



Recommendation for Action

File #: 19-1757, **Agenda Item #:** 4.

5/23/2019

Posting Language

Authorize negotiation and execution of a cost reimbursement agreement with William Lyon Homes for the City to reimburse the developer for an amount not to exceed \$822,855 for costs associated with the design and construction of an oversized wastewater force main and appurtenances related to Service Extension Request No. 4117R that will provide wastewater service to a proposed single-family development located at 6001 Kellam Road.

Lead Department

Austin Water

Fiscal Note

Funding is available in the Fiscal Year 2018-2019 Capital Budget of the Austin Water.

For More Information:

Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or AgendaOffice@austintexas.gov.

Council Committee, Boards and Commission Action:

May 8, 2019 - Recommended by the Water & Wastewater on Commissioner Ho's motion and Commissioner Turrieta's second on a 8-0-0-3 vote with Commissioners Parton, Castleberry and Grant absent.

Additional Backup Information:

The "71 East - 428 Acre Tract" project is located at 6001 Kellam 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 wastewater, the Desired Development Zone, and the Dry South Watershed. A map of the property location is attached.

William Lyon Homes (the "Applicant") is proposing to develop approximately 1,550 single-family homes. The Applicant requested that the City provide wastewater utility service to the Property as proposed in Service Extension Request (SER) No. 4117R. Austin Water will also provide retail water service to the Property.

In accordance with Chapter 25-9 of the City Code, the City has asked the Applicant to oversize a wastewater force main in order to serve additional properties within the Dry South 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 wastewater force main.

The proposed oversized improvements include construction of approximately 4,815 feet of 16-inch wastewater force main from the Pearce Lane Lift Station north and northwest to Pearce Lane and then north-northwest along Pearce Ln. to the existing 21-inch gravity wastewater main located in Pearce Lane.

The City will reimburse the Applicant for an overall total amount not to exceed \$822,855.00 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 wastewater force main (the minimum pumping capacity of approximately 1,212 gpm to an oversized pumping capacity of approximately 3,354 gpm) and appurtenances, the City's maximum participation consists of: (1) hard costs, in an amount not to exceed 63.9% of the hard costs of the 16-inch wastewater force 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 3,430 feet of 15-inch gravity wastewater main from MH #132709 south-southeast along Pearce Lane to Kellam Road and then north-northeast along Kellam Road to the Property,
- approximately 6,330 feet of appropriately sized force main south-southeast across the subject tract and then north-northeast along the eastern boundary of the subject tract to an appropriate low point on the Property, and
- an approximately 1,200 gpm public lift station at the appropriate low point on 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 through Austin Water staff and is located in zip code 78617, adjacent to City Council District 2.