



**ECONOMIC
DEVELOPMENT
CORPORATION**

MEMORANDUM

To: Seguin City Council
Donna Dodgen, Mayor

CC: Steve Parker, City Manager
Andy Quittner, City Attorney
Tim Howe, Director of Water and Wastewater Utilities

From: Josh Schneker, Director of Economic Development / SEDC Executive Director

Date: October 27, 2022

Subject: I-10 and FM 464 Water Line Improvement Project

Background Information

The City of Seguin and Springs Hill Water Supply Corporation (SHWSC) recently came to terms on a Service Area Transfer Agreement, which will result in the City of Seguin taking over a large portion of SHWSC's service territory on the north side of the City. One of the areas that is included in the transfer of service territory is the +/-120 acre industrial site located at Interstate 10 and FM 464, immediately to the west of Caterpillar. This site is one of the best greenfield industrial sites in the City of Seguin. The site was recently under contract with Exeter, one of the Country's premier industrial developers. While under contract, Exeter evaluated utility availability and capacity to serve the proposed industrial development. During this process, Exeter was informed by SHWSC that they had limited water capacity to serve the proposed development and were also told that specific water pressures needed for fire protection could not be met. As a result, Exeter dropped the contract on the site, and did not proceed with their proposed industrial development.

The water pressure and availability challenges that were discovered during Exeter's due diligence process will prevent future industrial development at the site. To address the water issues, the City of Seguin requested that this site be included within the Service Area Transfer Agreement so that the City of Seguin can serve the site using our water system. That request was accepted by SHWSC. Now that this agreement has been approved by both SHWSC and the City of Seguin, staff recommends a proactive approach to addressing the water utility challenges to this site.

Proposed Scope of Work and Fee Estimate

Trihydro Corporation has prepared a proposal for the SEDC outlining a scope of work for design and engineering services associated with a water line improvement project to serve the +/-120 acre industrial site at Interstate 10 and FM 464. The design services task involves the preparation of plans, specifications, estimate(s), permitting, bidding, and construction administration for the installation of approximately 7,600 linear feet of new water line adjacent to US 90 and US 90-A. The design also includes utility crossings at the intersections of US 90/SH 46 and US 90/US 90-A. The full scope of work is attached to this memo. Estimated fee for design

services is \$313,000. Trihydro's fee is based on the tasks outlined above, hourly rates, and expenses. The fee by task includes:

- Task A100, Surveying and Field Investigation – \$40,000, which includes easement exhibits with metes and bounds descriptions (28 total @ \$750 Each)
- Task A200, Preliminary Design – \$89,000
- Task A300, 60% Design Phase – \$73,000
- Task A400, Final Design and Permitting – \$61,000
- Task A500, Bidding Services – \$18,000
- Task A600, Construction Administration – \$32,000

Staff Recommendation

The +/-120 acre industrial site at I-10 and FM 464 is one of the most attractive greenfield industrial sites within the City of Seguin and within the region. Several prospects have looked at the site in the past, however, because of site development challenges such as water availability, the site remains undeveloped. It is only a matter of time until the right prospect comes along with intentions to develop at the site. The City and the SEDC need to be proactive to addressing some of these development challenges upfront to save time and money. In fact, right now, there are two active economic development prospect that have shortlisted the site for possible manufacturing operations.

Staff recommends approval of the Resolution by the Seguin City Council authorizing certain expenditures to fund Engineering and Design Services by Trihydro Corporation for a Water Line Improvement Project, which is found by the SEDC Board of Directors to be required infrastructure necessary to promote or develop new or expanded business enterprises.