



Thursday, July 27, 2006

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**Austin Energy
RECOMMENDATION FOR COUNCIL ACTION**

ITEM No. 3

Subject: Authorize negotiation and execution of a contract for reimbursement of costs to 360 Novare – AU, L.P., Austin, TX, for the purchase and installation of heat exchanger(s) and associated piping needed to interconnect the new Austin 360 Project building to Austin Energy’s downtown district cooling system in an amount not to exceed \$295,000.

Amount and Source of Funding: Funding in the amount of \$295,000 is available in the Fiscal Year 2005-2006 Capital Improvement Budget.

Fiscal Note: A fiscal note is attached.

**Additional Backup
Material**

(click to open)

 [Novare Austin 360
fiscal note](#)

For More Information: Cliff Braddock, Director, Energy Business Development / 322-6302

Boards and Commission Action: Recommended by the Electric Utility Commission.

Austin Energy is negotiating an agreement with Novare to provide Austin Energy’s chilled water-cooling services for Novare’s new mixed-use development of condos and retail at 360 Nueces in Downtown Austin. To complete the interconnection between the district cooling system and the customer’s building, and to maximize efficiencies, Austin Energy will reimburse costs that the building owner incurs to install heat exchangers and related piping and equipment in an amount not to exceed \$295,000.

This RCA is to seek authorization for Austin Energy to complete the purchase of the heat exchanger(s) and related piping as well as to reimburse customer. Austin Energy will recover the cost for these reimbursable items as a part of the multi-year chilled water services agreement negotiated between Austin Energy and Novare. To complete this project, Austin Energy will need to extend its district cooling system piping to this location, which will be done through a separate piping installation contractor.

CIP BUDGET
Fiscal Note

DATE OF COUNCIL CONSIDERATION:

7/27/2006

WHERE ON AGENDA:

Resolution

DEPARTMENT:

Austin Energy

SUBJECT: Authorize negotiation and execution of a contract for reimbursement of costs to 360 Novare AU, L.P., Austin, TX, for the purchase and installation of heat exchanger(s) and associated piping needed to interconnect the new Austin 360 Project building to Austin Energy's downtown district cooling system in an amount not to exceed \$295,000.

FINANCIAL INFORMATION:

Parent Project Name: **Non-Electric Plant Assets - Chillers**
Project Authorization: 2005-2006 Amended Capital Budget

Current Appropriation	\$ 116,067,916.00	
Unencumbered Balance		\$ 19,574,438.21
Amount of This Action		<u>(295,000.00)</u>
Remaining Balance		<u><u>\$ 19,279,438.21</u></u>

Use of Remaining Balance:

Remaining funds will be used for design, construction, equipment, and material acquisition to complete the project.

Use of Any Remaining Funds After Completion of Project:

No remaining funds anticipated at this time.

Director, Planning & Budget

Signature: J. E. Pokorny Date: 6/27/2006