



Council Communication

Office of the City Manager

Date

August 24, 2009

Agenda Item No. 63
Roll Call No. 09-
Communication No. 09-618
Submitted by: **Jeb E. Brewer, P.E.**
City Engineer

AGENDA HEADING:

Hearing on Riverpoint West Street Improvements: Resolution approving plans, specifications, form of contract documents, engineer's estimate, receive and file bids and designating lowest responsible bidder as Sternquist Construction Inc., Britt Sternquist, President, 1110 N 14th Street, Indianola, Iowa 50125, \$2,499,556.60.

SYNOPSIS:

This is a public hearing to allow for public input on the Riverpoint West Street Improvements and take the necessary actions as required by Iowa Code to authorize a contract for construction of the proposed project. The City is working with River Point West LLC, George Sherman, President, 233 Park Avenue South, Suite 201, Minneapolis, Minnesota 55415, and Hubbell Realty Company, Rick Tollakson, President, 6900 Westown Parkway, West Des Moines, Iowa 50266, for redevelopment of Riverpoint West and the former Pittsburgh Des Moines Steel site, respectively. The parties agreed to undertake the extension of SW 11th Street from Tuttle Street to Dart Way and Murphy Street from SW 9th Street to SW 11th Street. This project includes reconstructing existing roadways and constructing new roadways in the eastern portion of the Riverpoint West redevelopment area. SW 11th Street will be reconstructed from ML King Jr. Parkway to Tuttle Street and a new roadway extended from Tuttle Street to Dart Way. A new Murphy Street will be constructed from SW 11th Street to SW 9th Street to accommodate the improved grade on SW 11th Street. This project will include grading, pavement, storm sewers and intakes, sanitary sewers and water main.

FISCAL IMPACT:

Amount: \$2,499,556.60 Construction Contract (\$2,777,254.35 City Engineer's Estimate)

Funding Source: 2009-2010 CIP, Page Street-35, Riverpoint West Street Improvements, STR227,
Being:

- \$440,223.79 in City of Des Moines TIF-Backed G. O. Bonds from STR227.
- \$521,290 in Iowa Department of Transportation Revitalize Iowa's Sound Economy (RISE) funds for 50% of construction cost of eligible items with \$521,290 maximum. (Division 1 Paving items are RISE eligible.)
- \$1,538,042.81 in private contributions in accordance with the Supplemental Development Agreement approved on May 19, 2008, under Roll Call No. 08-935, being:
 - \$1,138,879.79 from Riverpoint West L.L.C., which contains proceeds from the HUD Section 108 Loan approved by the City Council on July 23, 2007, under Roll Call No.07-1456, and is to be paid within 10 days after award of the contract.
 - \$399,163.02 from Hubbell Terminal Corporation, which shall be paid upon completion of the project.

ADDITIONAL INFORMATION:

Under separate development agreements, the City is working with River Point West LLC and Hubbell Realty for redevelopment of Riverpoint West and the former Pittsburgh Des Moines Steel site, respectively.

By a Preliminary Agreement approved on May 23, 2005, by Roll Call 05-1331, the parties contemplated the extension of SW 11th Street from Tuttle Street to Dart Way and Murphy Street from SW 9th Street to SW 11th Street, but there was no agreement executed by all parties addressing the issues involved in the design, construction and payment of the work. On May 19, 2008, by Roll Call 08-935, the City Council approved a Supplemental Development Agreement to undertake such design, construction and payment in a uniform and consistent way. The Supplemental Development Agreement also provided for the conveyance of Hubbell-owned property to the City of Des Moines for right-of-way improvements on SW 11th Street and Murphy Street.

The Engineering Department and River Point West LLC have jointly worked with the same consultant, Snyder & Associates, David Moeller, President, 2727 S.W. Snyder Blvd., Ankeny, Iowa 50023, to prepare plans, specifications, form of contract documents and City Engineer's estimate for the construction of the Riverpoint West Street Improvements, 06-2007-010.

On July 27, 2009, under Roll Call No. 09-1298, the City Council received and filed plans, specifications, form of contract documents and City Engineer's estimate for the construction of the Riverpoint West Street Improvements. Before the City Council can enter into a contract, it must hold a public hearing and approve the proposed plans, specifications, form of contract documents and engineer's estimate for the construction of the Riverpoint West Street Improvements, 06-2007-010. The improvement includes reconstructing existing roadways and constructing new roadways in the eastern portion of the Riverpoint West redevelopment area in Des Moines, Iowa. SW 11th Street will be reconstructed from ML King Jr. Parkway to Tuttle Street and a new roadway extended from Tuttle Street to Dart Way. A new Murphy Street will be constructed from SW 11th Street to SW 9th Street to accommodate the improved grade on SW 11th Street. This project will include grading, pavement, storm sewers and intakes, sanitary sewers, water main and other incidental items; in accordance with the contract documents, including Plan File Nos. 493-001/106.

Sealed bids for said improvement were submitted by the following bidders:

Sternquist Construction Inc., Indianola, IA
Concrete Technologies, Inc., Urbandale, IA
Cedar Valley Corp., Waterloo, IA
Corell Contractor, Inc., West Des Moines, IA
Van Hauen & Associates, Inc., Grimes, IA, Bid read under advisement

The bids were received and opened at a public meeting presided over by the City Engineer in the City Council Chambers, 2nd Floor, City Hall, 400 Robert D. Ray Drive, Des Moines, Iowa 50309, at 11:00 a.m. on August 11, 2009.

The City Engineer has determined that the lowest responsive, responsible bid for the construction of said

improvement was submitted by Sternquist Construction Inc. in the amount of \$2,499,556.60, and said bid should be accepted. The Finance Director has determined that funds are available for said improvement, as stated above.

PREVIOUS COUNCIL ACTION(S):

Date: July 27, 2009

Roll Call Number: 09-1298

Action: Ordering construction of the following: Riverpoint West Street Improvements: Receiving of bids, (8-11-09), and Setting date of hearing, (8-24-09). (Construction Estimate - \$2,777,254.35). (Council Communication No. 09-531) Moved by Hensley to adopt. Motion Carried 7-0.

Date: May 19, 2008

Roll Call Number: 08-935

Action: Supplemental Development Agreement with River Point West LLC, Hubbell Realty Company and Hubbell Terminal Corporation for construction of SW 11th and Murphy Street improvements in conjunction with Riverpoint West and former Pittsburgh DSM Steel redevelopment projects. (Council Communication No. 08-304) Moved by Hensley to adopt. Motion Carried 7-0.

Date: October 8, 2007

Roll Call Number: 07-1991

Action: Amended and Restated Urban Renewal Development Agreement with River Point West LLC and a Loan Agreement with River Point West Investment Fund LLC for the Riverpoint West Redevelopment Project. (Council Communication No. 07-612) Moved by Hensley to adopt. City Manager will provide periodic status reports to Council. Motion Carried 7-0.

Date: July 23, 2007

Roll Call Number: 07-1456

Action: Resolutions regarding to the Riverpoint West Redevelopment Project:
(C) Resolution approving form and authorizing execution and delivery. Moved by Hensley to adopt. Motion Carried 7-0.

Date: February 26, 2007

Roll Call Number: 07-355

Action: Revitalize Iowa's Sound Economy (RISE) Grant Agreement to construct and reconstruct a roadway in the Riverpoint West Area (SW 11th Street from Martin Luther King, Jr. Parkway to Dart Way). (Council Communication No. 07-092) Moved by Hensley to adopt. Motion Carried 6-1.

Date: November 21, 2005

Roll Call Number: 05-2793

Action: Urban Renewal Development Agreement and Brownfields Cleanup Revolving Loan Fund ("BCRLF") Agreement with Hubbell Realty Company and Hubbell Terminal Corporation for the redevelopment of a portion of the Riverpoint West area. (Council Communication No. 05-674) Moved by Hensley to adopt. Motion Carried 7-0.

Date: May 23, 2005

Roll Call Number: 05-1331

Action: Preliminary Agreement with Hubbell Realty Company and Hubbell Terminal Corporation (Rick Tollakson, President & CEO) and Riverpoint West LLC (George Sherman, President) for redevelopment of parcels west of SW 9th along Tuttle and Murphy Streets. (Council Communication No. 05-305) Moved by Hensley to adopt. Motion Carried 6-1. Absent:Vlassis.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Partial payments to the contractor and final acceptance of work.

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