



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

**AGENDA ITEM NO.: 3  
AGENDA DATE: Thu 12/15/2005  
PAGE: 1 of 2**

**SUBJECT:** Approve an ordinance authorizing negotiation and execution of a cost reimbursement agreement with SCA 101 ONION CREEK HOLDINGS L.P., providing terms and conditions for construction of 24 and 36-inch water mains and appurtenances to provide water service to the Alexan Onion Creek development located at 10701 I.H. 35 South with City cost reimbursement in an amount not to exceed \$684,000, for actual "hard" construction costs and professional services "soft" costs in amount not to exceed 15% of the actual "hard" construction costs of the 36-inch water main and appurtenances or \$75,600, whichever is less; waiving the requirements of Section 25-9-63 of the City Code relating to amount of cost reimbursement, Section 25-9-67 of the City Code relating to cost reimbursement payments, and waiving construction inspection and review fees established in Ordinance 20050914-004, in an amount not to exceed \$27,720.

**AMOUNT & SOURCE OF FUNDING:** Funding in the amount of \$759,600 is included in the Fiscal Year 2005-2006 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:** Seyed Miri, P.E. 972-0202; Denise Avery, 972-0104

**PRIOR COUNCIL ACTION:** N/A

**BOARD AND COMMISSION ACTION:** N/A

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The Alexan Onion Creek development is a proposed multi-family development located on approximately 24 acres of land at 10701 I.H. 35 South (the "Property"), currently inside the corporate limits of Austin. SCA 101 Onion Creek Holdings L.P., (the "Developer") has submitted Service Extension Request Number 2457, requesting the extension of City water utility service to the Property, which is within the Desired Development Zone and Slaughter Creek Watershed.

Under the proposed cost reimbursement agreement, the Developer would construct approximately 1,400 feet of 36-inch water main from the proposed 36-inch water main (by others) along the west side of I.H. 35 South at Old San Antonio Road, south along I.H. 35 South within an appropriately sized water easement and the continue east across I.H. 35 South with approximately 400 feet of 24-inch main to the existing 12-inch water main on the east side of I.H. 35 South at the Property. 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 \$684,000.00, and the costs for engineering, design and project management of the 36-inch water main and appurtenances within public right-of-way or easements for a total not to exceed 15% of the actual "hard" construction costs of the 36-inch water main and appurtenances up to a maximum of \$75,600.00, whichever is less, for a total not to exceed \$759,600.00 in one (1) payment 90-days after final

RCA Serial#: 10583 Date: 12/15/05 Original: Yes

Published:

Disposition:

Adjusted version published:



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PAGE: 2 of 2**

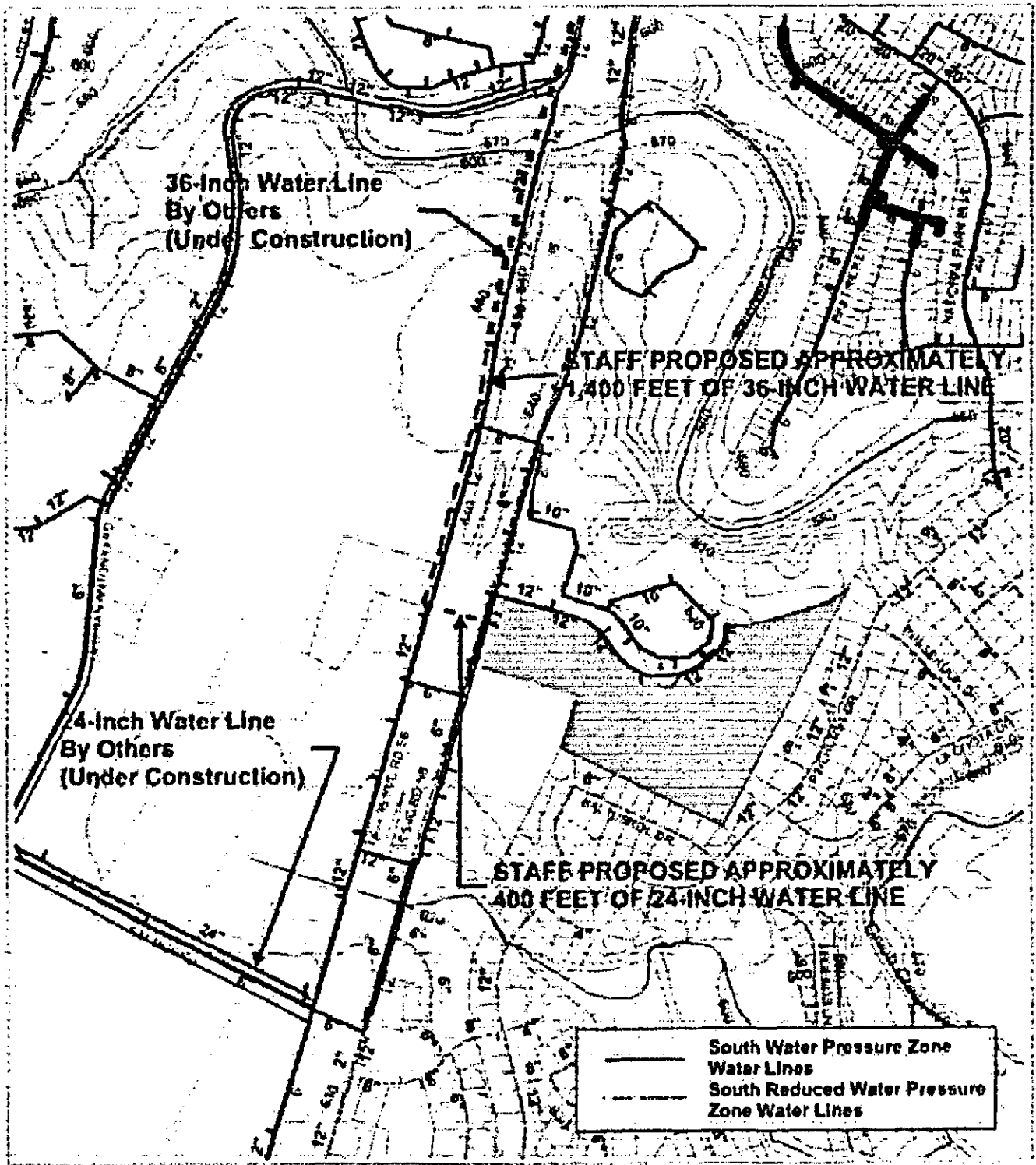
acceptance or October 1, 2006, whichever is later. The Developer will bear all other "soft" costs for financing, accounting, easement acquisition and legal services associated with this construction. The Developer will also post fiscal security sufficient to cover one hundred percent (100%) of the actual construction costs for the 24 and 36-inch water mains within ten (10) days of the award of the construction contract for the 24 and 36-inch water mains or at the time vertical building construction begins for the development, whichever is sooner.

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 the 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 and review fees established in Ordinance 20050912-004, in an amount not to exceed \$27,720.00.

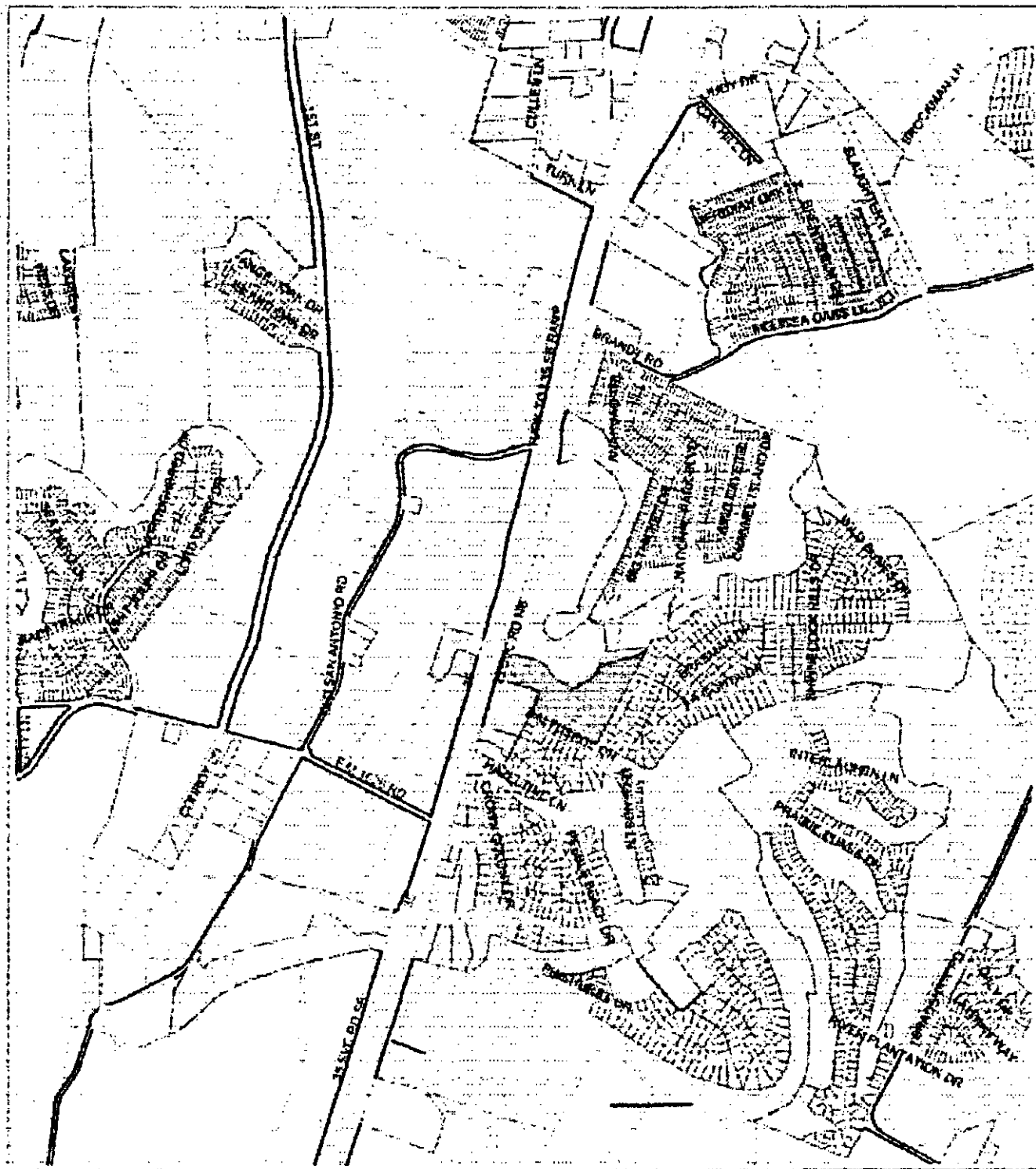
This action waives the requirements of Section 25-9-63, allowing the reimbursement of engineering, design and project management costs associated with the water main and appurtenances constructed within public right-of-way or easements. The Owner will conform to the City of Austin design criteria and construction standards in all respects. The Owner agrees to allow the City to use the Plans and Specifications approved by the Director, to solicit and publish invitations for bids for the construction of the improvements following standard City bidding practices and procedures, including the minority-owned business enterprise procurement program found in Chapter 5-7, City Code, as amended, and Chapters 212 and 252, Texas Local Government Code, as amended.



**Subject Tract**

W. S.E.R. Name: Alexan Onion Creek

W. S.E.R. Number: 2457



**Alexan Onion Creek  
LOCATION MAP**

**Subject Tract**  
**Full-Purpose**  
**City Limits**

## CIP FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:  
WHERE ON AGENDA:  
DEPARTMENT:

12/15/05  
Resolution  
Austin Water Utility

**DESCRIPTION:**

Authorize negotiation and execution of a cost reimbursement agreement with SCA 101 Onion Creek Holdings L.P., providing terms and conditions for construction of 24 and 36-inch water mains and appurtenances to provide water service to the Alexan Onion Creek located at 10701 I.H. 35 South with City cost reimbursement in an amount not to exceed \$684,000.00, for actual ("hard") construction costs and professional services costs ("soft" costs) for engineering, design and project management in amount not to exceed 15% of the actual "hard" construction costs of the 36-inch water main and appurtenances or \$75,600.00, 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; and waive the requirement for payment of the construction inspection and review fees established in Ordinance 050914-04, in an amount not to exceed \$27,720.00.

**FINANCIAL INFORMATION:**

Parent Project Name:	Water Unfunded Future
Project Authorization:	2005-06 Approved Capital Budget
Funding Source:	Commercial Paper
Number:	3960 227 1019

Current Appropriation	\$ 352,445,739.00
Unencumbered Balance	132,778,117.01 *
Amount of This Action	<u>(759,600.00)</u>
Remaining Balance	<u>\$ 132,019,517.01</u>
Current Available Balance	\$ 140,103,139.41
Less Outstanding Commitments	<u>(7,324,022.40)</u>
Estimated Unencumbered Balance	<u>\$ 132,778,117.01 *</u>

Utility Finance: \_\_\_\_\_

David Anders, Utilities Finance Manager

Date: 12/15/05

REF. # 3960 227 2054

**ORDINANCE NO.**

**AN ORDINANCE AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A COST REIMBURSEMENT AGREEMENT WITH SCA 101 UNION CREEK HOLDINGS L.P. FOR CONSTRUCTION OF A 36-INCH WATER MAIN AND APPURTENANCES TO SERVE THE ALEXAN CREEK DEVELOPMENT; WAIVING CERTAIN REQUIREMENTS OF SECTIONS 25-9-63 AND 25-9-67 OF THE CITY CODE RELATING TO COST REIMBURSEMENT; AND WAIVING INSPECTION AND REVIEW FEES.**

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

**PART 1.** This ordinance applies to an application for cost reimbursement under City Code Chapter 25-9, Article 1, Division 2, Subpart B (*Cost Reimbursement And Cost Participation*) by SCA 101 Onion Creek Holdings L.P. for construction of a 36-inch water main and appurtenances to serve the Alexan Onion Creek development located at 10701 Interstate Highway 35 South.

**PART 2.** The council authorizes the city manager to negotiate and execute a cost reimbursement agreement with SCA 101 Onion Creek Holdings L.P., in accordance with the following requirements:

(A) Total cost reimbursement may not exceed \$759,600.00.

(B) Cost reimbursement for actual construction costs may not exceed \$684,000.00.

(C) Cost reimbursement for engineering, design, and project management may not exceed the lesser of:

(1) 15 percent of the actual construction costs; or

(2) \$75,600.00.

**PART 3.** The council waives:

(A) the requirement of Section 25-9-63 (*Amount of Cost Reimbursement*) of the City Code that cost reimbursement be limited to actual construction costs;

(B) the provision of Section 25-9-67 (*Cost Participation and Cost Reimbursement Payment*) of the City Code prescribing the date for a cost

