



## Recommendation for Action

**File #:** 22-2364, **Agenda Item #:** 2.

7/28/2022

### **Posting Language**

Authorize negotiation and execution of a cost participation agreement with Stillwater Capital Investments, LLC for the City to reimburse the developer in an amount not to exceed \$409,975 for costs associated with the design and construction of an oversized water main related to Service Extension Request No. 5077 that will provide water service to a proposed industrial development located at 13338 Old San Antonio Road.

### **Lead Department**

Austin Water.

### **Fiscal Note**

Funding is available in the Fiscal Year 2021-2022 Capital Budget of Austin Water.

### **For More Information:**

Inquiries should be directed to Kevin Critendon, 512-972-0191, or [Kevin.critendon@austintexas.gov](mailto:Kevin.critendon@austintexas.gov), Shwetha Pandurangi, 512-974-3514, or [Shwetha.pandurangi@austintexas.gov](mailto:Shwetha.pandurangi@austintexas.gov) and the City Manager's Agenda Office at 512-974-2991 or [AgendaOffice@austintexas.gov](mailto:AgendaOffice@austintexas.gov).

### **Council Committee, Boards and Commission Action:**

July 20, 2022 - To be reviewed by the Water and Wastewater Commission.

### **Additional Backup Information:**

The Stillwater Old San Antonio Rd project consists of approximately 59 acres of land located at 13338 Old San Antonio Road (the "Property"). The Property is located 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 Creek Watershed. A map of the property location is attached.

Stillwater Capital Investments, LLC (the "Applicant") is proposing to develop approximately 641,280 square feet of office-warehouse. The Applicant requested that the City provide water utility service to the Property as proposed in Service Extension Request (SER) No. 5077. The Applicant has requested Austin Water also 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 water main.

The proposed oversized improvements include construction of approximately 3,100 feet of 16-inch water main from the existing 16-inch water main in Avenida Mercado St and extend south along Old San Antonio Rd to the Property.

The City will reimburse the Applicant for an overall total amount not to exceed \$409,975 for hard costs and soft

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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 12-inches required to serve the Property to an oversized 16-inch), the City's maximum participation consists of: (1) hard costs, in an amount not to exceed 25% 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:

- 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 78652, near City Council District 5.

**Strategic Outcome(s):**

Government that Works for All.