

CIP BUDGET FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:
CONTACT DEPARTMENT(S):

3/8/12
Parks and Recreation

SUBJECT: Approve a resolution declaring the City of Austin's official intent to reimburse itself from Certifications of Obligation in the amount of \$3,170,000 for the repair of the Turner Robert's Recreation Center.

CURRENT YEAR IMPACT: This item has no fiscal impact to the total debt service or tax rate in FY 2012. The debt will not be issued until FY 2013.

FIVE YEAR IMPACT: Based on the following assumptions, the Estimated Debt Service amounts below reflect payments based on issuing \$3.17 million in Series 2012 (FY 2013) Certificates of Obligation for 20 years at a 5.0% interest rate. The Impact on Tax Rate represents the amount required to service the estimated debt service for this item.

	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
Estimated Debt Service	<u>44,750</u>	<u>174,750</u>	<u>178,250</u>	<u>176,250</u>	<u>174,000</u>
Impact on Tax Rate	<u>0.000055</u>	<u>0.000212</u>	<u>0.000212</u>	<u>0.000205</u>	<u>0.000199</u>

ANALYSIS / ADDITIONAL INFORMATION: The Parks and Recreation Department has requested, in a related item, that Council approve, in accordance with Federal Treasury Regulations, an Official Declaration of Intent to Reimburse construction and other related costs for the repairs to the Turner Roberts Recreation Center (Center).

The Center is a joint-use facility that is used by Volma Overton Elementary School and others. The Center opened in 2008, following the opening of the elementary school. The Centers amenities includes a 7,700 square-foot gymnasium, multi-purpose room, arts and crafts room, weight room, computer room, kitchen facilities, meeting room, corridor art gallery, covered outdoor basketball court and parking.

In October 2009, cracks in the building's walls were first noticed and reported to the Center's staff. By August 2010 the Center's gymnasium began to show larger cracks in the gymnasium wall. Structural engineers conducted extensive testing on the building which included full depth excavation of foundation piers, soil testing, magnetic resonance of the concrete walls, seismic testing of the foundation along with other tests. Additional concerns about the construction of the building were raised. Based on these concerns the building was closed to all uses in October 2011.

The City requested expedited bids from a group of general contractors to perform the necessary work for the repair of the Center under the Health & Safety and Unforeseen Damage to City Property exceptions to bidding in Texas Local Government Code Section 252.022. Chasco Constructors, Ltd, LLP, submitted the lowest responsive bid of 2,388,000.

The total amount of \$3,170,000 was calculated based on the not to exceed amount for the contract with Chasco Constructors, Ltd, LLP which is \$2,626,800 and other related costs such as inspections, testing, and Public Works management services with a contingency of 20% summing \$543,200. City staff continues to negotiate with the original contractor and designers of the Center and their respective insurance carriers and anticipates full reimbursement for the cost of repair.