

TO: Michael C Van Milligen, City Manager

FROM: Gus Psihoyos, City Engineer

DATE: August 23, 2017

RE: Bee Branch Watershed Flood Mitigation Project, HUD National Disaster Resilience Competition Grant, Infrastructure Contract Amendment

### **INTRODUCTION**

The purpose of this memorandum is to seek authorization to amend the contract with the Iowa Economic Development Authority in order for the City to utilize \$23,293,253.00 in Community Development Block Grant Program Disaster Recovery – National Disaster Resiliency funds for the Bee Branch Watershed Flood Mitigation Project.

### **BACKGROUND**

In March 2015, the City was part of a State of Iowa Phase I application for U. S. Department of Housing and Urban Development (HUD) funds through the Community Development Block Grant National Disaster Resilience (CDBG-NDR) competition. The State was then invited to submit a Phase II application as part of the final round of the competition. Once again, the City was a key partner in determining the success of the Phase II application.

In January 2016, the State was awarded \$95.7 million in HUD National Disaster Resiliency Competition grant funds. Per the award, the City of Dubuque is to receive \$8.4 million for a comprehensive "Bee Branch Healthy Homes Resiliency Program" to help residents address residual impacts from the flooding experienced within the Bee Branch Watershed. The City is also to receive \$23.1 million for storm water infrastructure improvements associated with the Bee Branch Watershed Flood Mitigation Project. The infrastructure improvements are as follows:

1. Bee Branch Railroad Culvert Infrastructure Improvements involving the installation of culverts from the Lower Bee Branch Creek, through Canadian Pacific Railway property, to the Upper Bee Branch north of Garfield Avenue;
2. 22nd Street/Kaufmann Ave Storm Sewer Improvements involving the installation of a large diameter storm sewer from 22nd & Elm up Kaufmann Avenue to the Kaufmann & Kane intersection. The work includes inlets and local sewer connections to the storm sewer and the complete reconstruction of the street and other underground utilities along street right-of-way corridor.

3. 17<sup>th</sup> Street/W. Locust Street Storm Sewer Improvements involving the installation of a 96-inch diameter pipe from the Lower Bee Branch Creek through the Canadian Pacific Railway tracks to 17<sup>th</sup> Street then to the west along 17<sup>th</sup> Street and finally west along W. Locust Street towards Angella St. The work includes inlets and local sewer connections to the storm sewer and the complete reconstruction of the street and other underground utilities along street right-of-way corridor.

In October of 2016, the City Council adopted Resolution 362-16, authorizing the execution of a contract with the Iowa Economic Development Authority as a requirement for the City's receipt of \$23,309,600.00 in CDBG Disaster Recovery – National Disaster Resiliency funds for the infrastructure improvements associated with the Bee Branch Watershed Flood Mitigation Project.

### **DISCUSSION**

The Iowa Economic Development Authority (IEDA) has provided the attached Contract Amendment No. 1 to the Community Development Block Grant National Disaster Resilience (CDBG-NDR) Program contract (Contract). The proposed changes are the result of IEDA's visit with the U. S. Department of Housing and Urban Development (HUD) regarding the agreements between IEDA and sub-recipients such as the City of Dubuque. HUD asked that specific clauses and agreement terms be incorporated into the agreement between IEDA and the City of Dubuque, an agreement that had already been executed.

The proposed amendment includes a change to the overall grant amount to reflect the actual amount of eligible, pre-award administrative costs versus the estimated costs reflected in the Contract. This results in a \$16,437.00 reduction in the total amount to be received for administrative expenses related to the grant. It does not change the amount the City will receive for designing and constructing the actual infrastructure improvements.

### **RECOMMENDATION**

I recommend executing Contract Amendment No. 1 to the Community Development Block Grant National Disaster Resilience (CDBG-NDR) Program contract with the Iowa Economic Development Authority (IEDA) in order for the City to utilize \$23,293,253.00 in Community Development Block Grant Program Disaster Recovery – National Disaster Resiliency funds for the Bee Branch Watershed Flood Mitigation Project.

### **BUDGET IMPACT**

The original contract outlined that the City would receive \$23,309,600.00. This represented \$23,100,000.00 to design and construct the improvements and an additional \$209,600.00 for administrative costs. Per the proposed amendment, the amount the City will receive to help cover administrative costs is reduced to \$193,253.00. As a result, the total amount the City will receive is reduced to \$23,293,253.00.

**REQUESTED ACTION**

I respectfully request authorization to execute Contract Amendment No. 1 to the Community Development Block Grant National Disaster Resilience (CDBG-NDR) Program contract with the Iowa Economic Development Authority in order for the City to utilize \$23,293,253.00 in CDBG-NDR funds for the Bee Branch Watershed Flood Mitigation Project.

Attach.

Prepared by Deron Muehring

Cc: Crenna Brumwell, City Attorney  
Teri Goodmann, Assistant City Manager  
Jenny Larson, Budget Director  
Jean Nachtman, Finance Director  
John Tharp, Grant Administrator  
Sharon Gaul, Grant Coordinator  
Deron Muehring, Civil Engineer