



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

AGENDA ITEM NO.: 13
AGENDA DATE: Thu 05/27/2004
PAGE: 1 of 2

SUBJECT: Authorize negotiation and execution of an amendment to the existing Cost Reimbursement Agreement with Austin Revitalization Authority, a Texas non-profit corporation, to use \$25,000.00 of the approved "hard" construction cost dollars for "soft" construction costs and increase the "soft" construction costs total not to exceed \$149,635.00; and revise the cost reimbursement schedule.

AMOUNT & SOURCE OF FUNDING: N/A

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Austin Water Utility
DEPARTMENT:

**DIRECTOR'S
AUTHORIZATION:** Chris Lippe

FOR MORE INFORMATION CONTACT: Reynaldo Cantu, 972-0240; Laura Wiley, 972-0104

PRIOR COUNCIL ACTION: Original agreement approved on 1-30-03; Ordinance No. 030130-68, Resolution No. 030130-66, Resolution 030130-67.

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

Austin Revitalization Authority (ARA) has proposed a residential and commercial subdivision to be located on approximately 4 acres of land located between East 11th Street, Juniper Street, I.H. 35 and Navasota Street (the "Property"), inside the corporate limits of Austin and the Central Urban Redevelopment Combining District (CURE) and within the East 11th Street Redevelopment area. ARA has submitted Service Extension Request Numbers 2206 and 2207 requesting the extension and upgrading of City water and wastewater utility service to the Property (Phase Two), which is within the Desired Development Zone and Waller Creek Watershed.

Council originally approved the negotiation and execution of a cost reimbursement agreement for the Phase Two water and wastewater improvements with ARA on January 30, 2003, with a not to exceed amount of \$863,384.01 for actual "hard" and "soft" construction costs, design, engineering, interest and project management, plus waived numerous Sections of the City Code and other City Ordinances. The cost reimbursement agreement was executed on May 22, 2003.

Under the cost reimbursement agreement, ARA would construct approximately 600 feet of 8 and 12-inch water mains, and approximately 1,800 feet of 8 and 12-inch gravity wastewater mains to replace the existing 70-year old infrastructure.

The total cost reimbursement to ARA under this agreement was for the actual "hard" construction costs of the water mains, gravity wastewater main and appurtenances within public right-of-way or easements for a total not to exceed \$738,749.01. The City also approved reimbursement of the costs for engineering, design, interest and project management associated with the construction of the water mains, gravity wastewater main and appurtenances within public right-of-way or easements for a total not to exceed \$124,635.00.

The approved water and wastewater improvements have been constructed, but during the construction of



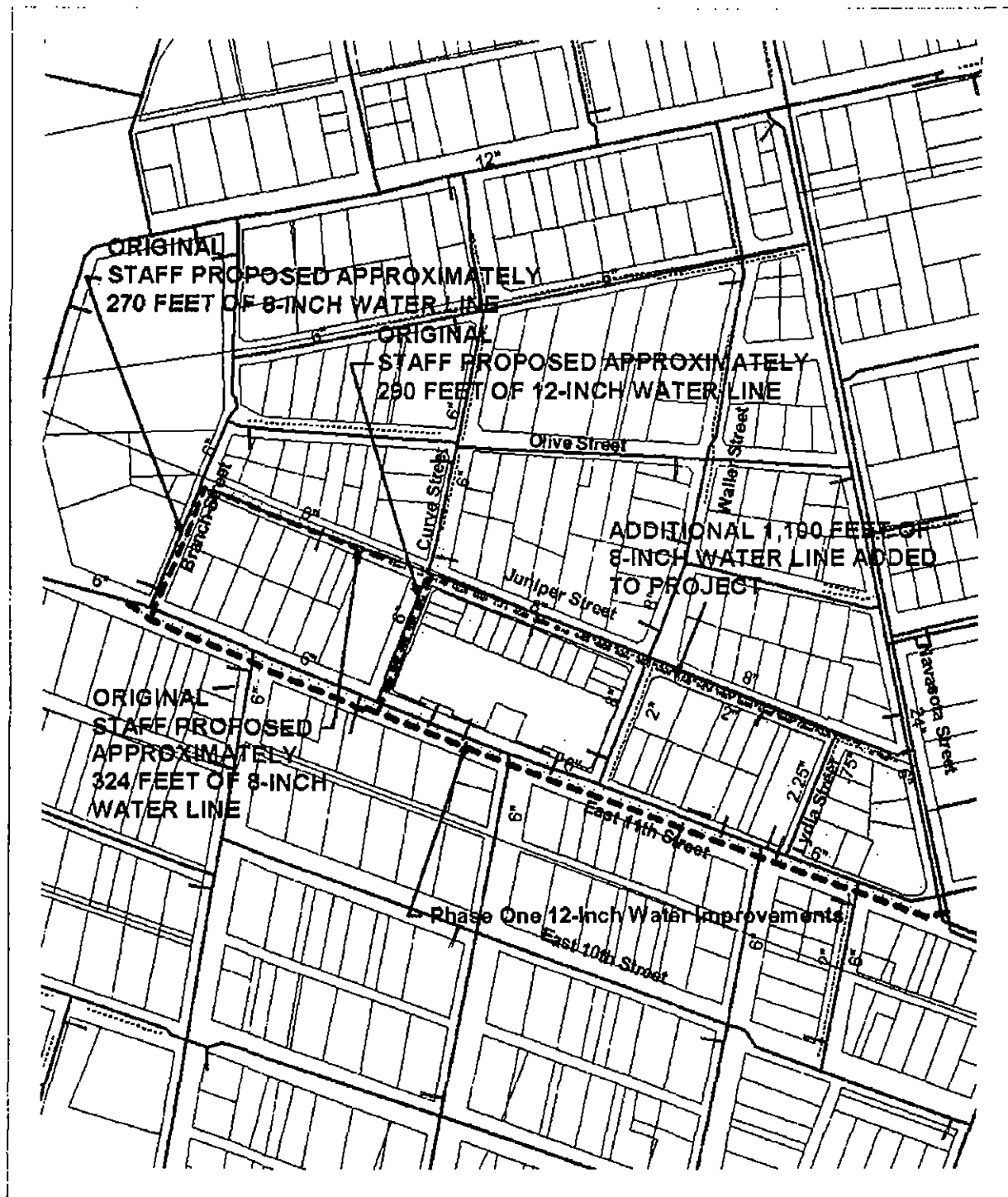
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the water and wastewater improvements it was found that the existing water main in Juniper Street was in deteriorating condition (i.e. leaking, breaking, valves not working, etc.) and that it was determined by the Utility that the remaining 1,100 feet of existing water main within Juniper Street should be replaced.

Because the additional water improvements required additional engineering, design, interest and project management costs, ARA is requesting an amendment to the agreement to allow an increase in the "soft" construction costs by \$25,000.00. The \$25,000.00 additional "soft" construction costs is available from the total not to exceed \$738,749.01 "hard" construction costs originally approved because of savings and lower original bid. Therefore, the amended agreement will be for the actual "hard" construction costs of the water mains, gravity wastewater main and appurtenances within public right-of-way or easements for a total not to exceed \$713,749.01, and for a total not to exceed \$149,635.00 for reimbursement of the costs for engineering, design, interest and project management associated with the construction of the water mains, gravity wastewater main and appurtenances within public right-of-way or easements.



Because the additional water improvements required the extension of the final completion date of the water and wastewater improvements, ARA is requesting that the existing cost reimbursement schedule be changed to allow for reimbursement of the entire water and wastewater improvements in one lump sum payment ninety (90) days after acceptance. Currently ARA was to be reimbursed in one lump sum payment on March 1, 2004 for the original water and wastewater improvements.



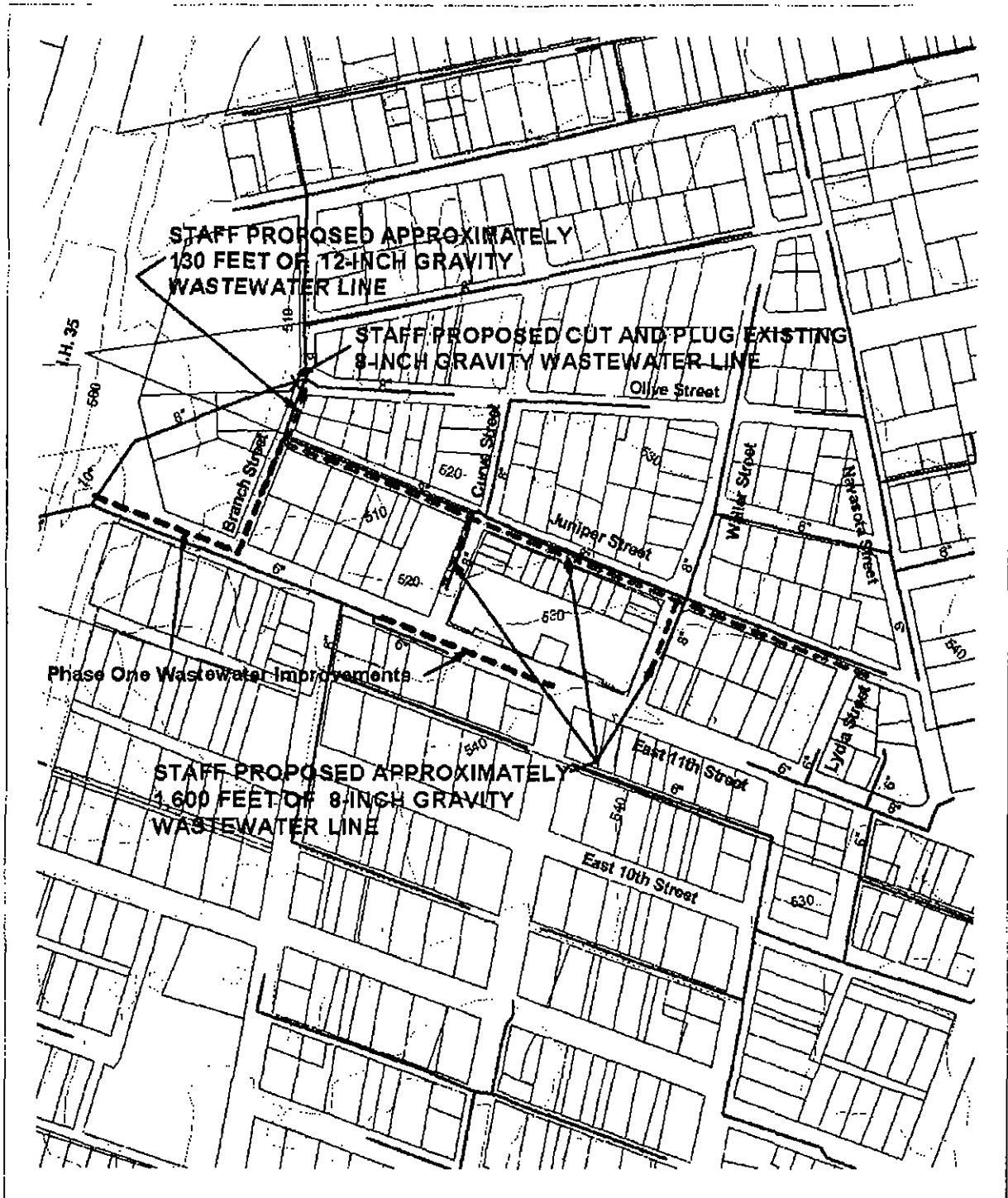
200 0 200 Feet

W. S.E.R. Name: East 11th Street
Redevelopment (Phase Two)
Revised

W. S.E.R. Number: 2206

 Subject Tract
 Central Urban
Redevelopment
Combining District
(CURE)

Utility Development Services Plotted 4/19/2004



300 0 300 Feet

W.W. S.E.R. Name: East 11th Street
Redevelopment (Phase Two)

W.W. S.E.R. Number: 2207

☐ Subject Tract
☐ Central Urban
 Redevelopment
 Combining District-
 (CURE)

No. 050504-G

WATER AND WASTEWATER COMMISSION RESOLUTION

AUTHORIZE NEGOTIATION AND EXECUTION OF AN AMENDMENT TO THE EXISTING COST REIMBURSEMENT AGREEMENT WITH AUSTIN REVITALIZATION AUTHORITY A TEXAS NON-PROFIT CORPORATION, TO USE \$25,000.00 OF THE APPROVED "HARD" CONSTRUCTION COST DOLLARS FOR "SOFT" CONSTRUCTION COSTS AND INCREASE THE "SOFT" CONSTRUCTION COSTS TOTAL NOT TO EXCEED \$149,635.00; AND REVISE THE COST REIMBURSEMENT

SCHEDULE.

May 5, 2004

REGULAR MEETING

VOTE: 6-0-0-3

Motion made by: Kirfman

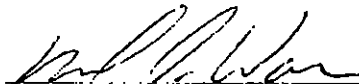
Commissioners Consenting: Chan, Warner, Friese, Coleman, Lee

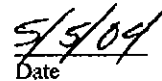
Commissioners Dissenting:

Commissioners Abstaining:

Commissioners Absent: Raun, Pool, Miller

The Water and Wastewater Commission recommends the Council authorize the negotiation and execution of an amendment to the existing Cost Reimbursement Agreement with Austin Revitalization Authority a Texas non-profit corporation, to use \$25,000.00 of the approved "hard" construction cost dollars for "soft" construction costs and increase the "soft" construction costs total not to exceed \$149,635.00; and revise the cost reimbursement schedule.


Michael Warner, Chairperson
Water and Wastewater Commission


Date