

CIP BUDGET FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:
CONTACT DEPARTMENT(S):

1/17/13
Austin Water Utility

SUBJECT: Approve an ordinance authorizing negotiation and execution of amended cost reimbursement agreements with Club Deal 120 Whisper Valley, L.P., and Club Deal 116 Indian Hills Tx, L.P., for the design of a 3.0 million gallon wastewater treatment plant, and the construction of a 500,000 gallon wastewater treatment plant and 30" wastewater interceptor; and amending the Fiscal Year 2012-2013 Austin Water Utility Capital Budget (Ordinance 20120910-002) to reallocate \$100,000 for the amended Club Deal 120 Whisper Valley, L.P. and Club Deal 116 Indian Hills Tx, L.P. agreement.

CURRENT YEAR IMPACT:

Department:	Austin Water Utility
Project Name:	Whisper Valley-Indian Hills Cra
Project Authorization:	2012-2013 Capital Budget
Funding Source:	Commercial Paper
Fund/Dept/Unit:	3960-2207-2094

Current Budget	22,000,000
Unencumbered Balance	21,200,000
This Action	(100,000)
Estimated Available	<u>21,100,000</u>

Project Name:	Whisper Valley-Indian Hills Cra
Project Authorization:	2012-2013 Capital Budget
Funding Source:	Commercial Paper
Fund/Dept/Unit:	4570-2307-3084

Current Budget	2,400,000
Unencumbered Balance	2,400,000
This Action	100,000
Estimated Available	<u>2,500,000</u>

ANALYSIS / ADDITIONAL INFORMATION: Club Deal 120 Whisper Valley, Limited Partnership owns approximately 2,066 acres ("Whisper Valley") and Club Deal 116 Whisper Valley, Limited Partnership owns approximately 240 acres ("Indian Hills") (collectively, "Developer" and the "Property") generally located south of the City of Manor and north of FM 969 within the City's extraterritorial jurisdiction and the City's Desired Development Zone as shown on the attached map. The Developer plans to construct single-family, multi-family, and commercial development within the Property that will require an estimated 9,900 units of water service LUEs (Living Unit Equivalents). In August 2010 City Council approved the creation of the Whisper Valley public improvement district and the Indian Hills public improvement district for the Property.

In November 2010 the City and the Developer entered into a cost reimbursement agreement authorized by City Council. Section 8.02 of that "Restated Cost Reimbursement Agreement (Water) and Second Amendment to the Cost Reimbursement Agreement (Wastewater)-Indian Hills and Whisper Valley Subdivisions" set an amount of \$2.4 million for wastewater soft costs associated with the construction of a wastewater treatment plant and \$22.1 million for the hard and soft costs of the construction of water mains, for a total cost reimbursement amount of \$24.5 million. Section 8.02 provides that the Developer may request funding to be moved from water construction costs to wastewater soft costs so long as the total amount of \$24.5 million is not exceeded. The Developer has requested that the reimbursement amount for wastewater soft costs increase to \$2.5 million and the reimbursement amount for water construction costs decrease to \$22 million for a total reimbursement amount of \$24.5 million. Pursuant to the agreement, wastewater soft costs will be reimbursed 90 days after final acceptance of construction plans.

