

AGENDA



Thursday, March 25, 2010

**Austin Water Utility
RECOMMENDATION FOR COUNCIL ACTION****Item No. 4**

Subject: Authorize the negotiation and execution of a developer agreement with Round Rock Independent School District for cost participation and reimbursement in wastewater system improvements related to Service Extension Request No. 2870 to serve the Pearson Ranch development located at 14806 N RR 620 for a total amount of participation and reimbursement not to exceed \$2,059,967.40.

Amount and Source of Funding: Funding is available in the Fiscal Year 2009-2010 Capital Budget of the Austin Water Utility.

Fiscal Note: A fiscal note is attached.

For More Information: Seyed Miri, 972-0202; Denise Avery, 972-0104

Boards and Commission Action: Recommended by the Water and Wastewater Commission.

The Pearson Ranch development, consisting of approximately 395 acres of land between SH45/FM 620 and Avery Ranch Boulevard (the "Property") within the City of Austin's 2-mile extraterritorial jurisdiction, is proposed to include a High School, a Middle School, an Elementary School, 133 single family residences, 1,023 multi-family units, 93,000 square feet of office use, 413,333 square feet of retail use, a church and a day care. The Round Rock Independent School District (the "Applicant") requested that the Austin Water Utility ("AWU") provide wastewater utility service to the Property as proposed in Service Extension Request No. 2870. The Property is within the Council approved Impact Fee Boundary, Utility Service Area, the Desired Development Zone and the Brushy and Lake Creek Watersheds.

Under the proposed agreement, the City will reimburse the Applicant in accordance with the applicable provisions of Chapter 25-9 of the City Code for costs incurred to construct oversized wastewater improvements. The proposed improvements include:

- A lift station estimated at 1,150 gallons per minute to serve the southern portion of the Property and the drainage area, to be located north of FM 620/State Highway 45 and east of Davis Springs Creek on a site large enough to accommodate the construction of a larger lift station capable of providing future service for the upstream portion of the drainage basin;
- Approximately 1,600 feet of 24-inch gravity wastewater main within the Property along Davis Springs Creek outside of the Critical Water Quality Zone to the proposed lift station;
- Approximately 3,500 feet of oversized force main from the proposed lift station, west along the right-of-way of FM 620/State Highway 45 in an appropriately sized wastewater easement to the high point near the Austin and Northwest Railroad; and
- Approximately 1,500 feet of oversized 12-inch gravity wastewater main running from the high point near the Austin and Northwest Railroad west and north to an existing 18-inch gravity wastewater main.

AWU determined that adequate system capacity exists to meet the projected demands of the southern portion of the Property and the proposed oversized wastewater improvements will serve additional development within the Davis Springs Creek drainage area. The portion of the Property within the Lake Creek Drainage Basin to be served by the proposed oversized wastewater improvements is approximately 126 acres with an estimated 322 gallons per minute peak wet weather flow. Approximately 28% of the capacity of the proposed lift station and force main is needed to serve the development.

The City will reimburse the Applicant for an overall total amount not to exceed \$2,059,967.40. The breakdown of cost participation or reimbursement by project component is:

- For costs of the 24-inch gravity wastewater main and appurtenances, the City's maximum reimbursement is \$607,200, consisting of: (1) hard costs, a maximum of \$528,000; and (2) soft costs, a maximum equal to the lesser of 15% of the City's hard cost reimbursement or \$79,200;
- For costs of the force main and lift station, the City's maximum participation is \$1,329,809.40, consisting of: (1) hard costs, a maximum equal to the lesser of 72% of the force main and lift station hard costs or \$1,156,356, and (2) soft costs, a maximum equal to the lesser of 15% of the City's hard cost participation or \$173,453.40; and
- For costs of the 12-inch gravity wastewater main (oversized pipe diameter from an 8-inch to 12-inch) and appurtenances, the City's maximum participation is \$122,958, consisting of: (1) hard costs, a maximum equal to the lesser of 33% of the hard costs of the 12-inch gravity wastewater main and appurtenances or \$106,920, and (2) soft costs, a maximum equal to the lesser of 15% of the City's hard cost participation or \$16,038.

Other terms of the agreement with the Applicant will provide that the Applicant will:

- Bear all costs for financing, interest, fiscal security, accounting, insurance, inspections, permitting, easement acquisition and legal services associated with the project; conform to the City's design criteria and construction standards;
- Construct all improvements at their cost and, after approval of construction, dedicate the facilities to the City for ownership, operation, and maintenance;
- Meet applicable M/WBE goals and policies established by City Council Resolution 20071108-127;
- Allow AWU to use the project plans and specifications approved by AWU's director to solicit and publish invitations for bids for the construction of the improvements;
- Follow standard City bidding practices and procedures, including the minority-owned business enterprise procurement program found in Title 2 of the City Code, and Chapters 212 and 252 of the Texas Local Government Code.