

## A G E N D A



## Recommendation for Council Action

Austin City Council	Item ID	54008	Agenda Number	8.
Meeting Date:	1/28/2016		Department:	Austin Water Utility
Subject				
<p>Authorize the negotiation and execution of a cost participation agreement with ARG BULL CREEK, Ltd. for the City to reimburse the developer for an amount not to exceed \$1,304,894.00 for costs associated with the design and construction of an oversized water main and appurtenances related to Service Extension Request No. 3607, that will provide water service to the Bull Creek Tract mixed-use development located at 4205 Bull Creek Road.</p>				
Amount and Source of Funding				
<p>Funding is available in the Fiscal Year 2015-2016 Capital Budget of the Austin Water.</p>				
Fiscal Note				
<p>A fiscal note is attached.</p>				
Purchasing Language:				
Prior Council Action:				
For More Information:	Phillip Jaeger, 512-972-0232; Denise Avery, 512-972-0104			
Council Committee, Boards and Commission Action:	<p>January 13, 2016- Approved by the Water and Wastewater Commission on a 7-0 vote with Commissioner's Penn, Lee, Kellough and Parker absent.</p> <p>January 20, 2016- To be reviewed by the Public Utilities Committee.</p>			
MBE / WBE:				
Related Items:				
Additional Backup Information				

The Bull Creek Tract development, consisting of approximately 76 acres of land generally located along Bull Creek Road, south of W. 45<sup>th</sup> Street, and entirely within the City of Austin's full-purpose jurisdiction is proposed to include approximately 350 single-family units, 1,250 multi-family units, 250,000 sq. ft. of office space, 150,000 sq. ft. of retail uses, and a retirement home. ARG Bull Creek, Ltd. (the "Applicant") requested that the City provide water utility service to the Property as proposed in Service Extension Request No. 3607. The Property is within the City's Impact Fee Boundary, Austin Water's service area, the Desired Development Zone, the North water pressure zone, and the Shoal Upper Watershed. Austin Water will provide retail water and wastewater service to new development within the Property. Existing wastewater infrastructure is capable of serving the proposed development.

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 North water 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 3,410 feet of 24-inch transmission main from the existing 48-inch transmission main located in Perry Lane southeast and east across Mopac Expressway to the existing 12-inch water main located in W. 44<sup>th</sup> Street.

The City will reimburse the Applicant for an overall total amount not to exceed \$1,304,894.00. The percentage breakdown of the cost participation by project component is as follows:

- For costs of the 24-inch transmission main (oversized pipe diameter from a 16-inch to 24-inch) and appurtenances, the City's maximum participation consists of: (1) hard costs, in an amount not to exceed 33% of the hard costs of the 24-inch transmission 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 Austin Water'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.