



## Recommendation for Action

**File #: 22-1945, Agenda Item #: 5.**

**6/9/2022**

### **Posting Language**

Authorize negotiation and execution of a cost participation agreement with Gateway Oasis V, LLC, to reimburse the developer in an amount not to exceed \$9,766,500, for costs associated with the design and construction of an oversized water main and appurtenances related to Service Extension Request No. 4989 that will provide water service to a proposed manufactured home and recreational vehicle development located at 10203 Rodriguez Road.

### **Lead Department**

Austin Water.

### **Fiscal Note**

Funding is contingent upon available funding in future budgets of Austin Water.

### **For More Information:**

Inquiries should be directed to Kevin Critendon, (512) 972-0191, [Kevin.Critendon@austintexas.gov](mailto:Kevin.Critendon@austintexas.gov), Shwetha Pandurangi, (512) 974-3514, [Shwetha.Pandurangi@austintexas.gov](mailto:Shwetha.Pandurangi@austintexas.gov), or Blanca Madriz, (512) 972-0115, [Blanca.Madriz@austintexas.gov](mailto:Blanca.Madriz@austintexas.gov) and the City Manager's Agenda Office at 512-974-2991 or [AgendaOffice@austintexas.gov](mailto:AgendaOffice@austintexas.gov).

### **Council Committee, Boards and Commission Action:**

May 11, 2022 - Recommended by the Water and Wastewater Commission on a 9-0 vote with Commissioner Musgrove absent and one vacancy.

### **Additional Backup Information:**

The Dry Creek Ranch project consists of approximately 397 acres of land located at 10203 Rodriguez Road (the "Property"). The Property is located entirely within the City of Austin's 2-mile Extra-Territorial Jurisdiction, Impact Fee Boundary, the Desired Development Zone, and the South Fork and Dry South Watersheds. A map of the property location is attached.

Gateway Oasis V LLC (the "Owner") is proposing to develop approximately 860 manufactured homes, 224 RV pads, and associated amenity spaces. The Owner requested that the City provide water utility service to the Property as proposed in Service Extension Request No. 4989. Wastewater service for each future lot within the Property is proposed by either utilizing an on-site sewage facility or a private package treatment plant.

In accordance with Chapter 25-9 of the City Code, the City has asked the Owner 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 mains.

The proposed oversized improvements include construction of:

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- approximately 24,100 feet of 36-inch water main from Thaxton Road and generally extending southeast along future East Slaughter Lane, southwest along FM 1625, and east to the Property.

The City will reimburse the Owner for an overall total amount not to exceed \$9,766,500 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 36-inch water main (the minimum pipe diameter of 24-inches required to serve the Property to an oversized 36-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 36-inch water 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 Owner:

- 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, construction standards, and environmental requirements;
- 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 near Council District 2.

**Strategic Outcome(s):**

Government that Works for All.