

A G E N D A



Recommendation for Council Action

Austin City Council	Item ID	27259	Agenda Number	2.
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Meeting Date:	10/3/2013	Department:	Austin Water Utility
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Subject

Authorize the negotiation and execution of a cost participation agreement with Continental Homes of Texas, LP (d.b.a. DR Horton America's Builder) for the City to reimburse the developer for up to \$1,673,857.20 in costs associated with the design and construction of an oversized wastewater interceptor, lift station, force main and appurtenances related to Service Extension Request No. 3247 to provide wastewater service to the Fort Dessau development located at 13700 Dessau Rd.

Amount and Source of Funding

Funding is available in the Fiscal Year 2013-2014 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:

September 11, 2013 - approved by the Water and Wastewater Commission on a 6-0-1 vote with Commissioner Moriarty abstaining.

MBE / WBE:

Related Items:

Additional Backup Information

The Fort Dessau development, consisting of approximately 108.2 acres of land generally located northwest of the intersection of Dessau Road and Fish Lane (the "Property") and entirely within the City of Austin's full purpose jurisdiction is proposed to include 176 single-family residences, 53 duplexes, and 91 detached condominium units. Continental Homes of Texas, LP (the "Owner") requested that the City provide wastewater utility service to the Property as proposed in Service Extension Request (SER No. 3247). The Property is within the City's Impact Fee Boundary, Austin Water Utility's (AWU) service area, the Desired Development Zone, and the Harris Branch Watershed. AWU will also 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 gravity wastewater interceptor, lift station, and force main in order to serve additional properties within the Harris Branch drainage basin in accordance with the City's long range planning goals for this area.

The proposed oversized improvements include construction of a public lift station estimated at 750 gallons per minute (gpm) and approximately 1,600 feet of force main from the proposed lift station to the existing Harris Ridge (Dessau) Wastewater Treatment Plant. The proposed lift station shall be located on Howard Lane east of Dessau Road on a site large enough to accommodate future expansion of the lift station. In addition, the proposed oversized improvements include construction of approximately 1,800 feet of 24-inch gravity wastewater main and 1,800 feet of 18-inch gravity wastewater main from the proposed oversized public lift station and extend northwest to the Property. In accordance with Chapter 25-9-62(c) of the City Code, the amount of cost participation for hard costs for lift stations and force mains will be calculated on the percentage of oversizing of the pumping capacity. The estimated peak wet weather flow from the Property is projected at 249 gallons per minute. Approximately 33.2% of the capacity of the proposed lift station and force main is needed to serve the Property and approximately 66.8% is oversized.

The proposed public lift station and force main is also required for another development within the Harris Branch drainage area, known as the Dessau-Howard Lane Apartments development which has a request for service (SER No. 3207) under review. The lift station for the Property is proposed to be located within the Dessau-Howard Lane Apartments site in a dedicated easement. Dessau-Howard Lane Apartments consists of approximately 13.73 acres located at 13301 E Howard Lane. Dessau-Howard Lane Apartments proposes to discharge an estimated peak wet weather flow of 117 gpm to the oversized lift station and force main, which is equivalent to 15.6% of the pumping capacity. The owner of the Dessau-Howard Lane Apartments has agreed to contribute \$194,265.20, approximately 15.6% of the estimated hard construction costs and has agreed to provide the easement for the lift station instead of having Dessau-Howard Lane Apartments seek reimbursement for the construction of the lift station and force main. This contribution will effectively reduce the overall City portion of the hard construction costs for the oversized lift station and force main to approximately 51.2%. The City and Dessau-Howard Lane Apartments will enter into a payment-in-lieu of construction agreement.

The City will reimburse the Owner for an overall total amount not to exceed \$1,673,857.20. The percentage breakdown of the cost participation by project component is:

- For the costs of the lift station (oversized capacity from 249 gpm to 750 gpm) and appurtenances, the City's maximum participation consist of: (1) hard costs, in an amount not to exceed 66.8% of the hard costs of the lift station and appurtenances, and (2) soft costs, in an amount not to exceed 15% of the City's hard cost participation.
- For the costs of the force main (oversized capacity from 249 gpm to 750 gpm) and appurtenances, the City's maximum participation consist of: (1) hard costs, in an amount not to exceed 66.8% of the hard costs of the force main and appurtenances, and (2) soft costs, in an amount not to exceed 15% of the City's hard cost participation.
- For costs of the 24-inch gravity wastewater main (oversized pipe diameter from an 8-inch to 24-inch) and appurtenances, the City's maximum participation consist of: (1) hard costs, in an amount not to exceed 66% of the hard costs of the 24-inch gravity wastewater main and appurtenances, and (2) soft costs, in an amount not to exceed 15% of the City's hard cost participation.
- For costs of the 18-inch gravity wastewater main (oversized pipe diameter from an 8-inch to 18-inch) and appurtenances, the City's maximum participation consist of: (1) hard costs, in an amount not to exceed 56% of the hard costs of the 18-inch gravity wastewater main and appurtenances, and (2) soft costs, in an amount not to exceed 15% of the City's hard cost participation.

Other terms of the 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.