

TO: Michael C. Van Milligen, City Manager

FROM: Gus Psihoyos, City Engineer

DATE: July 10, 2015

SUBJECT: SRF Green Alley Bid Set 2 – Year 3
(CIP 7102450)

INTRODUCTION

The enclosed resolution provides for the acceptance of the construction contract and the establishment of the Final Schedule of Assessments for the SRF Green Alley Bid Set 2 – Year 3 Project.

BACKGROUND

Construction of permeable paver alleys will reduce the volume and peak flow of runoff to the Mississippi River while also reducing the pollutant load associated with stormwater runoff. As part of the restructuring of the State Revolving Fund (SRF) loan with the Iowa Department of Natural Resources, \$9.4 million was allocated to reconstruct 73 alleys in the Bee Branch Watershed.

Bid Set 2 – Year 3 involved the reconstruction of eight alleys and one street in the Bee Branch Watershed. The alley/street locations are as follows:

- Dorgan Place between Ellis St. and Madison St. from Ellis St. to W. 17th St.
- Alley between Rosedale Ave. and Green St. from Asbury Rd. to Avoca St.
- Alley between Asbury Road and Avoca St. from Rosedale Ave. to Alley
- Alley between Iowa St. and Central Ave. from 10th St. to 11th St.
- Alley between Iowa St. and Central Ave. from 11th St. to 12th St.
- Alley between Central Ave. and White St. from 9th St. to 10th St.
- Alley between Central Ave. and White St. from 10th St. to 11th St.
- Alley between White St. and Jackson St. from 10th St. to 11th St.
- Alley between Washington St. and Elm St. from 11th St. to 12th St.

The SRF Green Alley Project Bid Set 2 Year 3 was completed by Drew Cook and Sons Excavating, Inc. of Dubuque, Iowa, in the final contract amount of \$1,687,506.09, which is 5.5% over the original contract of \$1,599,875.00. The increase in costs were primarily due to additional sanitary sewer repairs required during construction.

RECOMMENDATION

I recommend that the City Council accept the improvements and establish the final contract at \$1,687,506.09 and adopt the Final Schedule of Assessments for the SRF Green Alley - Bid Set 2 Year 3 Project.

BUDGET IMPACT

The project cost summary for the SRF Green Alley Project Bid Set 2 Year 3 is as follows:

	<u>Award</u>	<u>Final</u>
Construction Contract	\$1,599,875.00	\$1,687,506.09
Contingency	153,000.00	0.00
Construction Engineering & Inspection	<u>168,300.00</u>	<u>257,278.83</u>
Total Project Cost	<u>\$1,921,175.00</u>	<u>\$1,944,784.92</u>

The project funding summary is as follows:

<u>CIP No.</u>	<u>Fund Description</u>	<u>Fund Amount</u>
7102450	SRF Green Alley Project	\$ 1,396,659.99
3401654	SRF Green Alley - Utilities	364,449.56
	Special Assessment – Alley Improvement, Residential	71,765.54
	Special Assessment – Alley Improvement, Commercial	94,429.83
	Special Assessment – Residential Deficiency	0.00
	Private Lead Water Service Replacement	17,480.00
	Total Project Funding	<u>\$1,944,784.92</u>

SPECIAL ASSESSMENTS

Based upon final construction costs, the total amount of alley improvement special assessments (not including voluntary assessments for extra work) for alley improvements is in the amount of \$166,195.37, which is lower than the preliminary special assessment estimate that was presented to the property owners and approved at the project public hearing. The average final assessment is \$1,867.36. The private water service special assessments are somewhat higher than what was stated on the preliminary assessment form. Per Iowa code 384.62 properties are to pay the actual cost of private services when required to be replaced. There were 10 private water services replaced for an average cost of \$1,748.00 per water service. The preliminary estimate for the water services was \$1,210 per service.

FINANCIAL ASSISTANCE

Low- to moderate-income property owners subject to alley assessment will be eligible for financial assistance ranging from 20 to 100 percent of the alley assessment for the owner-occupied resident property depending on family size and income level. This financial assistance program is made available through the One Percent Local Option Sales Tax.

To allow sufficient administrative time to process financial assistance applications for low- to moderate-income families, eligible property owners will be given approximately 30 days from the date of mailing the Notice of Filing the Final Schedule of Assessments to apply for financial assistance that may reduce the amount of the assessment payable by the property owner.

During this 30-day period, assessments may be paid in full or in part without interest at the City of Dubuque, Office of the City Treasurer. After approximately 30 days, any unpaid assessment will be levied against said benefited property with the Dubuque County Treasurer and any balance over \$500 will be payable in 15 annual installments at the County Treasurer's Office, and will draw annual interest at three percent (3%).

Attached is the financial assistance chart that the City uses in determining financial aid availability for your reference. This chart is updated every year based on the US Department of Housing and Urban Development (HUD) guidelines.

FINAL ASSESSMENT SCHEDULE

The schedule for the Final Assessment process is as follows:

Council Approve Final Schedule of Assessments	January 16, 2017
Mail Final Special Assessments Notice to Property Owners	January 20, 2017
Mail Financial Assessment Information to Property Owners	January 20, 2017
Publish Notice of Final Assessment	1 st Publication: January 20, 2017
	2 nd Publication: January 27, 2017
Deadline for Financial Assistance Applications	February 22, 2017
Deadline for Paying Assessment to City, Without Interest	February 24, 2017

ACTION TO BE TAKEN

The City Council is requested to adopt the attached resolutions accepting the improvements, approving the Final Schedule of Assessments, establishing the final contract amount of \$1,687,506.09, and for the payment of the contract amount to Drew Cook and Sons Excavating for the SRF Green Alley - Bid Set 2 Year 3 Project.

Prepared by Jon Dienst, PE

cc: Jenny Larson, Budget Director
John Klostermann, Public Works Director
Deron Muehring, Civil Engineer II
Denise Ihrig, Water Department Manager
Brant Schueller, Water Distribution Supervisor
Jean Nachtman, Finance Director