

## AGENDA



Thursday, November 18, 2010

**Austin Water Utility  
RECOMMENDATION FOR COUNCIL ACTION**
**Item No. 3**

**Subject:** Authorize the negotiation and execution of a developer agreement with Land Accelerator, LLC to reimburse costs to construct an oversized 30-inch wastewater main and appurtenances related to Service Extension Request No. 2956 to provide wastewater service to the Formula 1 United States Austin, Texas development located at 7700 Elroy Road for a total reimbursement not to exceed \$8,126,619.

**Amount and Source of Funding:** Funding is available in the Fiscal Year 2010-2011 Capital Budget of the Austin Water Utility.

**Fiscal Note:** A fiscal note is attached.

**For More Information:** Seyed Miri, P.E., 972-0202; Denise Avery, 972-0104

**Boards and Commission Action:** Recommended by the Water and Wastewater Commission with the requirement that the applicant complies with the Third Party Agreement, if applicable. Related to Item #2.

The Formula 1 United States Austin, Texas development, consisting of approximately 903 acres of land located south and west of Elroy Road, east of McAngus and north of FM 812 Road (the "Property") within the City of Austin's 2-mile and 5-mile extraterritorial jurisdictions, is proposed to include the facilities necessary for the Formula 1 race course, as well as ancillary development such as commercial retail, restaurant and hotel. Land Accelerator, LLC (the "OWNER") requested that the Austin Water Utility ("AWU") provide wastewater utility service to the Property as proposed in Service Extension Request No. 2956. The Property is within the Council approved Impact Fee Boundary, Utility Service Area, City of Austin Wastewater Certificate of Convenience and Necessity (CCN) area, the Desired Development Zone and the Dry Creek Watershed.

In accordance with Chapter 25-9 of the City Code, the City has asked the Owner to oversize the wastewater lines in order to serve other properties in the area. In addition, AWU determined that the proposed oversized wastewater improvements are necessary in accordance with City of Austin long range planning goals for this area.

Under the proposed agreement, the City will reimburse the Owner 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:

- Approximately 17,430 feet of oversized 30-inch gravity wastewater main from the existing City of Austin Pearce Lane Lift Station, south paralleling Dry Creek and through the Subject Tract to FM 812 Road.

In accordance with Chapter 25-9 of the City Code, the City will reimburse the Owner for an overall total amount not to exceed \$8,126,619. The breakdown of cost reimbursement by project component is:

- The City will reimburse the Owner for costs of the oversized 30-inch gravity wastewater main and appurtenances up to an amount not to exceed \$8,126,619 consisting of: (1) up to \$7,066,625 towards the

hard costs, and (2) for soft costs, an amount equal to 15% of the City's hard cost reimbursement not to exceed \$1,059,994.

Other terms of the agreement with the Owner will provide that the Owner 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;
- 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 following standard City bidding practices and procedures, including the Minority-Owned and Female-Owned Business Enterprise Procurement Program found in Title 2 of the City Code, and Chapters 212 and 252 of the Texas Local Government Code.