



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

AGENDA ITEM NO.: 8
AGENDA DATE: Thu 10/21/2004
PAGE: 1 of 2

SUBJECT: Authorize negotiation and execution of an amendment to the existing Wastewater Cost Reimbursement Agreement with WildHorse Investments, Ltd., to add approximately 99.7 acres to the area of the WildHorse Ranch development to be served; to provide terms and conditions for construction of an additional 27-inch wastewater main, and appurtenances to provide wastewater service to the additional property, with additional City cost reimbursement for actual "hard" construction costs (costs of construction not including costs for project management, financing, accounting or legal services) for the 27-inch wastewater main in an amount not to exceed \$1,764,480; and to adjust the description of the wastewater project to accord with changes in the engineering design made subsequent to execution of the original Wastewater Cost Reimbursement Agreement. Approve an Ordinance waiving the requirements of Section 25-9-67 of the City Code relating to cost reimbursement payments for the 27-inch wastewater line added to the project. The new total actual "hard" construction costs (costs of construction not including costs for project management, financing, accounting or legal services) for all wastewater improvements in the amended Cost Reimbursement Agreement will not exceed \$9,704,480. WildHorse is located south of U.S. Highway 290 East, west of F.M. 973, and north of Lake Walter E. Long.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$1,764,480 is included in the Fiscal Year 2004-2005 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: Originally approved by Council on 9/27/01, Ordinance No. 010927-11, Resolution No. 010927-82, Resolution No. 010927-83. Approved by Council on 6/12/03, Ordinance No. 030612-80.

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

The WildHorse Ranch is approximately 1,900 acres of proposed mixed-use development located south of U.S. Highway 290 East, west of F.M. 973, and north of Lake Walter E. Long (the "Property"), inside the limited purpose jurisdiction of Austin. WildHorse Investments, Ltd., (the "Developer") previously submitted Service Extension Request (SER) No. 1941, requesting the extension of City wastewater utility service to the Property, which is within the Desired Development Zone and Gilleland Creek Watershed. The City Council then approved the negotiation and execution of a cost reimbursement agreement with WildHorse Investments, Ltd., on June 12, 2003, with City cost reimbursement not to exceed \$7,940,000.00 for hard construction costs for construction of an interim wastewater treatment plant (WWTP) and large wastewater interceptors to serve WildHorse Ranch and surrounding areas. The WWTP and one of the two wastewater interceptors are currently under construction.

The proposed amendment to the existing Wastewater Cost Reimbursement agreement would include:



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1. adding approximately 99.7 acres (commonly known as the "Webb Tract") located east of Decker Lane, south of U.S. Highway 290, and north of Lake Walter E. Long (outside of Austin's full and limited purpose jurisdiction) to the description of the WildHorse Ranch development area to be served by the wastewater improvements;
2. adding a 27-inch wastewater main extending approximately 3,500 linear feet from the 30 and 27-inch gravity wastewater mains to be constructed under the original Wastewater Cost Reimbursement Agreement and SFR No. 1941, with additional City cost reimbursement for the hard construction costs of the 27-inch wastewater main in an amount not to exceed \$1,764,480; as conditions required under the cost reimbursement agreement, the Developer was to engineer, design and permit at his own cost, 9,600 feet of gravity wastewater main in which the City of Austin was to construct at it's own cost in the future. The 3,500 feet of gravity wastewater main is part of the total 9,600 feet of gravity wastewater main.
3. adjusting the description of the Wastewater Project to accord with with the above and with other approved changes in the engineering design made subsequent to execution of the original Wastewater Cost Reimbursement Agreement.

The City will reimburse the Developer under the amended agreement for the actual "hard" construction costs of the 27-inch gravity wastewater main for a total not to exceed \$1,764,480.00, in one (1) payment 90-days after final acceptance or October 1, 2005, whichever is later. The Developer will bear all "soft" costs for project management, financing, accounting, 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 for cost reimbursement for the 27-inch wastewater main described above. Normally under Section 25-9-67, cost reimbursements payments are to be made in one (1) payment on March 1 of the second year following the year in which the improvements are accepted.

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 an amendment to the existing Wastewater Cost Reimbursement Agreement with WildHorse Investments, Ltd., to add approximately 99.7 acres to the Wild Horse Ranch development and provide the terms and conditions for construction of an additional 27-inch wastewater main, and appurtenances to provide wastewater service to the additional property east of Docker Lane and north of Lindell Lane, with City cost reimbursement for actual "hard" construction costs in the amount not to exceed \$1,764,480.00; adopt an Ordinance waiving the requirements of Section 25-9-67, of the City Code relating to cost reimbursement payments. The new total "hard" construction costs for all wastewater improvements in the amended Cost Reimbursement Agreement will not exceed \$9,704,480.00.

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	\$ 410,907,293.00
Unencumbered Balance	122,607,153.96 *
Amount of This Action	<u>(1,764,480.00)</u>
Remaining Balance	<u>\$ 120,842,673.96</u>
 Current Available Balance	 \$ 134,772,636.77
Less Outstanding Commitments	<u>(12,165,482.81)</u>
Estimated Unencumbered Balance	<u>\$ 122,607,153.96 *</u>

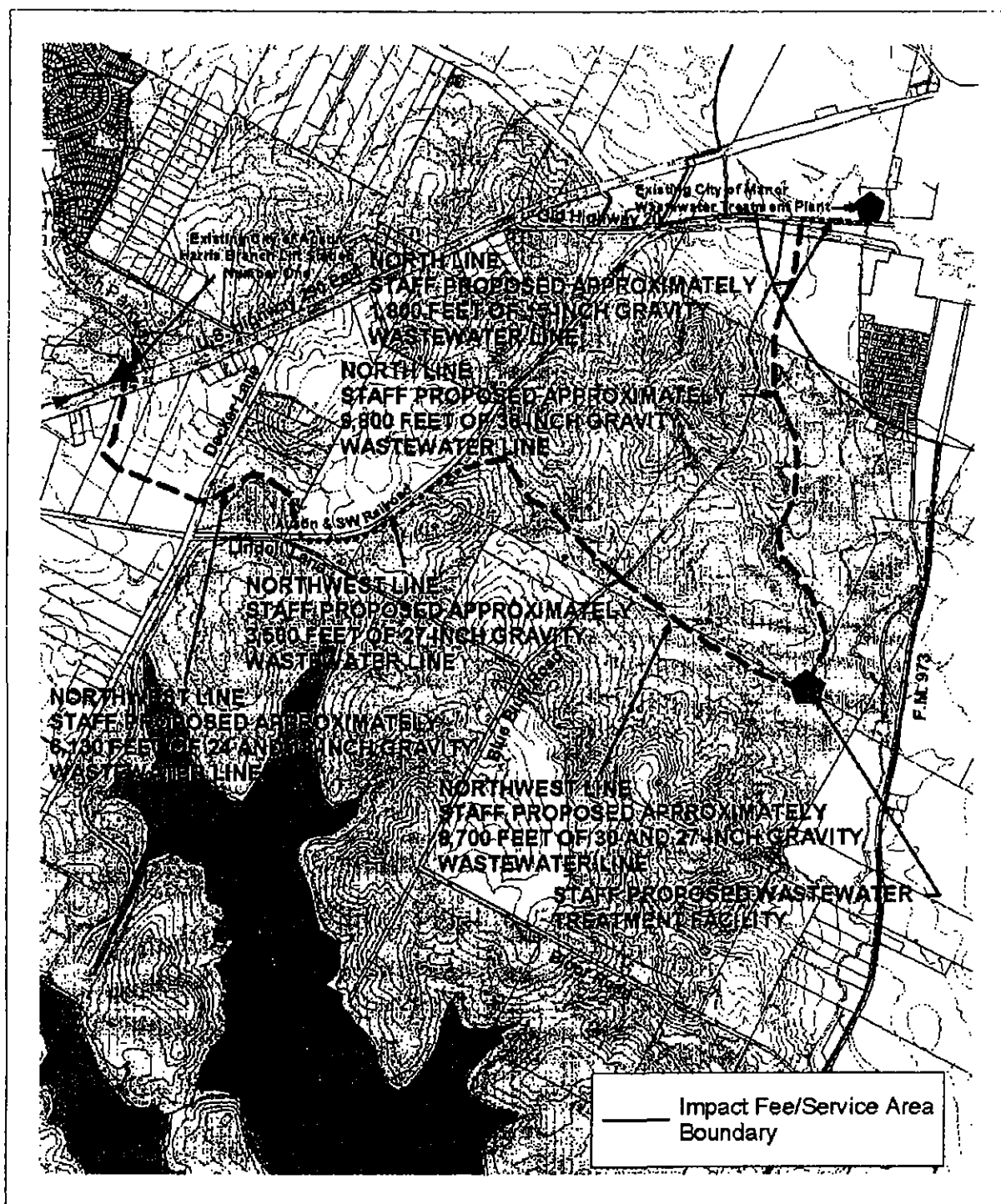
Utility Finance: _____


David Anders, Utilities Finance Manager

Date: _____

9/29/04

REF # 4570 237 3023






2000 0 2000 Feet

W.W. S.E.R. Name: Wild Horse Ranch (Revised)

Phase One and Two

W.W. S.E.R. Number: 1941

-  Subject Tract
-  City Limits
-  Manor City Limits & ETJ

ORDINANCE NO. 04

AN ORDINANCE WAIVING THE REQUIREMENTS OF SECTION 25-9-67 OF THE CITY CODE RELATING TO COST REIMBURSEMENT PAYMENTS TO WILDHORSE INVESTMENTS, LTD.

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

PART 1. This ordinance applies to cost reimbursement payments to be made to WildHorse Investments, Ltd., a Texas limited partnership, in an amount not to exceed \$1,764,480, for the actual hard construction costs of an additional 27-inch wastewater main and appurtenances added to the existing WildHorse Ranch Wastewater Cost Reimbursement Agreement to serve approximately 99.7 acres added to the WildHorse Ranch development, for an overall maximum cost reimbursement not to exceed \$9,704,480.

PART 2. The Council waives the requirements of Section 25-9-67 of the City Code, relating to the schedule for cost reimbursement payments.

PART 3. This ordinance takes effect on _____, 2004.

PASSED AND APPROVED

_____, 2004 § _____
 §
 § Will Wynn
 § Mayor

APPROVED: _____
 David Allan Smith
 City Attorney

ATTEST: _____
 Shirley A. Brown
 City Clerk

No.100604-E

AUTHORIZE NEGOTIATION AND EXECUTION OF AN AMENDMENT TO THE EXISTING WASTEWATER COST REIMBURSEMENT AGREEMENT WITH WILDHORSE INVESTMENTS, LTD., TO ADD APPROXIMATELY 99.7 ACRES TO THE WILD HORSE RANCH DEVELOPMENT AND PROVIDE THE TERMS AND CONDITIONS FOR CONSTRUCTION OF AN ADDITIONAL 27-INCH WASTEWATER MAIN, AND APPURTENANCES TO PROVIDE WASTEWATER SERVICE TO THE ADDITIONAL PROPERTY EAST OF DECKER LANE AND NORTH OF LINDELL LANE, WITH CITY COST REIMBURSEMENT FOR ACTUAL "HARD" CONSTRUCTION COSTS IN THE AMOUNT NOT TO EXCEED \$1,764,480.00; ADOPT AN ORDINANCE WAIVING THE REQUIREMENTS OF SECTION 25-9-67, OF THE CITY CODE RELATING TO COST REIMBURSEMENT PAYMENTS. THE NEW TOTAL "HARD" CONSTRUCTION COSTS FOR ALL WASTEWATER IMPROVEMENTS IN THE AMENDED COST REIMBURSEMENT AGREEMENT WILL NOT EXCEED \$9,704,480.00.

WATER AND WASTEWATER COMMISSION RESOLUTION

OCTOBER 6, 2004

REGULAR MEETING

VOTE: 5-0-0-4

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

The Water and Wastewater Commission recommends the Council authorize negotiation and execution of an amendment to the existing Wastewater Cost Reimbursement Agreement with WildHorse Investments, Ltd., to add approximately 99.7 acres to the Wild Horse Ranch development and provide the terms and conditions for construction of an additional 27-inch wastewater main, and appurtenances to provide wastewater service to the additional property east of Decker Lane and north of Lindell Lane, with City cost reimbursement for actual "hard" construction costs in the amount not to exceed \$1,764,480.00; adopt an Ordinance waiving the requirements of Section 25-9-67, of the City Code relating to cost reimbursement payments. The new total "hard" construction costs for all wastewater improvements in the amended Cost Reimbursement Agreement will not exceed \$9,704,480.00.


Michael Warner Chairperson
Water and Wastewater Commission

10-6-04
Date