



Recommendation for Action

File #: 22-2367, Agenda Item #: 3.

7/28/2022

Posting Language

Authorize an increase to the cost participation agreement with Stillwater Capital Investments, LLC for the City to reimburse the developer for a total amount not to exceed \$2,886,408 for costs associated with the design and construction of an oversized lift station and force main related to Service Extension Request No. 5078R that will provide wastewater service to a proposed industrial development located at 13338 Old San Antonio Road.

Lead Department

Austin Water.

Fiscal Note

Funding is available in the Fiscal Year 2021-2022 Capital Budget of Austin Water.

Prior Council Action:

August 26, 2021 - Council authorized the negotiation and execution of a cost reimbursement agreement.

For More Information:

Inquiries should be directed to Kevin Critendon, 512-972-0191, or Kevin.critendon@austintexas.gov, Shwetha Pandurangi, 512-974-3514, or Shwetha.pandurangi@austintexas.gov, and the City Manager's Agenda Office at 512-974-2991 or AgendaOffice@austintexas.gov.

Council Committee, Boards and Commission Action:

July 20, 2022 - To be reviewed by the Water and Wastewater Commission.

Additional Backup Information:

The Stillwater Old San Antonio Rd project consists of approximately 59 acres of land located at 13338 Old San Antonio Road (the "Property"). The Property is located 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 Onion Creek Watershed. A map of the property location is attached.

Stillwater Capital Investments, LLC (the "Applicant") is proposing to develop approximately 641,280 square feet of office-warehouse within the Property. Service Extension Request (SER) No. 5078 was approved to extend City wastewater utility service to approximately 36-acres of the Property; however, that wastewater service plan is now being amended as proposed in SER No. 5078R. The Applicant has requested to incorporate their additional approximately 23-acre tract into SER-5078R (previously submitted under separate SER application, SER No. 5085). Additionally, the Applicant now proposes an entirely industrial development instead of the previously anticipated mix of residential development on the 36-acre tract and industrial development on the 23-acre tract. The Applicant has requested Austin Water also provide retail water service to the Property.

Prior Council Action:

City Council on August 26, 2021, authorized the negotiation and execution of a Cost Reimbursement

Agreement ("Agreement") between the City and the Applicant to allow for reimbursement up to \$1,930,850.00 for hard costs and soft costs for the oversized portion of the wastewater improvements required in the original SER-5078. The original required oversized improvements include an approximately 640 gpm lift station and approximately 4,000 feet of force main.

Current Request:

Austin Water is now proposing an amended wastewater service plan, as outlined in SER-5078R. 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 amended wastewater service plan will serve additional properties within the Onion 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 lift station and force main.

The amended wastewater service plan and proposed oversized improvements include construction of an approximately 815 gpm lift station located within the southern portion of the Property and approximately 4,000 feet of oversized force main from the proposed lift station east to and north along Old San Antonio Rd and connect to the existing 15-inch gravity wastewater main near Avenida Mercado St.

The City will reimburse the Applicant for an overall total amount not to exceed \$2,886,408 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 oversized lift station and force main (the minimum pumping capacity of 139 gpm to serve the Property to an oversized pumping capacity of 815 gpm), the City's maximum participation consists of: (1) hard costs, in an amount not to exceed 83% 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.

Summary of Dollar Amounts:

Original Council Approval for City's Proportionate Share (SER-5078)	Current Request for Council Action for City's Proportionate Share (SER-5078R)	Increased Cost for City's Proportionate Share of Amended Service Plan
\$1,930,850.00	\$2,886,408.00	\$955,558.00

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 78652, near City

Council District 5.

Strategic Outcome(s):

Government that Works for All.