



Recommendation for Action

File #: 22-3442, Agenda Item #: 3.

11/15/2022

Posting Language

Authorize negotiation and execution of a cost participation agreement with Kor Real Estate Partners, LLC for the City to reimburse the developer in an amount not to exceed \$4,680,000 for costs associated with the design and construction of an oversized water main and appurtenances related to Service Extension Request No. 5206 that will provide water service to a proposed mixed-use development located at 4400 E. State Highway 71.

Lead Department:

Austin Water.

Fiscal Note:

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

For More Information:

Inquiries should be directed to Kevin Critendon (Kevin.Critendon@austintexas.gov; 512-972-0191), 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:

November 9, 2022 - To be reviewed by the Water and Wastewater Commission.

Additional Backup Information:

The Barkley Meadows project consists of approximately 43.91 acres of land located at 4400 E. State Highway (SH) 71 (the "Property"). The Property is located entirely within the City of Austin's (the "City") Two-Mile Extra-Territorial Jurisdiction, Impact Fee Boundary, Austin Water's service area for water, the Desired Development Zone, and the Dry South and Onion Creek Watersheds. A map of the property location is attached.

Kor Real Estate Partners, LLC (the "Applicant") is proposing to develop approximately 450 multi-family units and approximately 165 single family residences. The Applicant requested that the City provide water utility service to the Property as proposed in Service Extension Request (SER) No. 5206. Austin Water will also 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 Central 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 11,755 feet of 24-inch water transmission main from the existing 24-inch water transmission main located in Ross Road, west along E. SH 71 to the subject tract, southwest through the subject tract, northwest towards SH 130, and then south-southwest along SH 130 to the existing 24-inch water transmission main located in Pearce Lane.

The City will reimburse the Applicant for an overall total amount not to exceed \$4,680,000 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 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 percent of the hard costs of the 24-inch water transmission main and appurtenances, and (2) soft costs, in an amount not to exceed 15 percent 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 78617, adjacent to City Council District 2.

Strategic Outcome(s):

Government that Works for All.