment Project's Streetscape Improvement Project(s), the Nueces Street Extension, the Environmental Remediation Project(s), and, to the extent applicable, the Reclaimed Water Line and Chilled Water Line Projects.

**CURRENT YEAR IMPACT:**

<b>Department:</b>	<b>Economic Development Department</b>
Project Name:	Green Water Treatment Plant Redevelopment
Fund/Department/Unit:	8560-5507-0333
Funding Source:	Land Sales Proceeds
Current Appropriation:	9,000,000.00
Unencumbered Balance:	2,851,160.23
Amount of This Action:	<u>(641,000.00)</u>
Remaining Balance:	<u>2,210,160.23</u>

**ANALYSIS / ADDITIONAL INFORMATION:** GW Apartments, LLC, ("GWA") is currently constructing a mixed use project on Block One of the site of the City's former Green Water Treatment Plant (the "Project"). GWA is offering through a Community Facilities Agreement, to participate in the construction of Great Streets Program streetscape infrastructure and to be responsible for funding the design and construction of Great Streets improvements along the Cesar Chavez and San Antonio block faces of Block One. Under such an arrangement, the City will be responsible for funding the cost of design and construction of Great Streets Program streetscape infrastructure along the Nueces and 2nd Street block faces of Block One. GWA will manage the design and construction of the entire Block One Great Streets Program streetscape infrastructure.

Pursuant to the authority of Section 212.071, et seq., of the Texas Local Government Code, the City may participate in oversizing the size, scale, and scope of the Great Streets Program streetscape infrastructure above Code requirements and extend a continuous Great Streets Program streetscape for other anticipated future development in the area. The City Council previously approved funding for the design and construction of public improvements in the Master Development Agreement, including the Great Streets Program streetscape infrastructure, \$641,000.00 of which has been allocated to the City's portion of the Great Streets improvements for Block One.

GWA will provide for the bidding of the Great Streets Program streetscape infrastructure improvements for Block One through its construction manager in compliance with Section 271.071 and the Legal Requirements, including the City's Third Party Resolutions, and construct the City's portion of the improvements for the not-to-be-exceeded cost of \$641,000.00, inclusive of the cost of design.

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The City will reimburse GWA up to \$641,000.00 of the costs of the design and construction of the Block One Great Streets improvements and GWA will pay for the remaining cost of the Great Streets Program streetscape infrastructure. Participating in the construction and costs of the Great Streets improvements to Block One will serve the public interest by providing for the expedited improvement of a section of the Great Streets Program streetscape infrastructure improvements at a significant savings of City funds and resources.

In addition, while the use of alternative delivery method contracting was generally permitted in the Ordinance approving the Master Development Agreement, the use of such a method must be approved for each separate expenditure under the Texas Local Government Code. The use of the Construction Manager at Risk method would allow an expedited process with full City participation for the development and construction of the public improvements, rather than bidding the improvements through the City and then assigning the contracts to the developer or its construction manager.



