



Recommendation for Action

File #: 23-2433, **Agenda Item #:** 4.

8/31/2023

Posting Language

Authorize negotiation and execution of a cost participation agreement with CLX Ventures, LLC for the City to reimburse the developer for costs associated with the design and construction of an oversized water main and appurtenances related to Service Extension Request No. 5023 that will provide water service to a proposed industrial development located at 2700 N. FM 973 in an amount not to exceed \$4,025,000.

Lead Department

Austin Water.

Fiscal Note

Funding is available in the Fiscal Year 2022-2023 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:

August 7, 2023 - Recommend by the Water and Wastewater Commission on a 6-0 vote with one absence and four vacancies.

Additional Backup Information:

The "40 Acre FM 973 Industrial" project is located at 2700 N. FM 973 (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 Colorado River Watershed. A map of the property location is attached.

CLX Ventures, LLC (the "Applicant") is proposing to develop approximately 538,000 sq. ft. of industrial space. The Applicant requested that the City provide water utility service to the Property as proposed in Service Extension Request (SER) No. 5023. The Property proposes to utilize an on-site sewage facility for wastewater service.

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 10,450 feet of 24-inch water main from FM 969 extending east to N. FM 973 and then south along N. FM 973 to the Property.

The City will reimburse the Applicant for an overall total amount not to exceed \$4,025,000 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% of the hard costs of the 24-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 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 78725, between City Council Districts 1 and 2.