



Recommendation for Action

File #: 19-1554, **Agenda Item #:** 4.

4/25/2019

Posting Language

Authorize negotiation and execution of a cost participation agreement with Meritage Homes for the City to reimburse the developer for an amount not to exceed \$1,478,152.50 for costs associated with the design and construction of an oversized water main and appurtenances related to Service Extension Request No. 4238 that will provide water service to a proposed mixed-use development located at S SH-45 and N Turnersville Road.

Lead Department

Austin Water

Fiscal Note

Funding is available in the Fiscal Year 2018-2019 Capital Budget of the Austin Water.

For More Information:

Colleen Kirk, 512-972-0266; Kevin Critendon, 512-972-0191; Denise Avery, 512-972-0104

Council Committee, Boards and Commission Action:

April 10, 2019- Recommended by the Water & Wastewater on Commissioner Ho's motion and Commissioner Parton's second on a 9-0-0-1 vote with Commissioner Schmitt absent.

Additional Backup Information:

The Turner's Crossing project consists of approximately 468.55 acres of land located on the northeast and southeast corners of S SH-45 and N Turnersville Road (the "Property"). The Property is located entirely within the City of Austin's (the "City") 2-mile Extra-Territorial Jurisdiction, Impact Fee Boundary, Austin Water's service area for water, the Desired Development Zone, and the Rinard Watershed. A map of the property location is attached.

Meritage Homes (the "Applicant") is proposing to develop approximately 1,400 single-family homes, 525 multi-family units, 188,000 sq. ft. retail space, 25,000 sq. ft. restaurant space, and 5,000 sq. ft. office space. The Applicant requested that the City provide water utility service to the Property as proposed in Service Extension Request (SER) No. 4238. Austin Water will provide retail wastewater service to the Property.

In accordance with Chapter 25-9 of the City Code, the City has asked the Applicant to oversize the water main in order to serve additional properties within the South water pressure zone consistent with the City's long range planning goals for this area. If approved by City Council, the City will cost participate in this construction project only to the extent of the City's proportionate share of the oversized main.

The proposed oversized improvements include construction of approximately 5,000 feet of 24-inch water transmission main along FM 1327 Road east of Bradshaw Road and approximately 3,870 feet

of 24-inch water transmission main along N Turnersville Road across and south of SH-45.

The City will reimburse the Applicant for an overall total amount not to exceed \$1,478,152.50 for hard costs and soft costs. Hard costs include, but are not limited to, construction and materials. Soft costs include, but are not limited to, preliminary engineering reports, surveying, geotechnical studies, design, and project management. The City's cost participation by project component is as follows:

- For costs of the 24-inch water transmission mains along FM 1327 Road and N Turnersville Road (the minimum pipe diameter of 16-inches required to serve the Property to an oversized 24-inch) and appurtenances, the City's maximum participation consists of: (1) hard costs, in an amount not to exceed 33% of the hard costs of the 24-inch water transmission main and appurtenances, and (2) soft costs, in an amount not to exceed 15% of the City's hard cost participation amount.

To serve the Property, the Applicant will additionally be required to construct, at their own cost:

- approximately 4,800 feet of 24-inch water transmission main along N Turnersville Road from FM 1327 Road to SH-45,
- approximately 6,800 feet of 16-inch water main within the Property between FM 1327 Road and N Turnersville Road (south of SH-45), and
- approximately 5,900 feet of 12-inch water main looped within the Property.

The Applicant will additionally be required to dedicate an appropriately sized reservoir site and associated easement(s) near the northeast corner of SH-45 and N Turnersville Rd, water easement along N Turnersville Rd between FM 1327 Rd and the reservoir site, and other water easement(s), as necessary, to facilitate future water main extensions from the water improvements described above.

Other terms of the agreement will require that the Applicant:

- Pay all costs for financing, interest, fiscal security, accounting, insurance, inspections, permitting, easement acquisition, legal services, and other non-reimbursable soft costs associated with the project;
- Conform to the City's design criteria and construction standards;
- Construct all improvements at their cost and, after the City's final approval of the construction, dedicate the facilities to the City for ownership, operation, and maintenance;
- Allow the City to use the project plans and specifications approved by the City to solicit and publish invitations for bids for the construction of the improvements; and
- Follow the City's standard bidding practices and procedures, including the minority-owned business enterprise procurement program found in Title 2 of the City Code, and Texas Local Government Code Chapters 212 and 252.

The proposed project will be managed through Austin Water staff and is located in zip code 78610, near City Council Districts 2 and 5.