



Recommendation for Action

File #: 22-2900, **Agenda Item #:** 6.

9/29/2022

Posting Language

Authorize the negotiation and execution of a cost participation agreement with Blackburn Group, LLC for the City to reimburse the developer for an amount not to exceed \$2,412,000 for costs associated with the design and construction of an oversized gravity wastewater main and appurtenances related to Service Extension Request No. 3986R2 that will provide wastewater service to a proposed mixed-use development located at 5601 Durango Pass.

Lead Department

Austin Water.

Fiscal Note

Funding is available in the Fiscal Year 2022-2023 Capital Budget of Austin Water.

Prior Council Action:

May 21, 2020 - Council authorized the negotiation and execution of a cost reimbursement agreement for Phase 1 of the East Parke Subdivision development.

For More Information:

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

Council Committee, Boards and Commission Action:

September 14, 2022 - Recommended by the Water and Wastewater Commission on an 8-0 vote with one absence and two vacancies.

Additional Backup Information:

The East Parke Subdivision Phase 2 project consists of approximately 30.42 acres of land out of the approximately 68-acre East Parke Subdivision located at 5601 Durango Pass (the "Property"). The Property is located entirely within the City of Austin's (the "City") Full-Purpose Jurisdiction, Impact Fee Boundary, Austin Water's service area for wastewater, the Desired Development Zone, and the Walnut Creek Watershed. A map of the property location is attached.

Blackburn Group, LLC (the "Applicant") is proposing to develop East Parke Subdivision Phase 2 with approximately 300 multi-family units and approximately 110,000 sq. ft. of retail space. The Applicant requested that the City provide wastewater utility service to the Property as proposed in Service Extension Request (SER) No. 3986R2. Austin Water will also provide retail water service to the Property.

Prior Council Action:

City Council on May 21, 2020, authorized the negotiation and execution of a Cost Reimbursement Agreement ("Agreement") to allow for reimbursement up to \$2,782,025 for hard costs and soft costs for the oversized portion of the East Parke Subdivision Phase 1 wastewater improvements required in the SER-3986R.

Current Request:

In accordance with Chapter 25-9 of the City Code, the City has asked the Applicant to oversize the Phase 2 gravity wastewater main in order to serve additional properties within the Walnut Creek drainage basin 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 Phase 2 oversized improvements include construction of approximately 2,990 feet of 15-inch gravity wastewater main from the proposed East Parke Subdivision Lift Station (Phase 1), north through the Property to the existing 8-inch gravity wastewater main located in Purple Sage Drive.

The City will reimburse the Applicant for an overall total amount not to exceed \$2,412,000.00 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 15-inch gravity wastewater main (the minimum pipe diameter of 8 inches required to serve the Property to an oversized 15-inch) and appurtenances, the City's maximum participation consists of: (1) hard costs, in an amount not to exceed 47% of the hard costs of the 15-inch gravity wastewater 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 78724, in City Council District 1.

Strategic Outcome(s):

Government that Works for All.