



Recommendation for Water & Wastewater Commission

Commission Meeting Date:	June 8, 2020	COA Strategic Direction:	Government That Works For All
Council Meeting Date:	June 11, 2020		
Department:	Austin Water		
Client:	Colleen Kirk, Kevin Critendon		
SUBJECT			
Recommend approval to negotiate and execute a cost participation agreement with Pearson Ranch, LLC for the City to reimburse the developer an amount not to exceed \$2,200,100 for costs associated with the design and construction of oversized wastewater mains and appurtenances related to Service Extension Request No. 4499R that will provide wastewater service to a proposed mixed use development located north of State Highway 45, south of Neenah Avenue, east of West Parmer Lane, and west of Pearson Ranch Road. (District 6)			
AMOUNT AND SOURCE OF FUNDING			
Funding is available in the Fiscal Year 2019-2020 Capital Budget of Austin Water.			
Purchasing Language:	N/A		
Prior Council Action:	N/A		
Boards and Commission Action:	June 8, 2020 – To be reviewed by the Water and Wastewater Commission.		
MBE/WBE:	N/A		

The Pearson Ranch West project consists of approximately 155 acres of land located north of State Highway 45, south of Neenah Avenue, east of West Parmer Lane, and west of Pearson Ranch Road (the "Property"). Approximately 82% of the Property is located within the City of Austin's (the "City") 2-mile Extra-Territorial Jurisdiction, 15% is within the City's Limited Purpose Jurisdiction, and 3% is within the City's Full-Purpose Jurisdiction. The Property is also located within the Impact Fee Boundary, Austin Water's service area for wastewater, the Desired Development Zone, and the Lake Creek Watershed. A map of the property location is attached.

Pearson Ranch, LLC (the "Owner") is proposing to develop approximately 2,500 multifamily units, 350 hotel units, 3,000,000 sq. ft. office space, 150,000 sq. ft. retail space, and 50,000 sq. ft. restaurant space. The Owner requested that the City provide wastewater utility service to the Property as proposed in Service Extension Request (SER) No. 4499R. Austin Water 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 gravity wastewater mains in order to serve additional properties within the Lake Creek drainage basin consistent with the City's long-range planning goals for this area. If approved by City Council, the City will cost participate in this construction project only to the extent of the City's proportionate share of the oversized interceptors.

The proposed oversized improvements include construction of approximately:

- 2,550 feet of 24-inch wastewater interceptor from the existing 24-inch wastewater interceptor located northeast of the Property extending southwest across Davis Spring Branch Creek and then west and north through the property, and
- 2,600 feet of 30-inch wastewater interceptor from the existing 21-inch wastewater interceptor located adjacent to the Lake Creek Lift Station extending north across Parmer Lane and northwest along Parmer Lane to the existing 21-inch wastewater interceptor in Parmer Lane near Amberglen Boulevard

The City will reimburse the Owner for an overall total amount not to exceed \$2,200,100 for hard costs and soft costs. Hard costs include, but are not limited to, construction and materials. Soft costs include, but are not limited to, preliminary engineering reports, surveying, geotechnical studies, design, and project management. The City's cost participation by project component is as follows:

- For costs of the 24-inch wastewater interceptor (the minimum pipe diameter of 12-inches required to serve the Property to an oversized 24-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 24-inch wastewater interceptor and appurtenances, and (2) soft costs, in an amount not to exceed 15% of the City's hard cost participation amount.
- For costs of the 30-inch wastewater interceptor (the minimum pipe diameter of 24-inches required to serve the Property to an oversized 30-inch) and appurtenances, the City's maximum participation consists of: (1) hard costs, in an amount not to exceed 20% of the hard costs of the 30-inch wastewater interceptor and appurtenances, and (2) soft costs, in an amount not to exceed 15% of the City's hard cost participation amount.

To serve the Property, the Owner will additionally be required to construct, at their own cost:

- An upgrade of the Pearson Place Lift Station to a firm capacity of approximately 1,900 GPM,
- Approximately 6,400 feet of appropriately sized force main from Pearson Place Lift Station extending southwest along State Highway 45 and south across State Highway 45 to the existing 21-inch wastewater interceptor in Parmer Lane,
- Approximately 25 feet of 18-inch wastewater interceptor from the existing 18-inch wastewater interceptor located west of the Property extending east to the existing 12-inch gravity wastewater main located at the western boundary of the Property, and
- An upgrade to the vortex unit at the Lake Creek Tunnel shaft.

Other terms of the agreement will require that the Owner:

- Pay 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;
- Allow the City to use the project plans and specifications approved by the City 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.

The proposed project will be managed through Austin Water staff and is located in zip code 78717 and is partially located in City Council District 6.