



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

**AGENDA ITEM NO.: 14
AGENDA DATE: Thu 05/27/2004
PAGE: 1 of 3**

SUBJECT: Authorize negotiation and execution of a cost participation agreement with Austin Blue Sky Investments, Inc., 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 Nelson 155 Acre Tract located in the 9000 block of F.M. 969, approximately 500 feet east of the F.M. 969 and Decker Lane intersection with City cost reimbursement in an amount not to exceed \$795,732, for 56.0% of the actual "hard" construction costs in an amount not to exceed \$694,680.00 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 \$101,052 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; 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 \$795,732 is included in the Fiscal Year 2003-2004 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: Reynaldo Cantu, 972-0240; Laura Wiley, 972-0104

PRIOR COUNCIL ACTION: N/A

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

The Nelson 155 Acre Tract is a proposed 800 lot single-family development located on approximately 155 acres of land located in the 9000 block of F.M. 969, approximately 500 feet east of the F.M. 969 and Decker Lane intersection (the "Property"), currently inside (approximately 7%) and outside the corporate limits of Austin. Austin Blue Sky Investments, Inc., (the "Developer") has submitted Service Extension Request Number 2271, requesting the extension of City wastewater utility service to the Property, which is within the Desired Development Zone and Elm Creek Watershed.

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

Phase One Force Main Improvements (no City cost participation):

The Developer will construct approximately 6,900 feet of appropriately sized force main from the proposed lift station west and north along F.M. 3177/Decker Lane to just south of Decker Lake Road and approximately 700 feet of 8-inch gravity wastewater main to the existing 8-inch gravity wastewater main in F.M. 3177/Decker Lane at Decker Lake Road. The Phase One Force Main is to be sized to convey less than half of the designed flow of the proposed lift station and, along with the 8-inch gravity wastewater main, constructed without "hard or soft" cost participation. The Phase One Force Main Improvements can only be constructed if the F.M. 969 – U.S. Highway 183 to Decker Lane CIP Number 4570-237-



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8380, has not been constructed prior to the Property needing wastewater service.

Phase Two Force Main Improvements (City cost participation):

The Developer will construct approximately 3,500 feet of appropriately sized force main from the proposed lift station west and south along F.M. 3177/Decker Lane to F.M. 969/East Martin Luther King Jr. Boulevard and west along F.M. 969/East Martin Luther King Jr. Boulevard to a proposed 12-inch gravity wastewater main to be constructed by others (F.M. 969 – U.S. Highway 183 to Decker Lane CIP Number 4570-237-8380). The Phase Two Force Main is to be sized to convey the entire designed flow of the proposed lift station. If the Phase One Force Main Improvements have been constructed, they will be abandoned when the Phase Two Force Main Improvements have been constructed and accepted.

Under the proposed cost participation agreement, the Developer would construct an appropriately sized permanent lift station (approximately 1,000 gpm) on an appropriately sized site within the Property (dedicated as a lift station easement) and approximately 1,500 feet of 12-inch gravity main with a minimum slope of 0.24% from the proposed lift station, west to the western property line of the Property at Elm Creek. The City will cost participate for the over-sizing of the wastewater lift station and 12-inch gravity main.

The total “hard” cost of the permanent wastewater lift station and Phase Two Force Main is estimated at \$1,203,000.00. The total cost participation under this agreement will be for 56.0% of the actual “hard” construction costs of the permanent wastewater lift station, Phase Two Force Main and appurtenances constructed within public right-of-way or easements for a total not to exceed \$673,680. 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 \$21,000.00.

The City will reimburse Austin Blue Sky Investments, Inc., the costs for engineering, design and project management of the permanent wastewater lift station, Phase Two Force Main and appurtenances within public right-of-way or easements for a total not to exceed 15% of the 56.0% of the actual “hard” construction costs up to a maximum of \$101,052, whichever is less. Austin Blue Sky Investments, Inc., will bear all other “soft” costs for financing, accounting, and legal services associated with the permanent wastewater lift station and Phase Two 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 Developer construct wastewater improvements beyond those needed only to serve the proposed development, the Developer 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



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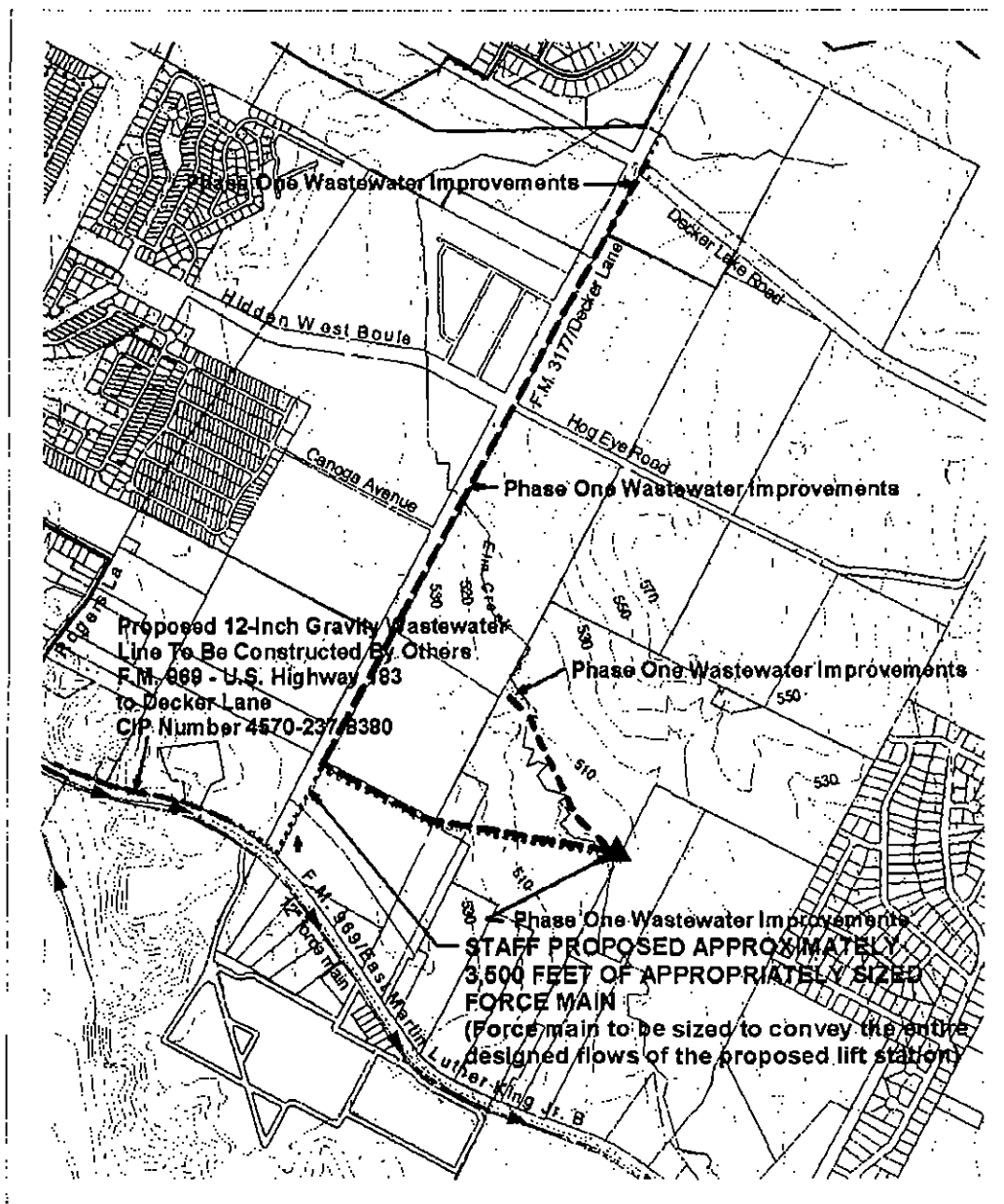
diameter are not reimbursable. Wastewater lift stations under this Section are reimbursed at a rate of \$80 per LUE; and

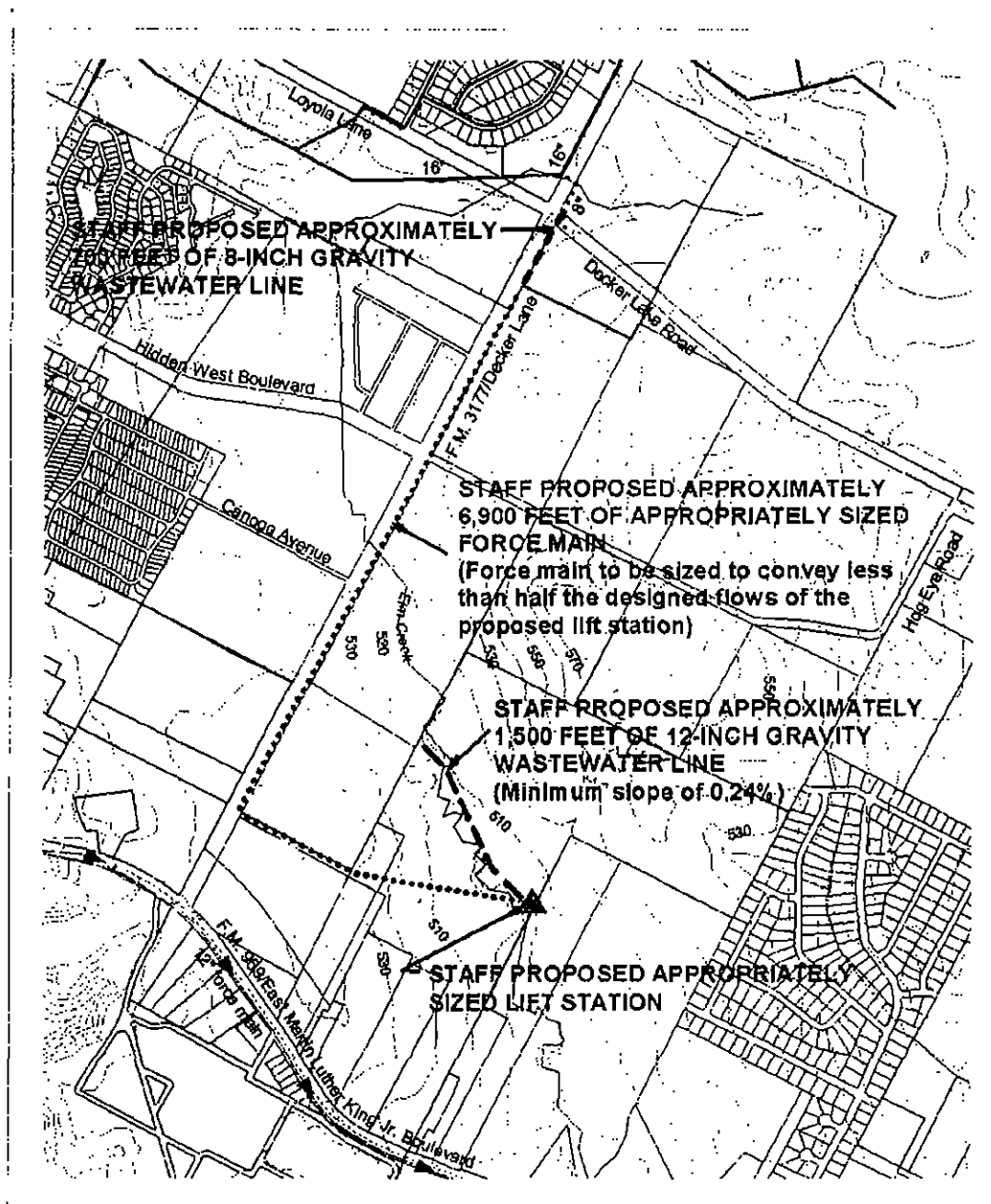
(b) waiver of the requirements in Section 25-9-63 relating to the amount of cost reimbursement. Under this Section, the amount of reimbursement is for the actual "hard" construction costs.

This action waives the requirements of Section 25-9-61 and 63, and allows reimbursement for the permanent lift station, Phase Two force main and appurtenances "hard" construction costs and allows the reimbursement for engineering, design and project management costs on a pro rata share of 44.0% to be borne by the Developer and 56.0% 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 Developer 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.

The Developer 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 Developer 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.





900 0 900 Feet

-  Subject Tract
-  City Limits

W.W. S.E.R. Name: Nelson 155 Acre Tract
Phase One Force Main Improvements

W.W. S.E.R. Number: 2271

ORDINANCE NO.

AN ORDINANCE WAIVING THE REQUIREMENTS OF SECTIONS 25-9-61 AND 25-9-63 OF THE CITY CODE RELATING TO COST REIMBURSEMENT, FOR CONSTRUCTION OF AN APPROPRIATELY SIZED PERMANENT WASTEWATER LIFT STATION, FORCE MAIN, 12-INCH GRAVITY WASTEWATER MAIN AND APPURTENANCES BY LIVE OAK DEVELOPMENT BY AUSTIN BLUE SKY INVESTMENTS, INC.

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

PART 1. This ordinance applies to the construction by Austin Blue Sky Investments, Inc., of an appropriately sized permanent wastewater lift station, force main, 12-inch gravity wastewater main to provide wastewater service to the Nelson 155 Acre Tract located in the 9000 block of F.M. 969, approximately 500 feet east of the F.M. 969 and Decker Lane intersection with City cost reimbursement in an amount not to exceed \$795,732, for 56% of the actual "hard" construction costs and "soft" costs for engineering, design and project management in an amount not to exceed 15% of the "hard" construction costs of \$101,052 whichever is less.

PART 2. The Council waives the requirements of Section 25-9-61 of the Code relating to eligible facilities and the maximum cost reimbursement of a facility.

PART 3. The Council waives the requirements of Section 25-9-63 of the Code relating to amount of cost reimbursement.

PART 4. This ordinance takes effect on _____, 2004.

PASSED AND APPROVED

_____, 2004

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§

Will Wynn
Mayor

APPROVED: _____
David Allan Smith
City Attorney

ATTEST: _____
Shirley A. Brown
City Clerk

No. 050504-J

**WATER AND WASTEWATER COMMISSION RESOLUTION
AUTHORIZE NEGOTIATION AND EXECUTION OF A COST REIMBURSEMENT AGREEMENT WITH
AUSTIN BLUE SKY INVESTMENTS, INC., PROVIDING TERMS AND CONDITIONS FOR
CONSTRUCTION OF AN APPROPRIATELY SIZED PERMANENT WASTEWATER LIFT STATION,
FORCE MAIN, 12-INCH GRAVITY WASTEWATER MAIN AND APPURTENANCES TO PROVIDE
WASTEWATER SERVICE TO THE NELSON 155 ACRE TRACT LOCATED IN THE 9000 BLOCK OF
F.M. 969 APPROXIMATELY 500 FEET EAST OF THE F.M. 969 AND DECKER LANE INTERSECTION
WITH CITY COST REIMBURSEMENT IN AN AMOUNT NOT TO EXCEED \$795,732 FOR 56.0% OF
THE ACTUAL "HARD" CONSTRUCTION COSTS AND "SOFT" COSTS FOR ENGINEERING, DESIGN
AND PROJECT MANAGEMENT IN AN AMOUNT NOT TO EXCEED 15% OF THE "HARD"
CONSTRUCTION COSTS OR \$101,052 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**

May 5, 2004

REGULAR MEETING

VOTE: 6-0-0-3

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

The Water and Wastewater Commission recommends the Council authorize the negotiation and execution of a cost reimbursement agreement with Austin Blue Sky Investments, Inc., providing terms and conditions for construction of an appropriately sized permanent wastewater lift station, force main, 12-inch gravity wastewater main and appurtenances to provide wastewater service to the Nelson 155 acre Tract located in the 9000 block of F.M. 969 approximately 500 feet east of the F.M. 969 and Decker Lane intersection with City cost reimbursement in an amount not to exceed \$795,732 for 56.0% of the actual "hard" construction costs and "soft" costs for engineering, design and project management in an amount not to exceed 15% of the "hard" construction costs or \$101,052 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


Date

CIP FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:
WHERE ON AGENDA:
DEPARTMENT:

5/27/2004
Resolution
Austin Water Utility

DESCRIPTION:

Authorize negotiation and execution of a cost participation agreement with Austin Blue Sky Investments, Inc., 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 Nelson 155 Acre Tract located in the 9000 block of F.M. 969, approximately 500 feet east of the F.M. 969 and Decker Lane intersection with City cost reimbursement in an amount not to exceed \$795,732, for 56.0% of the actual "hard" construction costs in an amount not to exceed \$694,680.00 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 \$101,052 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.

FINANCIAL INFORMATION:

Parent Project Name:	Wastewater Unfunded Future
Project Authorization:	2003-04 Approved Capital Budget
Funding Source:	Commercial Paper
Number:	4570 237 2017

Current Appropriation	\$ 410,907,293.00
Unencumbered Balance	179,716,331.79 *
Amount of This Action	<u>(795,732.00)</u>
Remaining Balance	<u>\$ 178,920,599.79</u>
 Current Available Balance	 \$ 189,092,693.17
Less Outstanding Commitments	<u>(9,376,361.38)</u>
Estimated Unencumbered Balance	<u>\$ 179,716,331.79 *</u>

Utility Finance: _____


David Anders, Utilities Finance Manager

Date: _____

5/11/04

REF. #4570 237 3047