



City of Austin

Recommendation for Action

File #: 24-4299, **Agenda Item #:** 5.

4/18/2024

Posting Language

Authorize negotiation and execution of a cost participation agreement with United Properties Development LLC, for the City to reimburse the developer for an amount not to exceed \$5,077,250 for costs associated with the design and construction of oversized wastewater interceptors and appurtenances related to Service Extension Request No. 5132 that will provide wastewater service to a proposed mixed-use development located at E. Howard Lane and SH 130.

Lead Department

Austin Water.

Fiscal Note

Funding is available in the Fiscal Year 2023-2024 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 17, 2024 - To be reviewed by the Water and Wastewater Commission.

Additional Backup Information:

The Howard Lane Industrial - West project consists of approximately 94 acres of land located north and south of E. Howard Lane and west of SH 130 (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 wastewater, the Desired Development Zone, and the Gilleland Watershed. A map of the property location is attached.

United Properties Development, LLC (the "Applicant") is proposing to develop the Property with approximately 398,000 sq. ft. of industrial warehouse space, 8,150 sq. ft. of retail space, 7,700 sq. ft. of restaurant space, and 710 multifamily units. The Applicant requested that the City provide wastewater utility service to the Property as proposed in Service Extension Request (SER) No. 5132. The Applicant has been delegated authority to act on behalf of three adjacent projects (SER-5133, SER-5260, and SER-5051; the "Adjacent Projects") to design and construct the common wastewater improvements required to provide wastewater utility service to each respective project. Manville Water Supply Corporation will provide retail water service to the Property and the Adjacent Projects. The Adjacent Projects are comprised of:

- SER-5133, which is proposing to develop a 25-acre tract at 13540 Gregg Manor Road with approximately 360,000 sq. ft. of industrial warehouse space.
- SER-5260, which is proposing to develop a 127-acre tract at 12829 N. SH 130 with approximately 1,145,000 sq. ft. of industrial warehouse space.
- SER-5051, which is proposing to develop 263 acres at 8500-9400 Hill Lane with approximately 460 multi-family units, 177,000 sq. ft. of office space, 707,000 sq. ft. of industrial warehouse space, and 500 single-family and duplex units.

In accordance with Chapter 25-9 of the City Code, the City has asked the Applicant to oversize the wastewater interceptors in order to serve additional properties within the Gilleland 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 interceptors.

The proposed oversized improvements include construction of approximately:

- 4,200 feet of 36-inch wastewater interceptor from E. U.S. 290 north along Gilleland Creek to Hill Lane; and
- 4,450 feet of 30-inch wastewater interceptor from the 36-inch wastewater interceptor west along Hill Lane to N. SH 130; and
- 4,720 feet of 24-inch wastewater interceptor from the 30-inch wastewater interceptor west across N. SH 130 and then north along Gilleland Creek to E. Howard Lane.

The City will reimburse the Applicant for an overall total amount not to exceed \$5,077,250 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 36-inch wastewater interceptor (the minimum pipe diameter of 15-inches required to serve the Property and the Adjacent Projects to an oversized 36-inch) and appurtenances, the City's maximum participation consists of: (1) hard costs, in an amount not to exceed 58% of the hard costs of the 36-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 30-inch wastewater interceptor (the minimum pipe diameter of 15-inches required to serve the Property and the Adjacent Projects to an oversized 30-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 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 8-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 66% 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.

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; and
- Conform to the City's design criteria and construction standards; and
- 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; and
- 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 78653, northeast

of City Council District 1.