

A G E N D A



Recommendation for Council Action

Austin City Council	Item ID	26379	Agenda Number	8.
Meeting Date:	8/29/2013		Department:	Austin Energy
Subject				
<p>Authorize the negotiation and execution of a Developer Agency Agreement with TC Green Water Master Developer, LLC, for design and construction of chilled water utilities to serve planned facilities in the Green Water Treatment Plant Redevelopment Project, in an amount not to exceed \$69,960 for design phase services.</p>				
Amount and Source of Funding				
<p>Funding is available in the Fiscal Year 2012-2013 Capital Budget of Austin Energy.</p>				
Fiscal Note				
<p>A fiscal note is attached.</p>				
Purchasing Language:				
Prior Council Action:				
For More Information:	<p>Jeff Vice, Director, Local Government Issues (512) 322-6087; Jim Collins, Director, On-Site Energy Resources (512) 322-6426.</p>			
Boards and Commission Action:	<p>August 19, 2013 – Unanimously approved by the Electric Utility Commission on a 5-0 vote.</p>			
MBE / WBE:	<p>This contract will be awarded in compliance with the City of Austin Third Party Resolution No. 20120112-058.</p>			
Related Items:				

Additional Backup Information

Austin Energy seeks authorization to negotiate and execute a Developer Agency Agreement to initially reimburse TC Green Water Master Developer, LLC, up to \$69,960 for design and engineering costs necessary for the chilled water transmission lines running through the Green Water Treatment Plant Redevelopment Project site. These transmission lines are required to serve chilled water to the Block 23 office building and Block 187 hotel and library. A separate recommendation for Council action to reimburse for the construction of the chilled water utilities will follow as soon as costs are identified in the design phase.

Austin Energy expects to reduce costs and avoid schedule delays by having the Developer's engineer and general contractor responsible for permitting, design, and installation of the chilled water transmission lines along with all the other engineering and construction work they will coordinate for the project. This type of agreement is allowed under Texas Local Government Code Section 271.908: Local Government Contracts with Private Entities for Civil Works Projects and Improvements to Real Property.

The transmission line is oversized to provide adequate through-put for customers in the area. The City will be responsible for the engineering and construction costs for extending the chilled water distribution system to specific customers. Austin Energy recovers design and construction costs for service connections to each customer over time as part of the chilled water service rate specified in their multi-year agreements.

Connection of new customers to Austin Energy's District Cooling system increases the potential electrical peak demand shift capability of the downtown system as well as increases gross revenue and profitability.