

A G E N D A



Recommendation for Council Action

Austin City Council	Item ID	19155	Agenda Number	2.
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Meeting Date:	10/18/2012	Department:	Austin Water Utility
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Subject

Authorize the negotiation and execution of a developer cost reimbursement agreement with First Continental Investment Company, Ltd. for the City to reimburse the developer for up to \$1,007,400 in costs associated with the design and construction of an oversized 30-inch gravity wastewater line and appurtenances related to Service Extension Request No. 3119 to provide wastewater service to the Legends Way Subdivision development located east of Bradshaw Road at River Plantation Drive.

Amount and Source of Funding

Funding is available in the Fiscal Year 2012-2013 Capital Budget of the Austin Water Utility.

Fiscal Note

A fiscal note is attached.

Purchasing Language:	
Prior Council Action:	
For More Information:	Phillip Jaeger, 972-0232; Denise Avery 972-0104
Boards and Commission Action:	Recommended by the Water and Wastewater Commission
MBE / WBE:	
Related Items:	

Additional Backup Information

The Legends Way Subdivision development, consisting of approximately 108 acres of land generally located east of Bradshaw Road at River Plantation Drive (the "Property") and within the City of Austin's full purpose jurisdiction is proposed to include 291 single-family residences. First Continental Investment Company, Ltd. (the "Owner") requested that the City provide wastewater utility service to the Property as proposed in Service Extension Request No. 3119. The Property is within the City's Impact Fee Boundary, Austin Water Utility's (AWU) service area, the Desired Development Zone, and the Rinard Creek Watershed. AWU also will provide retail water service to the Property.

In accordance with Chapter 25-9 of the City Code, the City has asked the Owner to oversize the wastewater line in order to serve additional properties within the Rinard Creek drainage area 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 the Owner may incur to design and construct the oversized wastewater improvements. The proposed oversized improvements include construction of approximately 850 feet of 30-inch gravity wastewater line from the existing 36-inch gravity wastewater line at Bradshaw Road and Rinard Creek, southwest along Bradshaw Road into the Property.

The City will reimburse the Owner for an overall total amount not to exceed \$1,007,400. The terms of the developer reimbursement agreement will limit the cost reimbursement to \$876,000 for actual hard construction costs and limit the cost reimbursement for soft costs to (a) 15% of the City's hard cost reimbursement, or (b) \$131,400, whichever is less.

Other terms of the developer reimbursement agreement will provide that the Owner will:

- Bear 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 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.