

A G E N D A



Recommendation for Council Action

Austin City Council - Commissioners Court Meeting	Item ID	34872	Agenda Number	9.
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Meeting Date:	9/25/2014	Department:	Austin Water Utility
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Subject

Authorize the negotiation and execution of a cost participation agreement with Desta Three Partnership, Ltd. for the City to reimburse the developer for an amount not to exceed \$211,895.00 for costs associated with the design and construction of an oversized water main and appurtenances related to Service Extension Request No. 3455.

Amount and Source of Funding

Funding is available in the Fiscal Year 2014-2015 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; and Denise Avery, 972-0104
Boards and Commission Action:	Recommended by the Water and Wastewater Commission on August 13, 2014 on a 5-0-1-1 vote with Commissioner Clark abstaining.
MBE / WBE:	
Related Items:	

Additional Backup Information

The Terrace Block A, Lot 3 development, consisting of approximately 7.8 acres of land generally located along Mopac Expressway north of S. Capital of Texas Highway and entirely within the City of Austin's full-purpose jurisdiction, is proposed to include approximately 221,000 sq. ft. of office space. Desta Three Partnership, Ltd. (the "Applicant") requested that the City provide water utility service to the Property as proposed in Service Extension Request No. 3455. The Property is within the City's Impact Fee Boundary, Austin Water Utility's (AWU) service area, the Drinking Water Protection Zone, the South Water Pressure Zone, and the Barton Creek Watershed. AWU will provide retail water and wastewater service to new development within the Property.

In accordance with Chapter 25-9 of the City Code, the City has asked the Applicant to oversize the water main in order to serve additional properties within the South Pressure Zone in accordance with the City's long range planning goals for this area. As such, the City will cost participate in this construction project only to the extent of the City's proportionate share.

The proposed oversized improvements include construction of approximately 1,345 feet of 16-inch water main from

the 16-inch water main located in the Mopac Expressway frontage road at Via Fortuna and extending north to the 16-inch water main located in the Mopac Expressway frontage road at Bartons Bluff Lane.

The City will reimburse the Applicant for an overall total amount not to exceed \$211,895.00. The percentage breakdown of the cost participation by project component is as follows:

- For costs of the 16-inch water main (oversized pipe diameter from an 8-inch to 16-inch) and appurtenances, the City's maximum participation consists of: (1) hard costs, in an amount not to exceed 50% of the hard costs of the 16-inch water main and appurtenances, and (2) soft costs, in an amount not to exceed 15% of the City's hard cost participation amount.

Other terms of the agreement will require that the Applicant:

- 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 the City's final approval of the construction, dedicate the facilities to the City for ownership, operation, and maintenance;
- Meet applicable M/WBE goals and policies established by City Code Chapter 2-9A;
- Allow the City 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 the City's standard bidding practices and procedures, including the minority-owned business enterprise procurement program found in Title 2 of the City Code, and Texas Local Government Code Chapters 212 and 252.