

## A G E N D A



## Recommendation for Council Action

Austin City Council	Item ID	13080	Agenda Number	5.
---------------------	---------	-------	---------------	----

Meeting Date:	3/22/2012	Department:	Austin Water Utility
---------------	-----------	-------------	----------------------

## Subject

Authorize the negotiation and execution of a developer agreement with Continental Homes of Texas, L.P. to reimburse costs to construct an oversized 16-inch water line and appurtenances related to Service Extension Request No. 3025 to provide water service to the Pioneer Hill development located at 10217 Dessau Road for a total reimbursement not to exceed \$429,525.

## Amount and Source of Funding

Funding is available in the Fiscal Year 2011-2012 Capital Budget of the Austin Water Utility.

## Fiscal Note

A fiscal note is attached.

Purchasing Language:	
Prior Council Action:	
For More Information:	Brian Long, P.E., 972-0177; Denise Avery, 972-0104
Boards and Commission Action:	Recommended by the Water and Wastewater Commission.
MBE / WBE:	
Related Items:	

## Additional Backup Information

The Pioneer Hill development, consisting of approximately 269 acres of land generally located south of Braker Lane, north of Rundberg Lane, and east of Dessau Road (the "Property") within the City of Austin's full-purpose jurisdiction, is proposed to include the facilities necessary for a 672 lot single-family subdivision, 576 multi-family units, and industrial development. Continental Homes of Texas, L.P. (the "Owner") requested that the Austin Water Utility ("AWU") provide water utility service to the Property as proposed in Service Extension Request No. 3025. The Property is within the City's Impact Fee Boundary, Utility Service Area, Water Certificate of Convenience and Necessity area, the Desired Development Zone, and the Walnut Creek Watershed.

In accordance with Chapter 25-9 of the City Code, the City has asked the Owner to oversize a portion of the water line that crosses the Property in order to serve other properties in the area, as well as improving water pressure and fire flow for the area. In addition, AWU determined that the proposed oversized water improvements are necessary in accordance with the City's 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 water improvements. The proposed improvements include:

- The construction by the Owner of approximately 4,150 feet of 16-inch water line from the proposed 16-inch water line in Dessau Road east across the Property to the eastern boundary of the Property.

The City will reimburse the Owner for an overall total amount not to exceed \$429,525. The breakdown of cost participation by project component is:

- For costs of the 16-inch water line (oversized pipe diameter from an 8-inch to 16-inch) and appurtenances, the City's maximum participation is \$429,525, consisting of: (1) hard costs, a maximum equal to the lesser of 50% of the hard costs of the 16-inch water line and appurtenances or \$373,500, and (2) soft costs, a maximum equal to the lesser of 15% of the City's hard cost participation or \$56,025.

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;
- Meet applicable M/WBE goals and policies established by City Council Resolution 20120112-058;
- 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; and
- 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.