

**Recommendation for Council Action  
Water & Wastewater Commission**

<b>Council Meeting Date:</b>	September 17, 2015
<b>Department:</b>	Austin Water
<b>SUBJECT</b>	
<p>Approve an ordinance authorizing negotiation and execution of an amended water cost reimbursement agreement with <b>CLUB DEAL 120 WHISPER VALLEY, L.P.</b>, and <b>CLUB DEAL 116 INDIAN HILLS TX, L.P.</b>, for the design and construction of water mains in an amount not to exceed \$21,200,000. This ordinance would supersede ordinances 20100527-006, 20100826-004, 20130117-015, and 20140807-013.</p>	
<b>AMOUNT AND SOURCE OF FUNDING</b>	
<p>Funding is available in the FY 2012-2017 Capital Improvement Budget of the Austin Water.</p>	
<b>FISCAL NOTE</b>	
<p>There is no unanticipated fiscal impact. A fiscal note is not required.</p>	
<b>Purchasing Language:</b>	N/A
<b>Prior Council Action:</b>	<p>August 26, 2010- Council approved an ordinance negotiation and execution of an amended and restated cost reimbursement agreement.            January 17, 2013- Council approved an ordinance authorizing negotiation and execution of amended cost reimbursement agreements.</p>
<b>For More Information</b>	Bart Jennings, 512-972-0118; Denise Avery, 512-972-0104
<b>Boards and Commission Action:</b>	To be reviewed by Water and Wastewater Commission on August 12, 2015. To be reviewed by the Public Utilities Committee on August 19, 2015.
<b>MBE/WBE:</b>	N/A

Club Deal 120 Whisper Valley, Limited Partnership owns approximately 2,066 acres (“Whisper Valley”) and Club Deal 116 Indian Hills, 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 wastewater service LUEs (Living Unit Equivalents). In August 2010, City Council approved the creation of the Whisper Valley public improvement district (“PID”) for the Property and a cost reimbursement agreement (“Agreement”) for the construction of water mains.

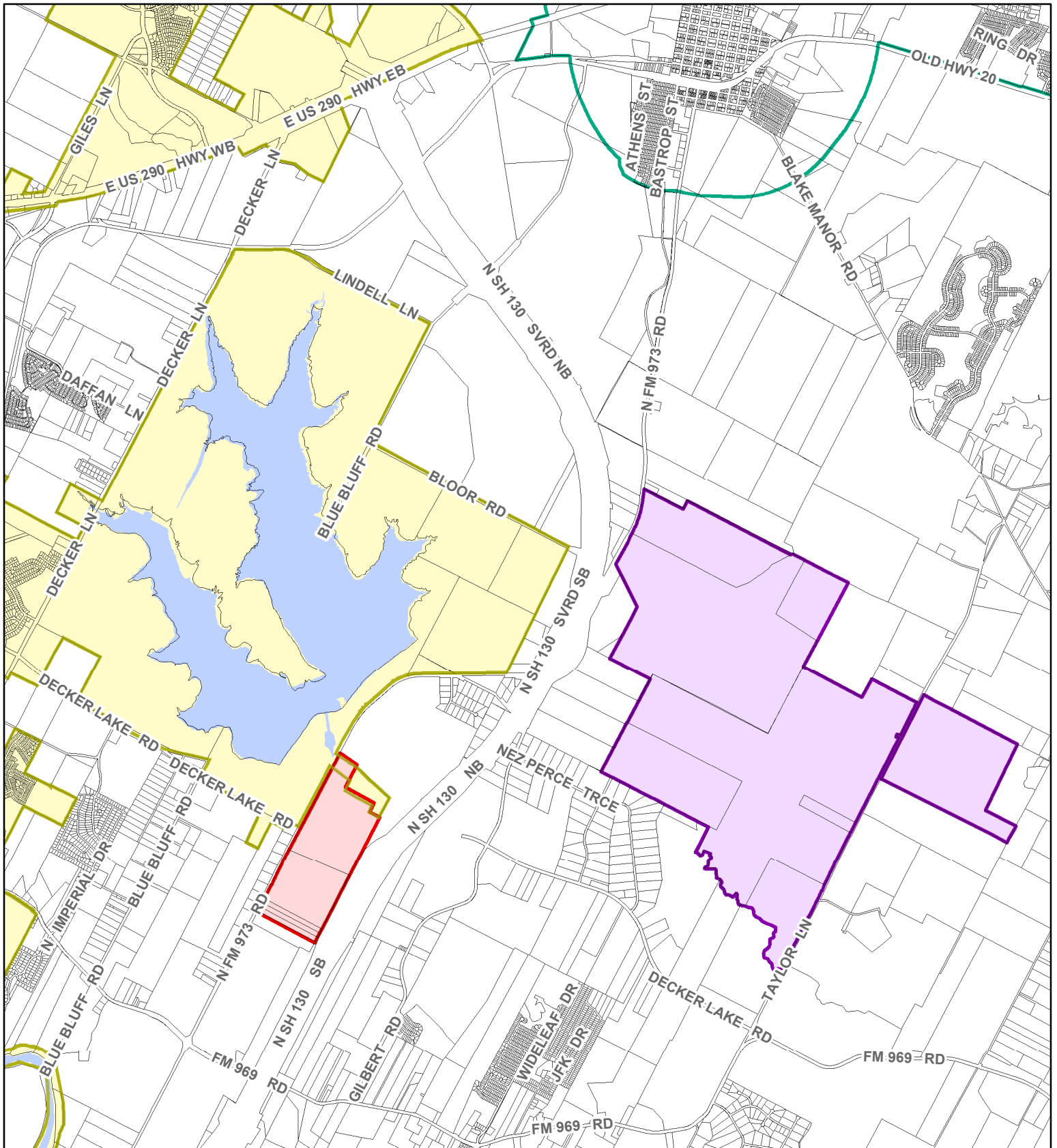
A PID assessment payment in the amount of approximately \$5.5 million was due to the City from the Developer on July 1, 2015. The Developer, to date, has not made the assessment payment.

The proposed change to the Agreement potentially resolves the issue of the outstanding assessment payment by modifying the reimbursement schedule of payments to the Developer. Currently the Agreement requires the City to pay 50% of eligible reimbursement costs for the design and construction of the water mains within 90 days of the City’s final acceptance of the infrastructure and the remaining 50% one year later. The proposed change will have the City pay 100% of eligible reimbursement costs within 90 days of the City’s conditional acceptance of each City-approved phase of water infrastructure. The City’s payment to the Developer following conditional acceptance of the water mains will be in an amount sufficient for the Developer’s payment to the City of the outstanding assessment. This change does not require any additional funding for the Agreement.

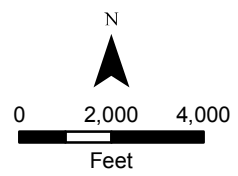
Major terms of the Agreement that will remain unchanged include:

- Developer has agreed not to seek any additional cost reimbursement from the City for the water mains. Any costs over the authorized City Council funding amount will be paid by the Developer without City reimbursement.
- Reimbursing the City (Austin Water) a percentage of sales proceeds from the lots.
- Paying all applicable City fees including capital recovery fees.

The total amount of authorized funds for the soft and hard costs for the design and construction of the water mains remains at \$21,200,000.



- Indian Hills
- Whisper Valley
- Full-Purpose City Limit
- City of Austin ETJ



City of Austin  
Austin Water Utility



April 2010

# Whisper Valley and Indian Hills Properties

Produced by GIS Services

This map has been produced by the City of Austin for its needs and purposes and is not warranted for any other use. No warranty is made by the City regarding its accuracy or completeness.