



**Cost Reimbursement
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 3
AGENDA DATE: Thu 03/24/2005
PAGE: 1 of 3**

SUBJECT: Authorize negotiation and execution of a cost participation agreement with Rancho Alto Ventures, Ltd., a Texas limited partnership providing terms and conditions for construction of an appropriately sized wastewater lift station, force main, 12-inch gravity wastewater main and appurtenances to provide wastewater service to the Rancho Alto development located south of Frate Barker Road at Rancho Alto Road, approximately 1,500 feet west of Manchaca Road. City cost reimbursement includes construction costs ("hard costs") in an amount not to exceed 40.2% or \$504,994, whichever is less, and an amount not to exceed 15% of the hard costs or \$72,179, whichever is less, for costs incurred by the developer for engineering, design and project management ("soft costs"), for an overall total cost reimbursement amount not to exceed \$577,173. Approve an Ordinance waiving the requirements of Section 25-9-61 of the City Code relating to eligible facilities and the maximum cost reimbursement of a facility and waiving the requirements of Section 25-9-63 of the City Code relating to amount of cost reimbursement.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$577,173 is available in the Fiscal Year 2004-2005 Capital Budget of the Austin Water Utility.

FISCAL NOTE: A fiscal note is attached.

REQUESTING Austin Water Utility **DIRECTOR'S**
DEPARTMENT: **AUTHORIZATION:** Chris Lippe

FOR MORE INFORMATION CONTACT: Seyed Miri, 972-0202; Laura Wiley, 972-0104

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: Recommended by the Water and Wastewater Commission

Rancho Alto is a proposed 330 lot single-family development located on approximately 75.6 acres of land located south of Frate Barker Road at Rancho Alto Road, approximately 1,500 feet west of Manchaca Road (the "Property"), currently outside the corporate limits of Austin. Rancho Alto Ventures, Ltd., (the "Owner") has submitted Service Extension Request Number 2374, requesting the extension of City wastewater utility service to the Property, which is within the Desired Development Zone and Little Bear Creek Watershed.

The proposed wastewater main improvements have been identified as a required wastewater improvement to serve this portion of the Little Bear Creek Watershed.

Under the proposed cost participation agreement, the Owner would construct an appropriately sized permanent lift station (approximately 500 gpm) on an appropriately sized site within the Austin Independent School District tract located southeast of the Property (dedicated as a lift station easement) and approximately 1,700 feet of 12-inch gravity main from the proposed lift station, north to the Property. The Owner will also construct approximately 3,500 feet of appropriately sized force main from the proposed lift station north to the existing 8-inch gravity wastewater main in Frate Barker Road. The



**Cost Reimbursement
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 3
AGENDA DATE: Thu 03/24/2005
PAGE: 2 of 3**

Owner will also construct 8-inch gravity wastewater mains to the Property lines (as shown on the attached exhibit) to allow gravity wastewater service to other areas within the wastewater drainage basin (no City cost participation). The proposed 8-inch gravity wastewater mains will allow future customer connections without disruption of existing and future developments.

The total "hard" cost of the permanent wastewater lift station and force main is estimated at \$1,197,000.00. The total cost participation under this agreement will be for 40.2% of the actual "hard" construction costs of the permanent wastewater lift station, force main and appurtenances constructed within public right-of-way or easements for a total not to exceed \$481,194.00. The City will also cost participate under this agreement for the requested oversized portion of the proposed 12-inch gravity wastewater main. The oversized participation amount is computed by multiplying \$3.50 by each inch in diameter that the wastewater main is oversized (8-inch gravity wastewater main to a 12-inch main), by the actual length of wastewater main constructed within public right-of-ways or easements in an amount not to exceed \$23,800.00.

The City will reimburse Rancho Alto Ventures, Ltd., the costs for engineering, design and project management of the permanent wastewater lift station, force main and appurtenances within public right-of-way or easements for a total not to exceed 15% of the 40.2% of the actual "hard" construction costs or \$72,179.00, whichever is less. Rancho Alto Ventures, Ltd., will bear all other "soft" costs for financing, accounting, and legal services associated with the permanent wastewater lift station and force main, and will bear all "soft" costs for engineering, design, project management, financing, accounting, and legal services associated with the 12-inch gravity wastewater main.

Because the City requested that the Owner construct wastewater improvements beyond those needed only to serve the proposed development, the Owner is requesting a waiver from City Ordinance requirements of:

- (a) waiver of the requirements in Section 25-9-61 relating to eligible facilities and the maximum reimbursement (per LUE) of eligible facilities. Under this Section, force mains less than 12-inches in diameter are not reimbursable. Wastewater lift stations under this Section are reimbursed at a rate of \$80 per LUE; and
- (b) waiver of the requirements in Section 25-9-63 relating to the amount of cost reimbursement. Under this Section, the amount of reimbursement is for the actual "hard" construction costs.

This action waives the requirements of Section 25-9-61 and 63, and allows reimbursement for the permanent lift station, force main and appurtenances "hard" construction costs and allows the reimbursement for engineering, design and project management costs on a pro rata share of 59.8% to be borne by the Owner and 40.2% of these costs to be reimbursed by the City for oversizing of the permanent wastewater facilities.

Cost reimbursement payments for the permanent wastewater improvements to the Owner to be made in one (1) payment on March 1 of the second year following the year in which the wastewater improvements are accepted in accordance with Section 25-9-67 of the City Code.



**Cost Reimbursement
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 3
AGENDA DATE: Thu 03/24/2005
PAGE: 3 of 3**

The Owner will conform to the City of Austin design criteria and construction standards in all respects, solicit and publish invitations for bids, evaluate and award for construction of the improvements in accordance with standard City of Austin bidding practices, procedures and Chapter 252 of the Texas Local Government Code in which bids and solicitation based on plans and specifications prepared and approved, including the City MBE/WBE Ordinance. The Owner will also conform to the MBE/WBE participation goals for professional services associated with the engineering, design and project management of the permanent wastewater facilities.

CIP FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:
WHERE ON AGENDA:
DEPARTMENT:

3/24/2005
Resolution
Austin Water Utility

DESCRIPTION:

Authorize negotiation and execution of a cost participation agreement with Rancho Alto Ventures, Ltd., a Texas limited partnership providing terms and conditions for construction of an appropriately sized wastewater lift station, force main, 12-inch gravity wastewater main and appurtenances to provide wastewater service to Rancho Alto located south of Frato Barker Road at Rancho Alto Road, approximately 1,500 feet west of Manchaca Road with City cost reimbursement in an amount not to exceed \$577,173.00, for 40.2% of the actual "hard" construction costs in an amount not to exceed \$504,994.00 whichever is less, and "soft" costs for engineering, design and project management in an amount not to exceed 15% of the "hard" construction costs or \$72,179.00 whichever is less; approve an Ordinance waiving the requirements of Section 25-9-81, of the City Code relating to eligible facilities and the maximum cost reimbursement of a facility; waiving the requirements of Section 25-9-83, of the City Code relating to amount of cost reimbursement.

FINANCIAL INFORMATION:

Parent Project Name:	Wastewater Unfunded Future
Project Authorization:	2004-05 Approved Capital Budget
Funding Source:	Commercial Paper
Number:	4570 237 2017

Current Appropriation	\$ 494,673,293.00
Unencumbered Balance	178,876,307.93 *
Amount of This Action	<u>(562,742.29)</u>
Remaining Balance	<u>\$ 178,313,565.64</u>
 Current Available Balance	 \$ 190,804,223.80
Less Outstanding Commitments	<u>(11,927,915.87)</u>
Estimated Unencumbered Balance	<u>\$ 178,876,307.93 *</u>

Utility Finance: _____


David Anders, Utilities Finance Manager

Date: 2/23/05

REF. # 4570 237 8597

ORDINANCE NO.

AN ORDINANCE WAIVING THE REQUIREMENTS OF SECTIONS 25-9-61 AND 25-9-63 OF THE CITY CODE FOR COST PARTICIPATION PAYMENTS TO RANCHO ALTO VENTURES, LTD. RELATED TO THE CONSTRUCTION OF A WASTEWATER LIFT STATION, FORCE MAIN, 12-INCH GRAVITY WASTEWATER MAIN AND APPURTENANCES TO SERVE THE RANCHO ALTO DEVELOPMENT.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. This ordinance applies to cost participation payments in an amount not to exceed \$577,173 to be made to Rancho Alto Ventures, Ltd. for actual hard construction costs, and soft costs for engineering design and project management, incurred for construction of a wastewater lift station, force main, 12-inch gravity wastewater main and appurtenances to serve 75.6 acres (commonly known as the Rancho Alto Development) located south of Frate Barker Road at Rancho Alto Road, and surrounding areas.

PART 2. The Council waives the requirements of Section 25-9-61 (*Eligible Projects*) relating to eligible facilities and the maximum reimbursement for eligible facilities.

PART 3. The Council waives the requirements of Section 25-9-63 (*Amount of Cost Reimbursement*) of the City Code, relating to the amount of cost reimbursement payments.

PART 4. This ordinance takes effect on _____, 2005.

PASSED AND APPROVED

_____, 2005 §
 §
 § _____
 Will Wynn
 Mayor

APPROVED: _____
 David Allan Smith
 City Attorney

ATTEST: _____
 Shirley A. Brown
 City Clerk

No.030205-C

**WATER AND WASTEWATER COMMISSION RESOLUTION
COST PARTICIPATION AGREEMENT WITH RANCHO ALTO VENTURES, LTD WITH CITY COST
REIMBURSEMENT IN AN AMOUNT NOT TO EXCEED \$577,173.00 FOR 40.2% OF THE ACTUAL
"HARD" CONSTRUCTION COSTS IN AN AMOUNT NOT TO EXCEED \$504,994.00 WHICHEVER IS
LESS, AND "SOFT" COSTS FOR ENGINEERING, DESIGN AND PROJECT MANAGEMENT IN AN
AMOUNT NOT TO EXCEED 15% OF THE "HARD" CONSTRUCTION COSTS OR \$72,179.00
WHICHEVER IS LESS; APPROVE AN ORDINANCE WAIVING THE REQUIREMENTS OF SECTION
25-9-61; WAIVE THE REQUIREMENTS OF SECTION 25-9-63**

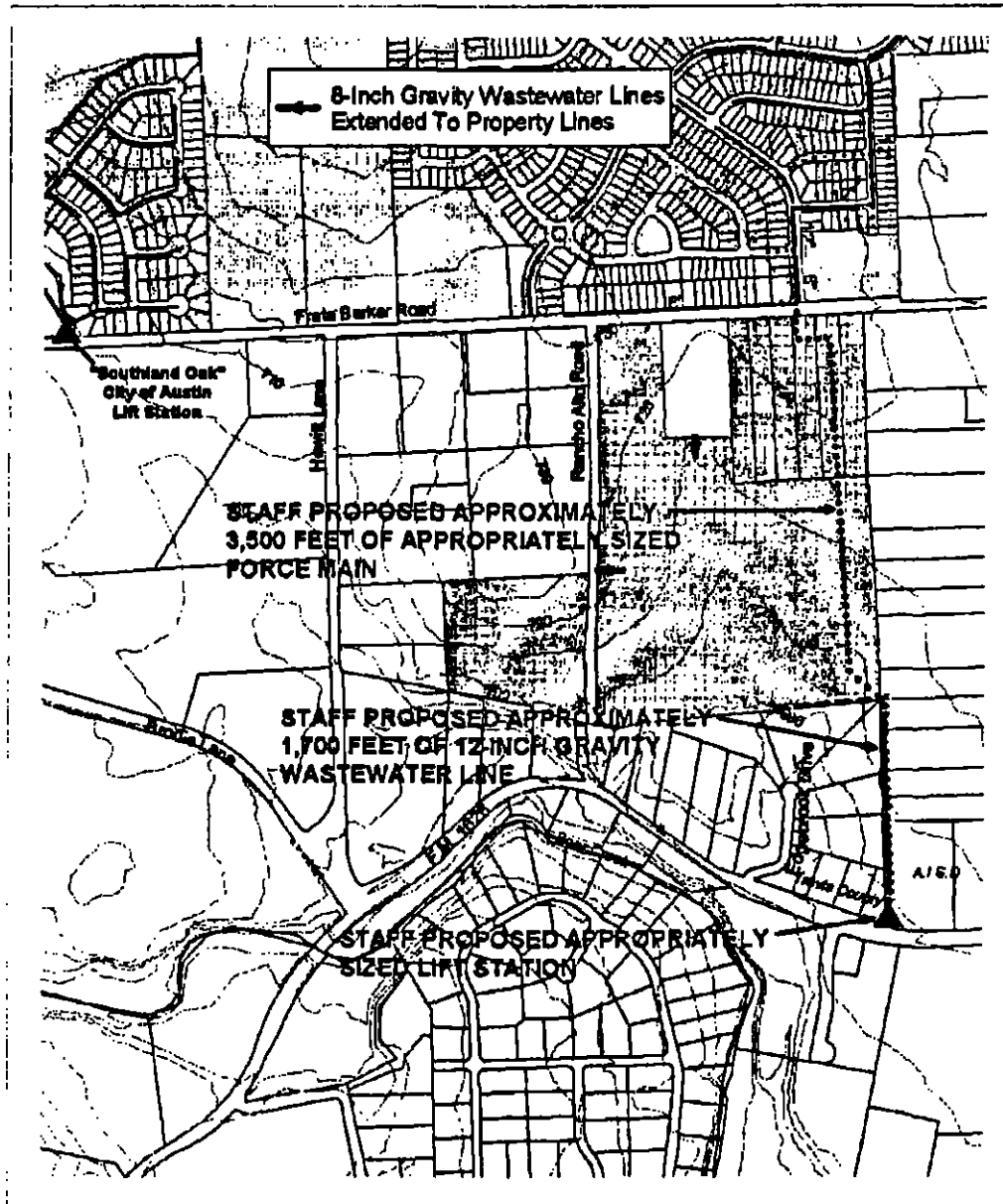
**March 2, 2005
REGULAR MEETING
VOTE: 7-0-0-0**

Motion made by: Chan
Commissioners Consenting: Coleman, Friese, Raun, Lee, Pool, Warner
Commissioners Dissenting:
Commissioners Abstaining:
Commissioners Absent:

The Water and Wastewater Commission recommends the Council authorize negotiation and execution of a cost participation agreement with Rancho Alto Ventures, Ltd., A Texas limited partnership providing terms and conditions for construction of an appropriately sized wastewater lift station, force main, 12-inch gravity wastewater main and appurtenances to provide wastewater service to Rancho Alto located south of Frate Barker Road at Rancho Alto Road, approximately 1,500 feet west of Manchaca Road with City cost reimbursement in an amount not to exceed \$577,173.00 for 40.2% of the actual "hard" construction costs in an amount not to exceed \$504,994.00 whichever is less, and "soft" costs for engineering, design and project management in an amount not to exceed 15% of the "hard" construction costs or \$72,179.00 whichever is less; approve an Ordinance waiving the requirements of Section 25-9-61, of the City Code relating to eligible facilities and the maximum cost reimbursement of a facility; waiving the requirements of Section 25-9-63, of the City Code relating to amount of cost reimbursement


Michael Warner Chairperson
Water and Wastewater Commission

3/2/05
Date



700 0 700 Feet

W.W. S.E.R. Name: Rancho Alto
Option One

W.W. S.E.R. Number: 2374

Utility Development Services Plotted 1/20/2005