



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

**AGENDA ITEM NO.: 5
AGENDA DATE: Thu 10/21/2004
PAGE: 1 of 2**

SUBJECT: Authorize negotiation and execution of a cost reimbursement agreement with Walters Southwest Development, providing terms and conditions for construction of 24 and 36-inch water mains and appurtenances to provide water service to the Riddell Tract/Adams Extract Tract located along I.H. 35 South and F.M. 1626 with City cost reimbursement in an amount not to exceed \$2,977,350, for actual ("hard") construction costs and professional services costs ("soft" costs) for engineering, design and project management only in an amount not to exceed 15% of the actual "hard" construction costs or \$388,350, whichever is less; approve an Ordinance waiving the requirements of Section 25-9-63, of the City Code relating to amount of cost reimbursement, waiving the requirements of Section 25-9-67 of the City Code relating to cost reimbursement payments; waiving the requirement for payment of the construction inspection fees established in Ordinance 040913-05, in an amount not to exceed \$90,615.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$2,977,350 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
DEPARTMENT:

**DIRECTOR'S
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 Riddell Tract/Adams Extract Tract is a proposed retail/commercial use development located on approximately 247 acres of land located along I.H. 35 South and F.M. 1626 (the "Property"), currently inside (128 acres/52%) and outside (119 acres/48%) the corporate limits of Austin. Walters Southwest Development, (the "Developer") has submitted Service Extension Request Number 2314, requesting the extension of City water utility service to the Property, which is within the Desired Development Zone and Slaughter and Onion Creek Watersheds.

Under the proposed cost reimbursement agreement, the Developer would construct approximately 6,500 feet of 36-inch water main from the existing 24-inch water mains in West Slaughter Lane at I.H. 35 South, south along I.H. 35 South within an appropriately sized water easement to the proposed internal subdivision street south of Old San Antonio Road. The Developer will also construct a 16-inch water main within the right-of-way of the proposed internal street from the proposed 36-inch main improvement at I.H. 35 South, south through the Property to the existing 6-inch water main at I.H. 35 South and Onion Creek Parkway. The Developer will also construct a 12-inch water main from the proposed 16-inch water main proposed within the Property, west to the existing 12-inch water main in Old San Antonio Road (the proposed 12 and 16-inch water main improvements will not be reimbursed). The Developer will also construct a 24-inch water main from existing 24-inch water main in F.M. 1626 at South 1st Street, east along F.M. 1626 within an appropriately sized water easement to the existing 12-inch water main in I.H.



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

**AGENDA ITEM NO.: 5
AGENDA DATE: Thu 10/21/2004
PAGE: 2 of 2**

35 South. The Developer will also dedicate a 25-foot water main easement along the entire I.H. 35 South frontage of the Property from the proposed internal subdivision street to Onion Creek. The

proposed 24 and 36-inch water main improvements have been identified as a required water improvement to supply water to the south I.H. 35 area.

The City will reimburse the Developer for the actual "hard" construction costs of the 24 and 36-inch water mains and appurtenances constructed within public right-of-way or easements for a total not to exceed \$2,589,000.00, and the costs for engineering, design and project management of the water mains and appurtenances within public right-of-way or easements for a total not to exceed 15% of the actual "hard" construction costs up to a maximum of \$388,350.00, whichever is less, for a total not to exceed \$2,977,350.00 in one (1) payment 90-days after final acceptance or October 1, 2005, whichever is later. The Developer will bear all other "soft" costs for financing, accounting, easement acquisition and legal services associated with this construction.

The Developer is requesting a waiver of the City Code requirements in Section 25-9-67, relating to cost reimbursement payments to permit the modified payment schedule of the water improvements described above. Normally under Section 25-9-67, cost reimbursement payments are to be made in one (1) payment on March 1 of the second year following the year in which the water improvements are accepted.

Because the City requested that the Developer construct water 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 25-9-63 relating to the amount of cost reimbursement to allow for payment of the "soft" costs described above. Under this Section, the amount of reimbursement is for the actual "hard" construction costs; and
- (b) waiver of the construction inspection fees established in Ordinance 040913-05, in an amount not to exceed \$90,615.00.

This action waives the requirements of Section 25-9-63, allowing the reimbursement of engineering, design and project management costs associated with the water main and appurtenances constructed within public right-of-way or easements.

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.

CIP FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:
WHERE ON AGENDA:
DEPARTMENT:

10/21/2004
Resolution
Austin Water Utility

DESCRIPTION:

Authorize negotiation and execution of a cost reimbursement agreement with Walters Southwest Development, providing terms and conditions for construction of 24 and 36-inch water mains and appurtenances to provide water service to the Riddell Tract/Adams Extract Tract located along I.H. 35 South and F.M. 1626 with City cost reimbursement in an amount not to exceed \$2,977,350.00, for actual "hard" construction costs and "soft" cost for engineering, design and project management in amount not to exceed 15% of the "hard" construction costs or \$388,350.00, whichever is less; approve an Ordinance waiving the requirements of Section 25-9-63, of the City Code relating to amount of cost reimbursement, waiving the requirements of Section 25-9-67 of the City Code relating to cost reimbursement payments; waiving the requirement for payment of the construction inspection fees established in Ordinance 030909-04, in an amount not to exceed \$90,615.00.

FINANCIAL INFORMATION:

Parent Project Name:	Water Unfunded Future
Project Authorization:	2003-04 Approved Capital Budget
Funding Source:	Commercial Paper
Number:	3960 227 1019

Current Appropriation	\$ 271,508,739.00
Unencumbered Balance	73,086,905.73 *
Amount of This Action	<u>(2,977,350.00)</u>
Remaining Balance	<u>\$ 70,109,555.73</u>
 Current Available Balance	 \$ 75,624,130.73
Less Outstanding Commitments	<u>(2,537,225.00)</u>
Estimated Unencumbered Balance	<u>\$ 73,086,905.73 *</u>

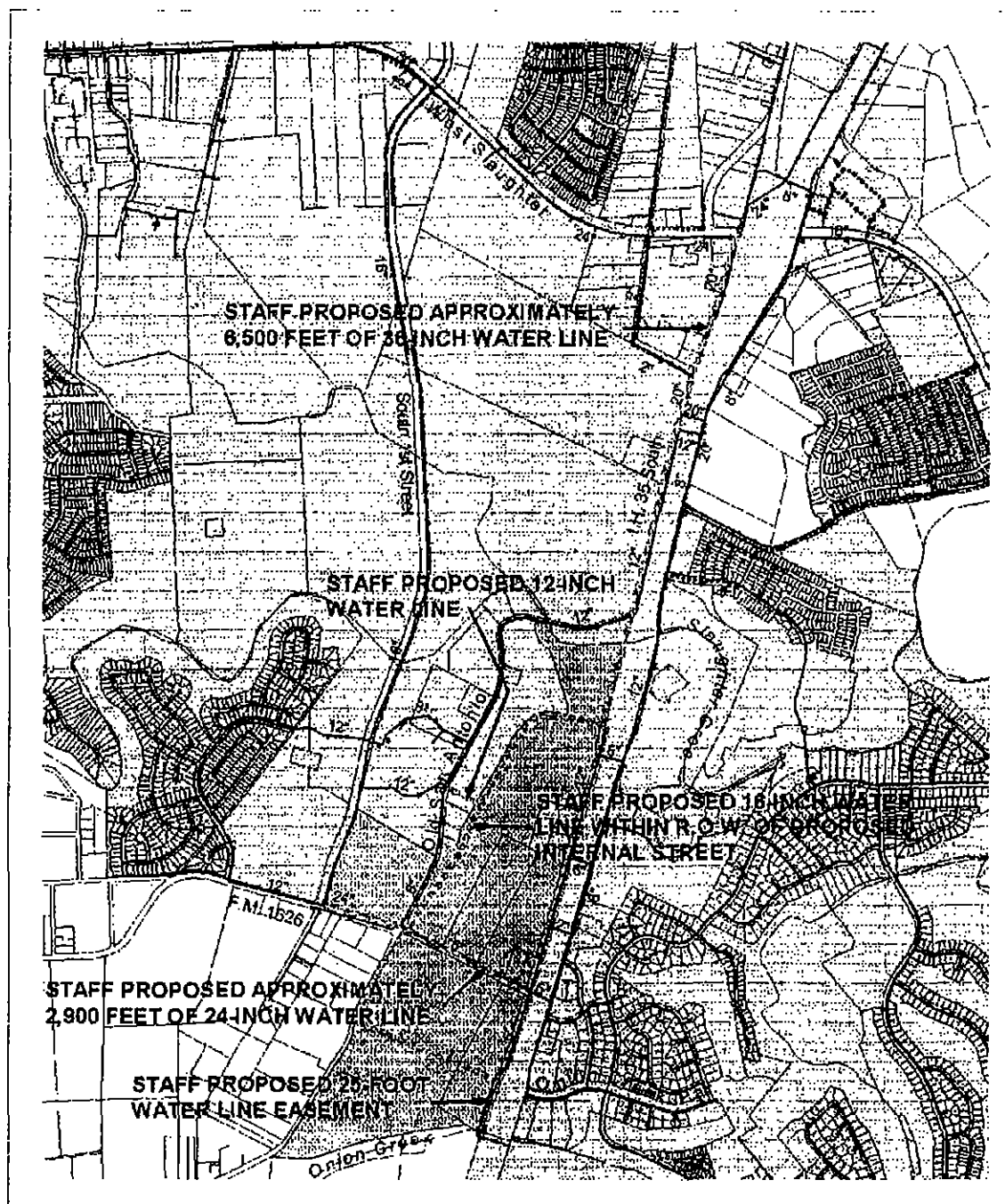
Utility Finance: _____

David Anders, Utilities Finance Manager

Date: _____

10/11/04



REF. # 3960 227 2048



1000 0 1000 Feet

W. S.E.R. Name: Riddell Tract/Adams
Extract Tract

W. S.E.R. Number: 2314

 Subject Tract
 City Limits

Utility Development Services Plotted 9/5/2004

No. 040704-F
WATER AND WASTEWATER COMMISSION RESOLUTION
**COST REIMBURSEMENT AGREEMENT WITH WALTERS SOUTHWEST DEVELOPMENT FOR
ACTUAL "HARD" CONSTRUCTION COSTS AND "SOFT" COST FOR ENGINEERING, DESIGN,
PROJECT MANAGEMENT AND CONSTRUCTION INSPECTION FEES**

**April 7, 2004
REGULAR MEETING
VOTE: 8-0-0-1**

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

The Water and Wastewater Commission recommends the Council authorize execution of a cost reimbursement agreement with Walters Southwest Development, providing terms and conditions for construction of 24 and 36 inch water mains and appurtenances to provide water service to the Riddell Tract/Adams Extract Tract located along IH 35 South and F.M. 1626 with City cost reimbursement in an amount not to exceed \$2,977,350.00 for actual "hard" construction costs and "soft" cost for engineering, design and project management in amount not to exceed 15% of the "hard" construction costs or \$388,350.00, whichever is less; approve an Ordinance waiving the requirements of Section 25-9-63, of the City Code relating to amount of cost reimbursement; waiving the requirement for payment of the construction inspection fees established in Ordinance 090903-04 in an amount not to exceed \$90,615.00


Michael Warner, Chairperson
Water and Wastewater Commission

4/7/04
Date