

A G E N D A



Recommendation for Council Action

Austin City Council	Item ID	47232	Agenda Number	73.
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Meeting Date:	6/18/2015	Department:	Watershed Protection
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Subject

Approve an ordinance amending the Fiscal Year 2014-2015 Watershed Protection Department Capital Budget (Ordinance No. 20140908-002) to increase appropriations by \$5,600,000 for the Waller Creek Tunnel. Related to Items # 19, # 74 and # 104.

Amount and Source of Funding

Funding in the amount of \$5,600,000 will be provided by settlement proceeds and/or the future issuance of Certificates of Obligation.

Fiscal Note

A fiscal note is attached.

Purchasing Language:	
Prior Council Action:	
For More Information:	Joe Pantalion, Watershed Protection Department Deputy Director, 512-974-3438; Kimberly Springer, Deputy Budget Officer, 512-974-2924
Council Committee, Boards and Commission Action:	
MBE / WBE:	
Related Items:	

Additional Backup Information

Approval of this budget amendment will allow the Department to proceed with various aspects of the Waller Creek Tunnel. The Waller Creek Flood Control Project will reduce the risk of severe flooding and stream bank erosion along lower Waller Creek by capturing and diverting flood waters from the upper creek basin (above 12th Street) into a tunnel located 70 feet underground. The project includes the main tunnel and 4th Street inlet, the inlet at Waterloo Park, the outlet lagoon, and the 8th Street creek side inlet.

In early 2014, the City team learned that the inlet structure as designed would conflict with state law governing Capital View Corridors (CVC). The design consultant consented to the City's demand to redesign the inlet structure to bring it into compliance with CVC restrictions, at the design consultant's own cost. Additional contingency funding authorization is needed to pay the Oscar Renda Contracting for the demolition of the inlet components that were already constructed above the CVC, the construction of the revised building design and to address delay and damage claims associated with the redesign process. Additional costs related to design, project management, and inspection services are expected. The current estimate for the Oscar Renda Contracting item and previously mentioned

additional costs totals \$9.6 million. The Waller Creek Tunnel project currently has approximately \$4.0 million in remaining appropriation to address these needs. Therefore, this budget amendment will provide the necessary appropriation for the difference of \$5.6 million. Staff will return to the City Council for approval of any additional necessary contracts.

A reimbursement resolution is a separate, but related, item on this Council agenda. A reimbursement resolution is required by federal and state law whenever a bond issuer plans to use bond proceeds to retroactively reimburse itself for expenditures already incurred. The use of reimbursement resolution is approved in the City's financial policies and allows the City to start projects to be funded with bonds in advance of the City's next scheduled general obligation bond sale. The city typically schedules its annual issuance of general obligation debt in August to coordinate with the budget cycle. The funds will not be included in the sale of Certificates of Obligation in August 2015.

The City will pursue financial recovery of the additional costs involved with the project to the fullest extent possible. The intent of this Council action is to provide the necessary appropriations to allow for completion of the project while simultaneously pursuing financial recovery remedies.