



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

**AGENDA ITEM NO.: 4  
AGENDA DATE: Thu 12/16/2004  
PAGE: 1 of 1**

**SUBJECT:** Approve an ordinance waiving the requirements of Section 25-9-67 (Cost Participation and Cost Reimbursement Payment) of the City Code relating to the schedule for cost reimbursement payments and authorize negotiation and execution of an amendment to the existing Water Cost Reimbursement Agreement with Live Oak Development, Inc. to change the schedule for the cost reimbursement payments for the construction of a 36-inch water main and appurtenances to provide water service to the Pearce Lane Tract located on Pearce Lane at Ross Road.

**AMOUNT & SOURCE OF FUNDING:** N/A

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

**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:** Originally approved by Council on 11/21/02, Ordinance No. 021121-61, Ordinance No. 021121-59 and Resolution No. 021121-60.

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

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The Pearce Lane Tract is a proposed 600 lot single-family development located on approximately 158 acres of land located on Pearce Lane at Ross Road (the "Property"), currently inside the corporate limits of Austin. Live Oak Development, Inc., (the "Developer") previously submitted Service Extension Request Number 2188, requesting the extension of City water utility service to the Property, which is within the Desired Development Zone and Dry Creek Watershed. The City Council approved Ordinance No. 021121-61, on November 21, 2002, authorizing the negotiation and execution of a cost reimbursement agreement with Live Oak Development, Inc., with a cost reimbursement amount not to exceed \$3,613,275.00. The 10,100 feet of 36-inch water main improvements have been constructed under the Water Cost Reimbursement and were completed under budget.

The proposed amendment to the existing Water Cost Reimbursement Agreement will allow reimbursement to the Developer in one (1) payment on October 1, 2005, or ten (10) months after final acceptance, whichever is later. This amendment will NOT increase the amount of cost reimbursement to the Developer, or the terms and conditions, or change the description of the water improvements to be constructed under the Cost Reimbursement Agreement or SER No. 2188.

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 36-inch water main described above. This request is being made to help reduce the construction finance costs associated with the water improvements that the Developer has to bear. 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 improvements are accepted. The cost reimbursement payment for these improvements are projected to be reimbursed to the Developer on March 1, 2006, in the fiscal year 2005-2006 Capital Budget of the Austin Water Utility; therefore the amendment will move the cost reimbursement payment forward by six (6) months but still within the 2005-2006 Fiscal Year.

**ORDINANCE NO.**

**AN ORDINANCE WAIVING THE REQUIREMENTS OF SECTION 25-9-67 (COST PARTICIPATION AND COST REIMBURSEMENT PAYMENT) OF THE CITY CODE RELATING TO COST REIMBURSEMENT TO LIVE OAK DEVELOPMENT, INC. FOR CONSTRUCTION OF A 36-INCH WATER MAIN AND APPURTENANCES.**

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

**PART 1.** This ordinance applies to the construction by Live Oak Development, Inc. of a 36-inch water main, and appurtenances to provide water service to the proposed Pearce Lane Tract located on Pearce Lane at Ross Road, with City cost reimbursement for actual "hard" construction costs in an amount not to exceed \$3,613,275.00.

**PART 2.** The Council waives the requirements of Section 25-9-67 (*Cost Participation and Cost Reimbursement Payment*) of the City Code, relating to the schedule for cost reimbursement payments.

**PART 3.** 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.120104-E

**WATER AND WASTEWATER COMMISSION RESOLUTION  
AN AMENDMENT TO THE EXISTING WATER COST REIMBURSEMENT AGREEMENT WITH LIVE  
OAK DEVELOPMENT, INC., TO CHANGE THE COST REIMBURSEMENT PAYMENTS FOR THE  
CONSTRUCTION OF A 36-INCH WATER MAIN AND APPURTENANCES TO PROVIDE WATER  
SERVICE TO THE PEARCE LANE TRACT LOCATED ON PEARCE LANE AT ROSS ROAD. APPROVE  
AN ORDINANCE WAIVING THE REQUIREMENTS OF SECTION 25-9-67 OF THE CITY CODE  
RELATING TO COST REIMBURSEMENT PAYMENTS**

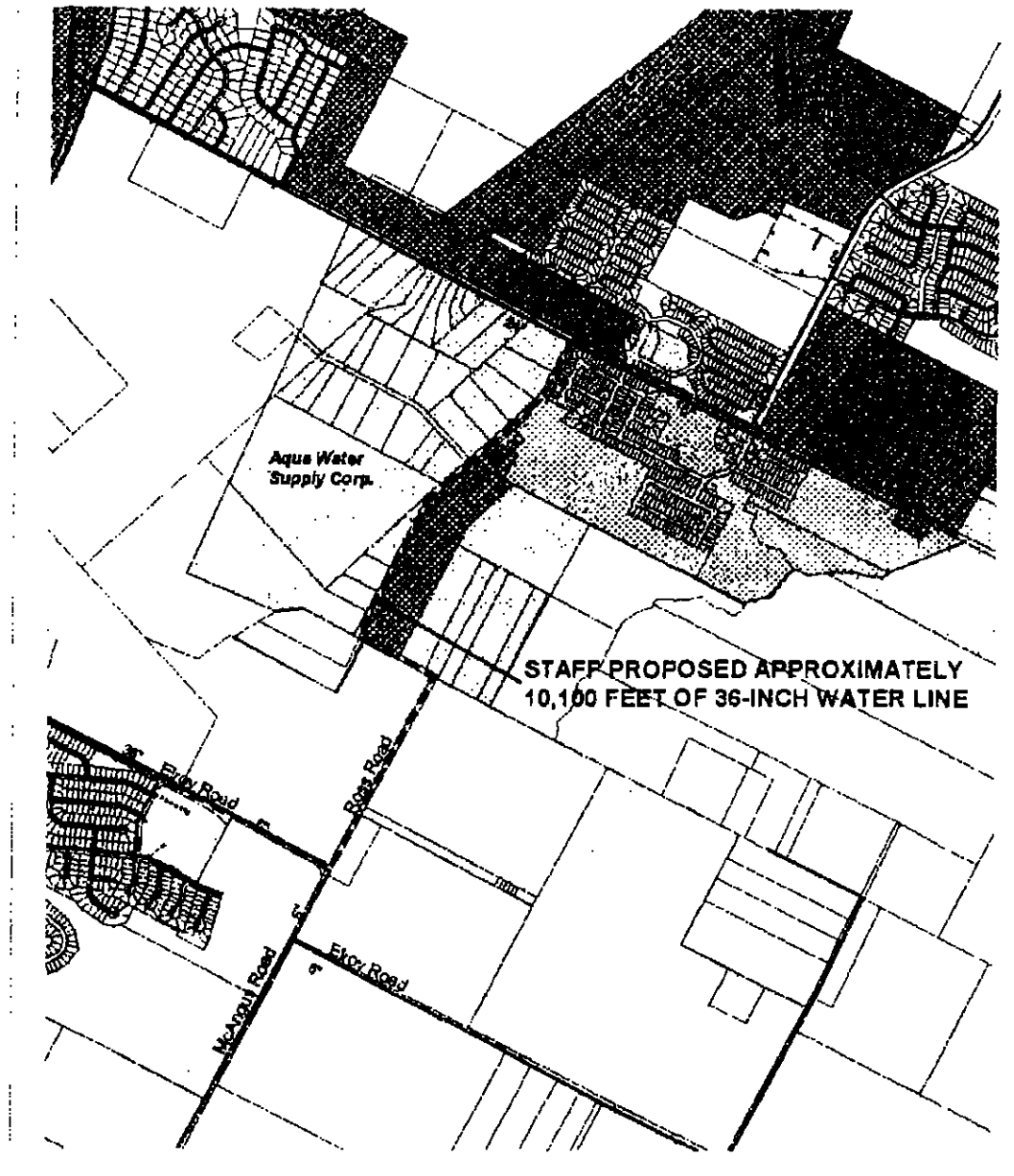
**December 1, 2004  
REGULAR MEETING  
VOTE: 7-0-0-2**

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

The Water and Wastewater Commission recommends the Council authorize the execution of an amendment to the existing Water Cost Reimbursement Agreement with Live Oak Development, Inc., to change the cost reimbursement payments for the construction of a 36-inch water main and appurtenances to provide water service to the Pearce Lane Tract located on Pearce Lane at Ross Road. Approve an Ordinance waiving the requirements of Section 25-9-67 of the City Code relating to cost reimbursement payments.




  
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Michael Warner Chairperson  
Water and Wastewater Commission

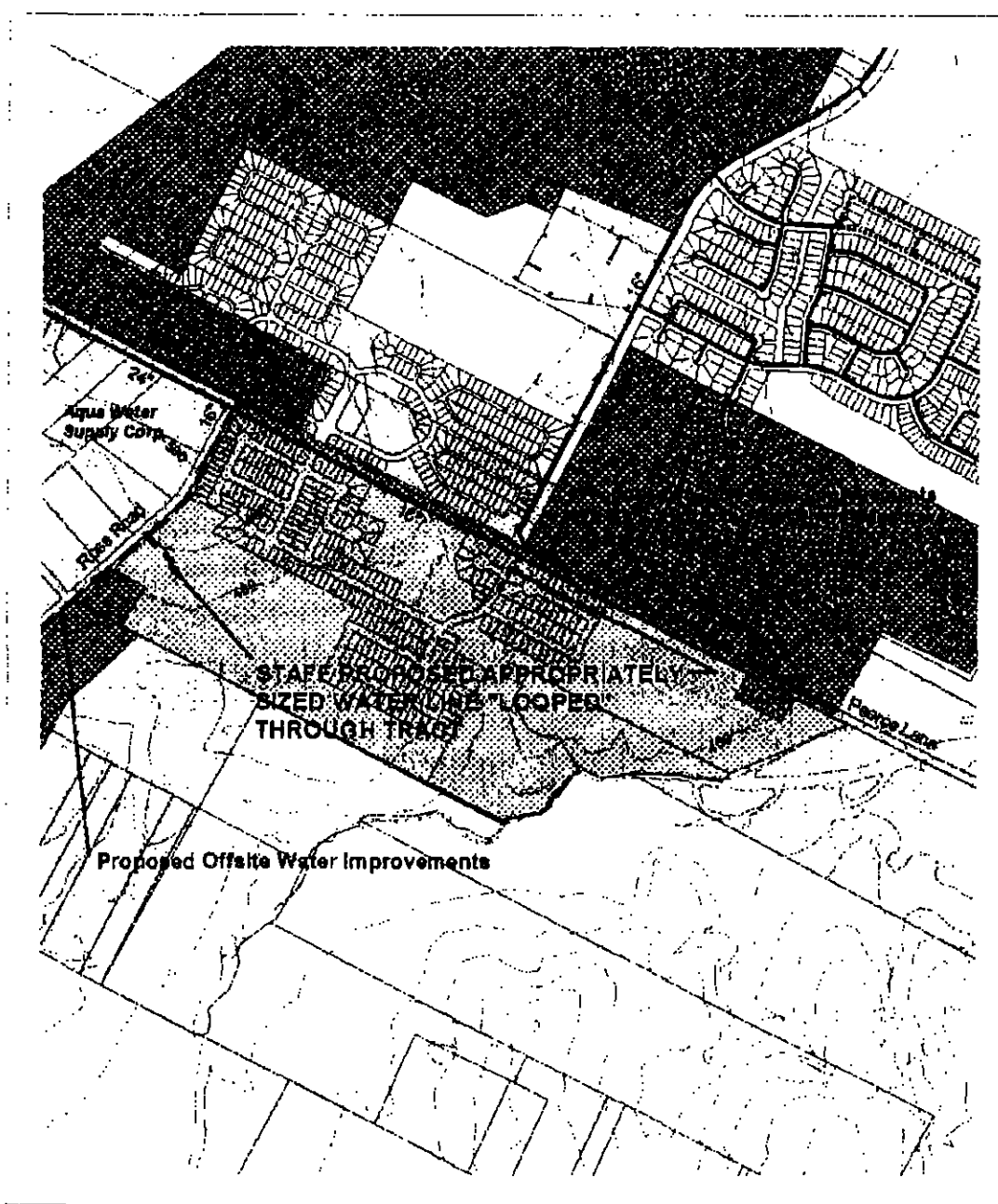
12/1/04  
Date



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W. S.E.R. Name: Pearce Lane Tract  
 Offsite Water Improvements  
 W. S.E.R. Number: 2188




-  Subject Tract
-  City Limits
-  Limited Purpose City Limits



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W. S.E.R. Name: Pearce Lane Tract

W. S.E.R. Number: 2188

-  Subject Tract
-  City Limits
-  Limited Purpose City Limits