

AGENDA



Recommendation for Council Action

AUSTIN CITY COUNCIL
Regular Meeting: May 24, 2018

Item Number: **003**

Austin Water

Authorize negotiation and execution of an agreement with Austin Goodnight Ranch, L.P. for the City to reimburse the developer for an amount not to exceed \$796,950 for costs associated with the design and construction of an oversized water main and appurtenances related to Service Extension Request No. 4128 that will provide water service to a proposed mixed use development located at Slaughter Lane and Old Lockhart Road.

District(s) Affected: District 2

Lead Department	Austin Water
Fiscal Note	Funding is available in the Fiscal Year 2017-2018 Capital Budget of Austin Water.
For More Information	Bart Jennings, 512-972-0118; Denise Avery, 512-972-0104
Council Committee, Boards and Commission Action	May 9, 2018- Recommended by the Water and Wastewater Commission on a 8-2 vote with Commissioners Maia and Schmitt voting against and Commissioner Penn absent.

Additional Backup Information:

The Goodnight Ranch Phase Two Project consists of approximately 445 acres of land located at south of Slaughter Lane and north and east of Old Lockhart Road (the "Property"). The Property

is located entirely within the City of Austin's (the "City") 2-mile Extra-Territorial Jurisdiction, Impact Fee Boundary, Austin Water's service area for water, the Desired Development Zone, and the Onion and Marble Creek Watersheds. A map of the property location is attached.

Austin Goodnight Ranch, L.P. (the "Applicant") is proposing to develop approximately 1,037 single-family homes, 3,674 multi-family units, 275,000 sq. ft. retail space, 32,000 sq. ft. restaurant space and a 2,405 student high school. The Applicant requested that the City provide water utility service to the Property as proposed in Service Extension Request (SER) No. 4128. Austin Water will provide retail wastewater service to 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 water pressure zone 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 main.

The proposed oversized improvements include construction of approximately 3,500 feet of 16-inch water main along Old Lockhart Road approximately between Bradshaw Road and Vistas Drive.

The City will reimburse the Applicant for an overall total amount not to exceed \$796,950 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 16-inch water main (the minimum pipe diameter of 8-inches required to serve the Property to an oversized 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.

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

- approximately 800 feet of 12-inch water main extending along Old Lockhart Road south of Raines Pass,
- appropriate length of 12-inch water mains within the Property between E Slaughter Lane and Old Lockhart Road, and
- appropriate length of appropriately sized water mains within the Property.

Other terms of the agreement will require that the Applicant:

- 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 by Austin Water and is located in zip code 78747, in City Council District 2.