



Recommendation for Action

File #: 20-1717, Agenda Item #: 4.

4/23/2020

Posting Language

Authorize the negotiation and execution of a cost participation agreement with Clayton Property Group, Inc. for the City to reimburse the developer for an amount not to exceed \$811,440.00 for costs associated with the design and construction of an oversized water transmission main and appurtenances related to Service Extension Request No. 4228R that will provide water service to a proposed single-family and retail development located south and west of Bradshaw Road and south of Country Down Drive.

Lead Department

Austin Water.

Fiscal Note

Funding is available in the Fiscal Year 2020-2021 Capital Budget of the Austin Water Utility. A fiscal note is attached.

For More Information:

Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991.

Council Committee, Boards and Commission Action:

To be reviewed by the Water and Wastewater Commission on April 8, 2020.

Additional Backup Information:

The Bella Fortuna project consists of approximately 158 acres of land located generally located south and west of Bradshaw Road and south of Country Down Drive (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 and wastewater, the Desired Development Zone, and the Onion Creek Watershed. A map of the property location is attached.

Clayton Property Group, Inc. (the "Applicant") is proposing to develop approximately 525 single-family homes and 12,000 sq. ft. retail space. The Applicant requested that the City provide water utility service to the Property as proposed in Service Extension Request (SER) No. 4228R. 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 2,100 feet of 24-inch water transmission main from the existing 42-inch water transmission main in future S. Pleasant Valley Road and extend west through the Property along future Bella Fortuna Drive.

The City will reimburse the Applicant for an overall total amount not to exceed \$811,440.00 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 main (the minimum pipe diameter of 12-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 50% 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.

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 78747, near City Council Districts 2 and 5.

Strategic Outcome(s):

Government that Works for All.