

COUNCIL ACTION FORM

SUBJECT: FLOOD MITIGATION – RIVER FLOODING (LAND ACQUISITION AND PLANS & SPECIFICATIONS FOR BIDDING)

BACKGROUND:

On February 11, 2020, City Council approved the FEMA grant funding agreement for the stream bank restoration project providing flood mitigation in the loway Creek channel. A central component includes conveyance improvements within the channel approximately 2,000 feet either side of the South Duff Avenue bridge. The estimated costs and funding are as follows:

Flood Mitigation - River Flooding	Fiscal Year			Total Expenditures
	2015/16	2016/17	2018-2020	
Expenditures				
Design Contract (WHKS)	\$138,000		\$181,200	\$319,200
Land Acquisition Agent (CGA)			\$74,800	\$74,800
Land Acquisition (Est)			\$2,178,000	\$2,178,000
Construction (Est)			\$3,497,170	\$3,497,170
Engineering/Constr Admin (City Staff)			\$136,917	\$136,917
				\$6,206,087
Funding Shown in CIP				Total CIP Funding
20/21 Storm Water Utility Funds			\$500,000	\$500,000
GO Bonds	\$644,000	\$504,000		\$1,148,000
FEMA Hazard Mitigation Grant			\$3,747,450	\$3,747,450
				\$5,395,450
Potential Local Funding Shortfall				\$810,637
Available bond savings				\$820,000

A final design has been submitted with permit applications to the Army Corps of Engineers and Iowa DNR. A permit has been received from Army Corps of Engineers and the Iowa DNR permit is expected in the coming days.

In April 2021, appraisals were completed on all the properties. City staff and the City's land acquisition agent for the project, CGA, have made honest, good faith efforts to

negotiate with the property owners and have reached reasonable offers for the needed land that avoids any need to use eminent domain. The property values negotiated for each parcel are as follows:

- Parcel 3: Kenneth and Marjory Howe Trust - \$85,050.92 (partial acquisition)
- Parcel 3: Jim Howe - \$9,400 (tenant compensation)

- Parcel 5: RL Enterprises LLC - \$196,134.48 (partial acquisition)
- Parcel 5: Red Lobster Restaurants LLC- \$84,944 (tenant compensation)

The acquisition of these parcels completes all the land acquisition necessary for the project.

WHKS & Co. has completed plans and specifications with an estimated construction cost of \$3,332,170. **City staff has been working with Iowa Homeland Security to request an overall project completion extension from FEMA. An extension may lead to better bid prices. If FEMA responds prior to the bid letting, an addendum will be issued so bidders can reflect this in their prices for the November 3 letting.**

ALTERNATIVES:

1. a. Adopt resolution approving Purchase Agreement for parcels listed above for the Flood Mitigation – River Flooding project.
 - i. Parcel 3: Kenneth and Marjory Howe Trust - \$85,050.92 (partial acquisition)
 - ii. Parcel 3: Jim Howe - \$9,400 (tenant compensation)
 - iii. Parcel 5: RL Enterprises LLC - \$196,134.48 (partial acquisition)
 - iv. Parcel 5: Red Lobster Restaurants LLC- \$84,944 (tenant compensation)
- b. Approve the loway Creek Restoration and Flood Mitigation project by establishing November 3, 2021 as the date of bid letting and November 9, 2021 as the date for report of bids.

2. Direct staff to renegotiate, thereby rejecting specific purchase agreements.

CITY MANAGER’S RECOMMENDED ACTION:

Approval of these purchase agreements is critical to move forward with the project. Delay or rejection of these agreements could require redesign and delay the construction. Approval of the plans and specifications will establish the bid letting date for the larger construction project where demolition, grading, and restoration will be completed.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as noted above. **This recommendation is predicted on the tenant (Red Lobster Restaurants LLC) providing the signed purchase agreement to the City prior to the Council meeting.**