



# Council Communication

Office of the City Manager

Date

June 22, 2009

Agenda Item No. 7

Roll Call No. 09-

Communication No. 09-412

Submitted by: William G. Stowe, Assistant City Manager/Public Works, and Jeb E. Brewer, P.E. City Engineer

## AGENDA HEADING:

Authorization to submit CDBG Disaster Recovery Infrastructure Applications to the Iowa Department of Economic Development on behalf of the Des Moines Wastewater Reclamation Authority.

## SYNOPSIS:

Recommend authorization to submit two CDBG Disaster Recovery Infrastructure Applications to the Iowa Department of Economic Development on behalf of the Des Moines Wastewater Reclamation Authority for the construction of infrastructure projects.

## FISCAL IMPACT:

Amount: \$17,130,000

Funding Source: Various funding sources as follows:

- \$10,000,000 CBDG Infrastructure Grant funds,
- \$1,430,000 Des Moines River Outfall / Main Outfall Phase 17, WRA086, WRA Funds
- \$5,700,000 WRA Southwest Area Diversion Facilities Phase 21 and 22, WRA081, WRA Funds

## ADDITIONAL INFORMATION:

In the summer of 2008, there was extensive damage across Iowa from flooding and other severe weather. As part of the Federal Disaster Relief program, the State of Iowa has funds available under the Jump Start Program for Housing Assistance, Small Business Assistance, and Infrastructure Assistance. The Iowa Department of Economic Development is accepting applications for the Infrastructure Assistance program.

The first selection of projects considered any project submitted by an authorized agency to the Department by February 18, 2009. The Jump Start program had \$15.75 million in CBDG funds for Infrastructure Assistance to allocate state-wide with a \$2.5 million limit per project. Previously the City of Des Moines has been distributed approximately 2% of the state-wide Housing and Small Business Assistance. The infrastructure projects were considered individually and not distributed on a percentage basis; however, as reference, if the infrastructure dollars had been distributed in a percentage allocation, the City of Des Moines portion would have been allocated approximately \$320,000.

On February 9, 2009, under Roll Call Number 09-230, the City Council authorized submittal of four project applications under the Infrastructure Assistance Program. The projects were identified as those

being the most competitive in the grant selection criteria. Important criteria considered were the direct relationship of the project to the 2008 disaster, threat to health, safety, or welfare, benefit to low and moderate income persons and burden associated to the same group if local revenue was used to accomplish the project, and the ability to construct the projects quickly. Three of the four projects submitted were selected for funding, and the City of Des Moines has received contracts from the Iowa Department of Economic Development for the following:

- Contract Number 08-DRI-005 in the amount of \$2,500,000 for Five Storm Water Pump Stations in the Birdland and Central Place Areas,
- Contract Number 08-DRI-006 in the amount of \$2,000,000 for Livingston Avenue Storm Sewer System Lining,
- Contract Number 08-DRI-007 in the amount of \$1,200,000 for Lining of the Sanitary Sewers in the Eastern Portion of the Highland Hill Sanitary Sewer Subsystem, which were approved by the City Council on May 18, 2009 under Roll Call No. 09-832.

The State of Iowa has additional funds available under the Jump Start Program for Housing Assistance, Small Business Assistance, and Infrastructure Assistance. The Iowa Department of Economic Development is now accepting additional applications for the Infrastructure Assistance program. This second round of applications has \$32 million of CDBG funds available, and has a \$5 million project limit; so staff has prepared applications for larger construction projects.

On May 18, 2009 under Roll Call No. 09-832, the City Council approved submission of four additional project applications under the Infrastructure Assistance Program. These additional projects proposed were identified as being competitive in the grant selection criteria. The additional four project applications proposed for submittal are as follows:

1. \$5,000,000 of the estimated \$6,100,000 for construction of the proposed Court Avenue - Water Street Sewer Separation Project.
2. \$5,000,000 of the estimated \$5,400,000 for construction of the proposed Jackson Basin Pump Station.
3. \$1,600,000 for the proposed 33rd Street Sewer Separation Project.
4. \$5,000,000 funding request for the proposed Lower Union Sewer Separation Project.

The design and construction phase services for these proposed projects will be paid with sanitary and storm water utility fees.

On May 19, 2009, under WRA Board Resolution Number 09-75, the WRA Board authorized the WRA Board Chairperson and WRA Board Secretary to execute and attest, respectively, CDBG Disaster Recovery Infrastructure Applications for and on behalf of the Des Moines Metropolitan Wastewater Reclamation Authority for two projects being:

- Des Moines Metropolitan Wastewater Reclamation Authority (WRA) Main Outfall Replacement, Phase 17, Segment 1 Project,
- Des Moines Metropolitan Wastewater Reclamation Authority (WRA) Southwest Area Diversion Facility Pump Station, Phase 22, Segment 5 (Frisbee Park) Project.

and the WRA Board also approved submitting said applications to the Iowa Department of Economic Development.

On May 21, 2009, the City Engineer submitted these WRA applications to the Iowa Department of Economic Development and was told that only cities and counties could apply for CDBG Disaster Recovery Infrastructure funding; however, the City of Des Moines (City) could submit the applications on behalf of the WRA and if funds were awarded, the City and WRA could enter into a sub recipient agreement to transfer the funds and responsibilities from the City to the WRA.

The WRA Director has submitted a letter to the City Manager requesting that the CDBG Disaster Recovery Infrastructure Applications as approved by the WRA Board be modified and submitted by the Des Moines City Council on behalf of the WRA Board.

The Des Moines Legal Department will prepare the necessary sub recipient agreement to transfer the funds and responsibilities from the City to the WRA if funds are awarded.

### **PREVIOUS COUNCIL ACTION(S):**

Date: May 18, 2009

Roll Call Number: 09-833

Action: Authorization to submit CDBG Disaster Recovery Infrastructure Applications to the Iowa Department of Economic Development. (Council Communication No. 09-346) Moved by Kiernan to adopt. Motion Carried 6-1. Absent: Cownie.

Date: May 18, 2009

Roll Call Number: 09-832

Action: Approving execution of three (3) CDBG Disaster Recovery Infrastructure Grants with the Iowa Department of Economic Development. (Council Communication No. 09-338) Moved by Kiernan to adopt. Motion Carried 6-1. Absent: Cownie.

Date: February 9, 2009

Roll Call Number: 09-230

Action: Submission of four (4) CDBG Disaster Recovery Infrastructure Applications to the Iowa Department of Economic Development. (Council Communication No. 09-063) Moved by Kiernan to adopt. Motion Carried 6-1. Absent: Cownie.

Date: October 13, 2008

Roll Call Number: 08-1810

Action: Approving Jumpstart Small Business Assistance Program Grant Agreement. Sponsor: Mahaffey. (Council Communication No. 08-627) Moved by Mahaffey to approve. Motion Carried 6-1. Absent: Cownie.

Date: September 30, 2008

Roll Call Number: 08-1711

Action: Approving Jumpstart Housing Assistance Program Grant Agreement and Application for Jumpstart Small Business Assistance and CDBG Supplemental Funds to assist with recovery efforts due to flooding. Sponsor: Mahaffey. (Council Communication No. 08-589) Moved by Mahaffey to refer to the City Manager to review energy efficiency and elevation of the homes and businesses. Motion Carried 6-1.

### **BOARD/COMMISSION ACTION(S): WRA BOARD**

Date: May 19, 2009

Roll Call Number: WRA Board 09-75

Action: Resolution Authorizing Submission of CDBG Disaster Recovery Infrastructure Applications to the Iowa Department of Economic Development

### **ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

Acceptance of Grant and normal Council actions for bidding and construction of approved projects.

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