



Recommendation for Action

File #: 20-2415, **Agenda Item #:** 3.

7/29/2020

Posting Language

Authorize an increase to the City's participation in the cost participation agreement with Philip Boghosian Living Trust to a maximum amount not to exceed \$6,797,190 for costs associated with the design and construction of an oversized wastewater interceptor, lift station and force main related to Service Extension Request No. 4038R that will provide wastewater service to a proposed mixed use development located at Slaughter Lane and Thaxton Road.

Lead Department

Austin Water.

Fiscal Note

Funding is available in the Fiscal Year 2019-2020 Capital Budget of Austin Water.

Prior Council Action:

August 22, 2019 - Council authorized the negotiation and execution of a cost reimbursement agreement.

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:

July 15, 2020 - Recommended by the Water and Wastewater Commission on a 9-0 vote on Commissioner Lee's Motion and Commissioner Ho's Second with Commissioner Parton absent.

Additional Backup Information:

The 116 Ac Thaxton Road Tract project consists of approximately 116.47 acres of land located north and south of Slaughter Lane and west of Thaxton 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 Marble Watershed. A map of the property location is attached.

Philip Boghosian Living Trust (the "Applicant") is proposing to develop approximately 340 single-family homes, 350 multi-family units, and 30,000 sq. ft. office space. Service Extension Request (SER) No. 4038 was approved to extend City wastewater utility service to the Property; however, that wastewater service plan is now being amended as proposed in SER No. 4038R. Additionally, the Applicant is proposing to develop an adjacent 90 acre tract with approximately 217 single-family homes and 500 multi-family units and has requested the City provide wastewater utility service as proposed in SER No. 4616, which includes the same wastewater improvements as proposed in SER No. 4038R. Austin Water will provide retail water service to both of the Applicant's projects.

Prior Council Action:

City Council on August 22, 2019 authorized the negotiation and execution of a Cost Reimbursement

Agreement ("Agreement") between the City and the Applicant to allow for reimbursement up to \$5,388,877.00 for hard costs and soft costs for the oversized portion of the wastewater improvements required in the original SER-4038. The original required oversized improvements included:

- 1) approximately 10,500 feet of oversized 30-inch wastewater interceptor along Marble Creek between E William Cannon Drive and E Slaughter Lane, and
- 2) approximately 3,700 feet of 30-inch wastewater interceptor along E William Cannon Drive between Marble Creek and Onion Creek.

The Applicant initiated design of the oversized 30-inch wastewater interceptor along Marble Creek; however, was unsuccessful in obtaining environmental variances necessary to construct the portion of the wastewater interceptor between E William Cannon Drive and Colton Bluff Springs Road. As such, the Applicant requested an alternate wastewater service plan to provide wastewater service to the Property and the Applicant's adjacent tract.

Current Request:

Austin Water is now proposing an alternate wastewater service plan, as outlined in SER-4038R. In accordance with Chapter 25-9 of the City Code, the City has asked the Applicant to construct oversized wastewater improvements. As with the original wastewater service plan, the alternate wastewater service plan will serve additional properties within the Marble drainage basin. 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 wastewater interceptor, lift station and force main.

The alternate wastewater service plan incorporates the upstream approximately 8,000 feet of oversized 30-inch wastewater interceptor along Marble Creek between Colton Bluff Springs Rd to the Property. In lieu of the downstream approximately 2,500 feet of oversized 30-inch wastewater interceptor along Marble Creek between E William Cannon Drive and Colton Bluff Springs Road, Austin Water is now proposing an oversized lift station located near Marble Creek and Colton Bluff Springs Rd, and approximately 2,570 feet of oversized force main from the proposed lift station north along existing right-of-way within the Springfield Subdivision and connect to the existing 15-inch gravity wastewater main in E William Cannon Drive.

The City will reimburse the Applicant for an overall total amount not to exceed \$6,797,190.00 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 30-inch wastewater interceptor along Marble Creek (the minimum pipe diameter of 12-inches required to serve the Property and the Applicant's adjacent property to an oversized 30-inch) and appurtenances, the City's maximum participation consists of: (1) hard costs, in an amount not to exceed 60% of the hard costs of the 30-inch wastewater interceptor and appurtenances, and (2) soft costs, in an amount not to exceed 15% of the City's hard cost participation amount.
- For costs of the oversized lift station and force main (the minimum pumping capacity of 741 gpm required to serve the Property and the Applicant's adjacent property to an oversized pumping capacity of 3,700 gpm) and appurtenances, the City's maximum participation consists of: (1) hard costs, in an amount not to exceed 81% of the hard costs of the lift station and force main and appurtenances, and (2) soft costs, in an amount not to exceed 15% of the City's hard cost participation amount.

This alternate wastewater service plan will conform to all City Code requirements. These improvements will be designed in accordance with the City's Environmental Criteria Manual and Utilities Criteria Manual, and are not anticipated to require variances to environmental permitting processes.

Summary of Dollar Amounts:

Original Council Approval for City's Proportionate Share (SER-4038)	Current Request for Council Action for City's Proportionate Share (SER-4038R)	Increased Cost for City's Proportionate Share of Alternate Service Option
\$5,388,877.00	\$6,797,190.00	\$1,408,313.00

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 and is near the boundary of City Council District 2.

Strategic Outcome(s):

Government that Works for All.