



Recommendation for Action

File #: 19-1758, **Agenda Item #:** 5.

5/23/2019

Posting Language

Authorize negotiation and execution of a cost reimbursement agreement with William Lyon Homes for the City to reimburse the developer for an amount not to exceed \$526,660 for costs associated with the design and construction of an oversized water main and appurtenances related to Service Extension Request No. 4116R that will provide water service to a proposed single-family development located at 6001 Kellam Road.

Lead Department

Austin Water

Fiscal Note

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

For More Information:

Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or AgendaOffice@austintexas.gov.

Council Committee, Boards and Commission Action:

May 8, 2019 - Recommended by the Water & Wastewater on Commissioner Moriarty's motion and Commissioner Turrieta's second on a 8-0-0-3 vote with Commissioners Parton, Castleberry and Grant absent.

Additional Backup Information:

The "71 East - 428 Acre Tract" project is located at 6001 Kellam 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 wastewater, the Desired Development Zone, and the Dry South Watershed. A map of the property location is attached.

William Lyon Homes (the "Applicant") is proposing to develop approximately 1,550 single-family homes. The Applicant requested that the City provide water utility service to the Property as proposed in Service Extension Request (SER) No. 4116R. Austin Water will also 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 a water main in order to serve additional properties within the Central 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 5,615 feet of 24-inch water main from the existing 16-inch water main in Pearce Lane, north along Kellam Road to the Property.

The City will reimburse the Applicant for an overall total amount not to exceed \$526,660 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 main (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 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 2,415 feet of 16-inch water main from the existing 36-inch water main, located in Ross Road (south of Pearce Lane), north-northeast to Pearce Lane, and then south-southeast along Pearce Lane to the existing 16-inch water main located in Ross Road (north of Pearce Lane),
- approximately 13,920 feet of looped 12-inch water main within the Property

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 78617, adjacent to City Council District 2.