

COUNCIL ACTION FORM

SUBJECT: NORTHERN GROWTH AREA UTILITY EXTENSIONS

IMPORTANT NOTES:

Bids for this project could not be received on April 16th due to a newspaper publication error. To overcome that problem, the City Council held a special meeting on April 17th to set April 21st as a new bid date. Sections of this report marked in yellow will be filled in, distributed to the City Council and published on the City's web site late afternoon on April 21st.

An additional consideration with the bidding process is that the water and sewer connection district ordinances were developed based on estimated costs of these projects. Due to the very short time frame to receive bids showing actual cost figures, staff intends to ask the City Council to accept the report of bids only, and not to award a contract at this meeting. That would give staff time to adequately analyze the bids, determine if there is any impact on the connection district ordinances, and provide Council with the best overall recommendation.

BACKGROUND:

Since 2009, the City has been working with developers, land owners and current residents within the northern growth area to plan for the installation of public infrastructure to serve this area. The northern growth area, generally located north of Bloomington Heights Subdivision to 190th Street between George Washington Carver Avenue and Ada Hayden Heritage Park, has been identified by City Council for residential development.

To facilitate this growth, City Council directed that the water main and sanitary sewer main extensions to serve the area along Grant Avenue be included in the 2012/13 Capital Improvements Plan (CIP) and Budget. The 2014/15 CIP also includes street paving of Grant Avenue.

The City will finance the initial costs to design and install each of these improvements. Utility connection districts are being established to recover the utility costs as developments are platted and as existing homesteads connect to these mains. Street construction costs will be shared and recovered through a separate special assessment district. The annexation agreements previously signed between the City and the three developers (Rose Prairie, Quarry Estates, and Hunziker) confirmed these financing arrangements. Construction (temporary) and permanent easements for the utility and roadway (Grant Avenue) projects are continuing to progress through negotiations. No work in these easement areas will occur until the easement agreements are executed.

On April 16, 2014, bids on this project were received as follows:

Engineer's Estimate	\$2,282,356
XXXXXXXXXX	\$XXXXXXXX
XXXXXXXXXX	\$XXXXXXXX

Available project funding for the water improvements are summarized below:

Engineering Services Water Design (Developers)	\$ 24,330
2012/2013 General Obligation Bonds (Water Utility Abated)	\$ 703,000
Unobligated G.O. Bonds (12/13 CyRide Route Pavement Imp)	\$ 125,000
Total Water Improvement Funding	\$ 852,330

The total costs associated with water improvements include the following:

Engineering and Construction Administration	\$ 108,146
Civil Design Advantage (Engineering Services)	\$ 24,330
Base Water Main Construction (estimated)	\$ \$\$\$\$\$\$
Total Estimated Water Improvement Base Costs	\$ \$\$\$\$\$\$

The unobligated G.O. Bonds shown are program savings from specific projects previously passing final acceptance by Council. There are no other planned locations for these savings. The Sanitary Sewer Fund projects are savings realized from a completed project by the Water & Pollution Control Department and will be returned back to the fund balance with final budget amendments for use on other projects.

Available project funding for sanitary sewer improvements are summarized below:

Engineering Services Sewer Design (Developers)	\$ 30,500
General Obligation Bonds (Sewer Utility Abated)	\$ 698,000
Unobligated G.O. Bonds (12/13 CyRide Route Pavement Imp)	\$ 249,828
Unobligated G.O. Bonds (12/13 Downtown Pavement Imp)	\$ 285,996
Sanitary Sewer Funds (vertical turbine pump replacement)	\$ 115,000
Sanitary Sewer Funds (blower replacement project)	\$ 205,000
Total Sewer Improvement Funding	\$ 1,584,324

The total costs associated with sanitary sewer improvements include the following:

Engineering and Construction Administration	\$ 134,854
Civil Design Advantage (Engineering Services)	\$ 30,500
Base Sanitary Sewer Main Construction (estimated)	\$\$\$\$\$\$\$\$\$\$
Total Estimated Sewer Improvement Base Costs	\$ \$\$\$\$\$\$\$

The project included three bid alternates – one for installation of individual water services to the residential homeowners, one for the installation of the water main stubs

to Quarry Estates, and one for the sanitary sewer service stubs for the residents at the south end of the project. **These bid alternates will only be constructed based on available project funding or individual agreements with property owners.**

Bid Alternate "1" (Water Service Stubs)	\$	\$\$\$\$\$\$\$\$
Bid Alternate "2" (Water Main Stubs)	\$	\$\$\$\$\$\$\$\$
Bid Alternate "3" (Sanitary Sewer Service Stubs)	\$	\$\$\$\$\$\$\$\$

The costs associated with the water main and sanitary sewer main installation will be recovered over time through the connection district ordinances that are currently in the process of being established. On April 8, 2014, the City Council approved the first reading of the ordinance to create the appropriate connection districts.

ALTERNATIVES:

- 1a. Accept the report of bids for the North Growth Area Utility Extension Project.
- b. Approve the final plans and specifications for the North Growth Area Utility Extension Project.
- c. Award the North Growth Area Utility Extension Project base bid to **???? of ????**, in the amount of **\$\$\$\$**.
2. Award all bid alternates in the total amount of **\$\$\$\$**.
3. Award Bid Alternate "1" (Water Service Stubs) in the amount of **\$\$\$\$**.
4. Award Bid Alternate "2" (Water Main Stubs) in the amount of **\$\$\$\$**.
5. Award Bid Alternate "3" (Sanitary Sewer Service Stubs) in the amount of **\$\$\$\$**.
6. Award Bid Alternates "1" and "2" in the amount of **\$\$\$\$**.
7. Award Bid Alternates "1" and "3" in the amount of **\$\$\$\$**.
8. Award Bid Alternates "2" and "3" in the amount of **\$\$\$\$**.
9. Reject all bid alternates.
10. Do not proceed with the project at this time.

MANAGER'S RECOMMENDED ACTION:

The City Council is aware that there is insufficient land currently available for single-family home development. By moving forward with this project at this time, the water and sanitary sewer main installation can occur during the 2014 construction season. Hence, the installation of these utilities will be completed ahead of the roadway improvement scheduled to be bid this summer with construction beginning this fall and with completion in the summer of 2015. By awarding the project, these improvements will facilitate the development of residentially zoned land in the north growth area.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 and ???, thereby accepting the report of bids, approving the final plans and specifications, and awarding the North Growth Area Utility Extension Project to ??? of ???, in the amount of \$\$\$.