



Recommendation for Action

File #: 23-1590, Agenda Item #: 5.

4/20/2023

Posting Language

Authorize negotiation and execution of a cost participation agreement with Kellam Land Investments, LP for the City to reimburse the developer for an amount not to exceed \$8,804,515 for costs associated with the design and construction of an oversized wastewater lift station, force main, and gravity wastewater mains and appurtenances related to Service Extension Request No. 4812R that will provide wastewater service to a proposed multifamily development located at 4811 Kellam Road.

Lead Department

Austin Water.

Fiscal Note

Funding is available in the Capital Budget of Austin Water.

For More Information:

Inquiries should be directed to Blanca Madriz, 512-972-0115, or Blanca.Madriz@austintexas.gov.

Council Committee, Boards and Commission Action:

April 19, 2023 - To be reviewed by the Water and Wastewater Commission.

Additional Backup Information:

The Kellam Road project consists of approximately 45 acres of land located at 4811 Kellam 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 water and wastewater, the Desired Development Zone, and the Dry Creek East Watershed. A map of the property location is attached.

Kellam Land Investments, LP (the "Owner") is proposing to develop approximately 850 multi-family units. The Owner requested that the City provide wastewater utility service to the Property as proposed in Service Extension Request (SER) No. 4812R. Austin Water will provide retail water service to the Property as proposed in SER No. 4811R.

In accordance with Chapter 25-9 of the City Code, the City has asked the Owner to oversize the lift station, force main, and gravity wastewater mains in order to serve additional properties within the Dry South 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 lift station, force main, and gravity wastewater mains.

The proposed oversized improvements include construction of:

- a 1,200-gpm capacity lift station
- approximately 9,900 feet of wastewater force main from the lift station extending south and west to Kellam Road, south along Kellam Road to Pearce Lane, and west along Pearce Lane to the west side of Dry Creek.

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- approximately 100 feet of 30-inch wastewater interceptor from the Pearce Lane lift station extending north to a manhole located south of Pearce Lane.
 - approximately 630 feet of 24-inch wastewater interceptor from the 30-inch wastewater interceptor located south of Pearce Lane extending north across Pearce Lane and then east along Pearce Lane.
 - approximately 430 feet of 18-inch wastewater interceptor from the 24-inch wastewater interceptor in Pearce Lane extending east along Pearce Lane to the wastewater force main on the west side of Dry Creek.

The City will reimburse the Owner for an overall total amount not to exceed \$8,804,515 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 lift station and wastewater force main (the minimum capacity of 385-gpm required to serve the Property to an oversized capacity of 1,200-gpm) and appurtenances, the City's maximum participation consists of: (1) hard costs, in an amount not to exceed 67.9% of the hard costs of the lift station, wastewater force main, 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 30-inch wastewater interceptor (the minimum pipe diameter of 18-inches required to serve the Property to an oversized 30-inch) and appurtenances, the City's maximum participation consists of: (1) hard costs, in an amount not to exceed 40% 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 24-inch wastewater interceptor (the minimum pipe diameter of 18-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 25% of the hard costs of the 24-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 18-inch wastewater interceptor (the minimum pipe diameter of 15-inches required to serve the Property to an oversized 18-inch) and appurtenances, the City's maximum participation consists of: (1) hard costs, in an amount not to exceed 17% of the hard costs of the 18-inch wastewater interceptor and appurtenances, and (2) soft costs, in an amount not to exceed 15% of the City's hard cost participation amount.

To serve the Property, the Owner will additionally be required to construct, at their own cost:

- approximately 2,350 feet of 12-inch gravity wastewater main from the proposed lift station extending south and west to Kellam Road.

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 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, near City Council District 2.