

## AGENDA



Thursday, July 24, 2008

**Austin Water Utility  
RECOMMENDATION FOR COUNCIL ACTION****Item No. 7**

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**Subject:** Approve an ordinance authorizing negotiation and execution of an amendment to the existing cost reimbursement agreement with Austin Goodnight Ranch L.P., to allow accelerated cost reimbursement and waiving the requirements of Section 25-9-67 of the City Code relating to cost reimbursement payment schedule.

**Amount and Source of Funding:** Funding is available in the Fiscal Year 2007-2008 Capital Budget of the Austin Water Utility.

**Fiscal Note:** A fiscal note is not required.

**For More Information:** Seyed Miri, P.E. 972-0202 and Denise Avery 972-0104

**Boards and Commission Action:** Recommended by the Water and Wastewater Commission.

**Prior Council Action:** Goodnight Ranch Cost Reimbursement Agreement originally approved by Council on October 20, 2005, Ordinance No. 20051020-003

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Goodnight Ranch is approximately 703 acres of mixed-use development located east of Bluff Springs Road and south of Nuckols Crossing Road along the proposed extension of East Slaughter Lane (the "Property") inside the limited purpose jurisdiction of Austin. Austin Goodnight Ranch L.P. (the "Developer") previously submitted Service Extension Request Number 2416, requesting the extension of City water utility service to the Property, which is within the City's designated Desired Development Zone and the Onion Creek Watershed.

The City Council approved the negotiation and execution of a cost reimbursement agreement with the Developer, on October 10, 2005, with City cost reimbursement not to exceed \$3,796,500 for the actual hard construction costs for approximately 10,500 linear feet of 24, 36 or 48-inch water mains and appurtenances and actual costs for engineering, design and project management "soft" costs of the 36 or 48-inch water main and appurtenances (15% of the actual construction costs of the 48-inch water main or \$292,500, whichever is less). The Utility has determined that a 48-inch water main will provide the needed service to the Property and surrounding area.

The City of Austin executed the Cost Reimbursement Agreement (the "Agreement") with the Developer of Goodnight Ranch on October 6, 2006.

The proposed water improvements were to be constructed in discrete phases as development progressed. Approximately 4,100 linear feet of 24-inch water main has been constructed by the Developer to serve a new Austin Independent School located within the Property. The Agreement also requires the Developer to construct approximately 5,000 linear feet of 48-inch water main, divided into two Phases to correspond with potential development phases, along the proposed extension of East Slaughter Lane through the Property. The Developer has prepared the design for the Phase One 48-Inch South Water Pressure Zone Water Improvements and is currently working on the design of Phase Two.

The Phase One and Two 48-Inch South Water Pressure Zone Water Improvements have been identified as part of the South IH-35 Water and Wastewater Infrastructure Improvements Program.

The existing Agreement allows for cost reimbursement of the soft costs for the 48-inch water main and appurtenances in one lump sum payment for each Phase on March 1 of the second year following the year in which the City issues its final acceptance of such Phase. This request waives the requirements of Section 25-9-67, thereby allowing cost reimbursement of the approved design, construction plans and specifications for the Phase One and Two 48-Inch South Water Pressure Zone Water Improvements within 30 days after the opening of the bids for the Water Improvements, and allowing cost reimbursement of the actual construction costs for the remaining 24-inch water improvements in one payment 90 days after final acceptance of the remaining 24-inch water improvements.

The amount of the cost reimbursement to the Developer for the procurement of the approved design, construction plans and specifications for the Phase One and Two 48-inch South Water Pressure Zone Water Improvements is estimated not to exceed \$250,000.