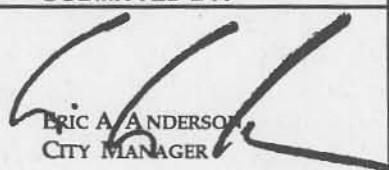


OFFICE OF THE CITY MANAGER
DES MOINES, IOWA

CITY COUNCIL COMMUNICATION 96-070
FEBRUARY 19, 1996 AGENDA

SUBJECT:	TYPE:	PREPARED BY:	SUBMITTED BY:
PROPOSED 1996 INTERMEDIATE PAVING PROGRAM	◆ RESOLUTION ORDINANCE RECEIVE/FILE	JOHN P. BRYAN ASSISTANT CITY MANAGER	 ERIC A. ANDERSON CITY MANAGER

SYNOPSIS —

In May 1995, Council asked the City Manager to review the Intermediate Paving Program and make a recommendation to Council on bringing the assessed portion of the project back to the 50 percent level first anticipated by Council. The existing Council program calls for the assessment of materials only. The program was based upon an assumption that this would produce a net assessment of approximately 50 percent of total cost, with the City absorbing the remaining 50 percent in labor costs through the Public Works Department Budget. To keep the original project costs down to residents, Council also directed that no deficiency/default allowance be applied as part of the assessment.

In practice, what has happened is that the assessed portion of the project is not reaching the 50 percent guideline. As shown on the attached schedule for the 1995 Program, the percentage assessed ranges from a high of 53.23 percent to a low of 27.74 percent. Across all projects in the three 1995 Programs, the average assessment was 41.3 percent, with only two of the programs reaching the 50 percent goal.

There are some reasons why the program does not reach the 50 percent rule:

1. Engineering costs are not included in the program. For 1995 Paving Program No. 1, this amounted to \$15,260. These costs are currently charged to the City's CIP.
2. After the assessments are calculated, the City then applies the corner lot credit equal to 50 percent of the assessment for that property. Corner lot credits for the three 1995 Programs totaled \$15,297.28.

It is recommended the City return to a policy which assesses 50 percent of total project costs after credits are applied. This would mean that the City figures into the total assessment its costs for labor, materials, equipment, design, and project administration. The formula should be designed so that the corner lot reduction is calculated as part of the 50 percent rule, not applied after the 50 percent has been determined. The assessment subsidy program would not be included as part of the calculation, and would be applied after the assessments are calculated.

Selection of Streets for 1996 Intermediate Paving Program

The Public Works Department has reviewed a number of streets for inclusion in the 1996 Intermediate Paving Program. Those streets which are tentatively recommended for inclusion in the program are:

<u>Street</u>	<u>From</u>	<u>To</u>	<u>Lineal Feet</u>	<u>Width</u>
28th Street	Witmer Street	Moyer Street	260	16
48th Street	Urbandale Avenue	Beavercrest Drive	1260	22
Jefferson Avenue	34th Street	36th Street	620	20
Lincoln Avenue	Merle Hay Road	Merklin Way	350	20
Ovid Avenue	54th Street	56th Street	300	20
Shawnee Avenue	6th Avenue	11th Street	1850	30
Broad Street	SW 5th Street	SW 7th Street	620	20
Alpha Avenue	E 8th Street	E 9th Street	320	20
E 8th Street	Alpha Avenue	Guthrie Avenue	270	20

Additional work will be required on E. 8th and Alpha to determine if these streets can be included. Neither street currently has curb, and this cost would have to be assessed as part of the program.

FISCAL IMPACT —

The modification to the assessment formula would reduce General Fund/Capital Improvement Fund expenditures for the Intermediate Paving Program by approximately \$52,000 per year.

RECOMMENDATION —

Receive and file information on the proposed assessment plan change and streets for inclusion in the 1996 Program. Defer action to March 4, 1996 to allow neighborhood representatives access to the information and opportunity to comment on the proposals.

BACKGROUND —

The Intermediate Paving Program has been a very valuable tool of Council in improving City neighborhoods. The initiative has also been rewarding in that it provides the paving at a reasonable cost to some neighborhoods which otherwise would not participate in the program.

The Intermediate Paving Program was initiated with the goal of accomplishing two objectives:

1. By improving the quality of the streets and general neighborhood appearance, individual owners are encouraged to invest in the upkeep and improvement of their own properties.
2. Decreasing higher yearly maintenance costs associated with the older unpaved asphalt stabilized streets.

The basics of the current program are:

1. It targets unpaved streets which previously had been asphalt stabilized. It was designed for areas where existing curb and gutter were in place (although it has been done on streets without existing curb).
2. Rather than utilizing concrete paving, Public Works moves in, grades, does minor repair work to intakes, curb, etc., then lays down seven inches of asphalt. Costs of labor are currently charged to the City's General Fund through the Public Works Budget. Likewise, the Department currently absorbs the costs for equipment and barricades as part of the 50/50 cost-sharing program.

As indicated on the assessment schedule for 1995, the City was able to improve 11 separate streets. The preliminary program for 1996 shows a total of nine candidates for the program.

1995 Cost Summary

**1995 Intermediate Paving Program
Cost Distribution Summary**

1/29/96

Description	Amount Assessed	City Cost	Project Cost	Percent of Cost Assessed
1995 Intermediate Paving Program No. 1				
34th Street from Sheridan Ave. to Urbandale Ave.	16,085.18	41,892.67	57,977.85	27.74%
48th Place from Snyder Ave. to Urbandale Ave.	10,826.21	24,491.11	35,317.32	30.65%
49th Place from Hickman Road to Holcomb Ave.	26,711.04	35,223.27	61,934.31	43.13%
60th Street from Franklin Ave to Hickman Road	41,404.26	60,504.65	101,908.91	40.63%
61st Street from Franklin Ave. to Hickman Road	45,810.81	61,224.36	107,035.17	42.80%
1995 Intermediate Paving Program No. 2				
15th Street from Douglas Ave. to Madison Ave.	41,546.01	40,294.95	81,840.96	50.76%
E 27th Street from Grandview Ave. to 340 feet south	8,702.40	14,757.53	23,459.93	37.09%
Bowdoin Street from Madison Ave. to Shawnee Ave.	17,811.42	15,649.01	33,460.43	53.23%
Seneca Avenue form E 9th Street to E 10th Street	9,830.59	19,239.06	29,069.65	33.82%
1995 Intermediate Paving Program No. 3				
Broad Street from SW12th Street to Dead End 449' East	12,891.82	18,553.65	31,445.47	41.00%
Highland Street from Olinda Ave to Davis Ave	17,903.19	22,813.75	40,716.94	43.97%
Total 1995 Intermediate Paving Program	249,522.93	354,644.01	604,166.94	41.30%
1995 Costs if 50% Assessed Cost & 50% City Cost	302,083.47	302,083.47	604,166.94	50.00%
Theoretical Additional Amount Assessable in 1995	52,560.54			
Theoretical increase in assessments	21.06%			
Total Assessed 1995 Intermediate Paving Program	249,522.93			
Less Special Assessment Subsidy paid Index 381343 (City)	6,037.58			
Less Special Assessment Subsidy paid Index 245126 (HUD)	39,326.47			
Actual 1995 Assessment due from Property Owners	204,158.88			
Percent of 1995 Assessment due from Property Owners	81.82%			
Percent of 1995 Project Cost due from Property Owners	33.79%			