

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date	June 8, 2009
	Agenda Item No. 9 Roll Call No. <u>09-</u> Communication No. <u>09-381</u> Submitted by: Jeb E. Brewer, P.E., City Engineer and William G. Stowe, Assistant City Manager - Public Works Director	

AGENDA HEADING:

Approving and authorizing the execution of Addendum 2001-P-028B to Iowa Department of Transportation Predesign Agreement for the Reconstruction of I-235.

SYNOPSIS:

Recommend approval of Iowa Department of Transportation (IDOT) Addendum to Agreement No. 2001-P-028B for Reconstruction of I-235 at no cost. This addendum delays the city’s loan repayment schedule for the second and third payments by one year.

FISCAL IMPACT:

Amount: A \$6.8 million loan repayment to IDOT will be delayed one year.

Funding Source: Repayments were already programmed in the 2009-10 CIP, Page Street Improvement – 20, I-235 Storm and Sanitary Sewer Improvements, STR197, Storm Revenue Bonds and Sanitary Sewer Fund.

ADDITIONAL INFORMATION:

On August 31, 2000, the City Council approved a Pre-design Agreement for the Reconstruction of I-235 with the IDOT. This agreement detailed responsibilities and funding obligations of both parties for the relocation of sanitary and storm sewer utilities necessary for reconstruction of I-235. The agreement identified reconstruction of sewers along the interstate and sewers carrying water away from the interstate. The actual design and construction of these sewers was done by IDOT with the appropriate City cost share coming from a loan to the City by IDOT at no interest with the repayment being made in 2008, 2009, and 2010. Most of the work has been completed or awarded with the exception of the Dean’s Lake Outlet Storm Sewer. This project is to be awarded this winter by IDOT with construction in 2010. Both IDOT and the City will share in the construction cost of the project with the City’s share being approximately \$3 million. The Dean’s Lake Outlet was part of the original agreement and remains a part of the original agreement under this addendum. The addendum only changes the dates of the final two loan repayments from 2009 and 2010 to 2010 and 2011. The IDOT Loan carries no interest, however, the extension of the repayments by one year accomplishes two things for the City. First, it allows the City to retain a larger storm and sanitary fund balance and therefore possibly delaying future bond issuance. Secondly, it allows the repayment schedule to more closely match the work being done on Dean’s Lake Outlet. Dean’s Lake Outlet will be awarded before the final two payments allowing the payment schedule to be adjusted to reflect the actual costs of the project instead of an estimate. The City has currently made one payment of \$6,800,000 in June 2008, and anticipates making similar payments in

June 2010 and June 2011. If this addendum were not to be approved the second payment of \$6,800,000 would be due in June 2009.

PREVIOUS COUNCIL ACTION(S):

Date: October 7, 2002

Roll Call Number: 02-2391

Action: Approving Iowa Department of Transportation Addendum to Predesign Agreement for design and reconstruction of I-235 to allow I-235 inspection and materials testing for sanitary sewer relocation and storm sewer outlet work. (Council Communication No. 02-527). Moved by Hensley to adopt. Motion Carried 5-1-1. Nays: Brooks. Absent: McPherson.

Date: August 31, 2000

Roll Call Number: 00-3634

Action: Approving Iowa Department of Transportation Predesign Agreement for Interstate 235, from the west City limits to the north City limits. (Council Communication No. 00-411). Moved by McPherson to adopt. Motion Carried 4-2-1. Nays: Brooks and Vlassis. Absent: Flagg

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Normal actions for repayment of loan.

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