



*Bob and me*



**TO:** Michael C. Van Milligen, City Manager  
**FROM:** Gus Psihoyos, City Engineer *GP*  
**SUBJECT:** Lower Bee Branch Creek Restoration Project, State Revolving Loan Funds (SRF) Construction Supplemental Loan Application  
**DATE:** January 17, 2014

### **INTRODUCTION**

The purpose of this memo is to present a state revolving loan fund (SRF) application for a supplemental loan for the Lower Bee Branch Creek Restoration Project for review and approval.

### **BACKGROUND**

Through the adoption of the Capital Improvement Program Budget for the Bee Branch Creek Restoration Project, the City Council established that the Bee Branch project was to be funded using State Revolving Loan Funds (SRF).

On September 20, 2010 the City Council passed Resolution 381-10 authorizing the issuance not to exceed \$10,100,000 in Storm Water Utility Revenue Capital Loan Notes of Dubuque for the Lower Bee Branch Creek Restoration Project.

As of December 5, 2013, SRF debt for the Lower Bee Branch Creek Restoration Project has been issued in the amount of \$7,845,000, which expends the maximum amount of the loan requested from the Iowa Finance Authority in October 2010.

The City has spent \$1,029,243 in legal fees and increased construction costs for the Lower Bee Branch Creek Restoration Project. The City is therefore requesting a supplemental SRF Loan to fund these costs. There is an estimated \$740,000 in remaining project costs that will be requested on a second SRF supplemental loan to be requested at a later date.

## **DISCUSSION**

Attached is a State Revolving Fund Loan Application for a supplemental loan for the Lower Bee Branch Creek Restoration Project. The application was prepared with help and information from the Budget Director and the Finance Department.

The application amount of \$1,029,243 reflects the amount needed to fund legal fees and change orders from the Lower Bee Branch Creek Restoration construction contract with Tschiggfrie. This is a supplemental loan that increases the original SRF loan issued for the Lower Bee Branch Creek Restoration project.

A second SRF supplemental loan will be required at a later date in the amount of \$740,000 to complete all elements approved by the Department of Natural Resources for the Lower Bee Branch Creek Restoration Project. This loan will be requested when the final elements approved by the Iowa Department of Natural Resources are scheduled to be constructed.

The two supplemental loans will increase the original loan amount of \$7,850,000 previously issued for the Lower Bee Branch Creek Restoration project to \$9,619,243. The final loan amount may be less if there is a contingency left at the end of the construction project. Resolution 381-10 passed by City Council in September 2010 approved \$10,100,000 in Storm Water Utility Revenue Capital Loan Notes of Dubuque for this project.

Once the attached application has been signed, it will be submitted to the Iowa Finance Authority for processing.

## **ACTION TO BE TAKEN**

I respectfully request that you review and sign the attached State Revolving Fund Loan Application and return them to the Engineering Department.

Once signed, the Engineering Department will submit the application to the Iowa Finance Authority for processing.

attach.

Prepared by Deron Muehring

cc: Jenny Larson, Budget Director  
Ken TeKippe, Finance Director  
Deron Muehring, Civil Engineer II

# Construction Loan Application



**Applicant:** City of Dubuque

Tax ID Number: 42-6004596

Contact person/Title: Kenneth J. Tekippe, Finance Director

Address: 50 West 13th Street

City Dubuque County Dubuque Zip Code: 52001

Telephone Number: 563.589.4133 Fax Number: 563.589.0890

E-mail address: [ktekippe@cityofdubuque.org](mailto:ktekippe@cityofdubuque.org)

Clean Water SRF      NPDES Number: NA

Drinking Water SRF      PWSID Number: \_\_\_\_\_

Please write a brief description of the project: The purpose of the Lower Bee Branch Creek Restoration Project is to alleviate surface flooding, alleviate sanitary sewer backups that result in the flooding of basements with wastewater, and improve the water quality of the Bee Branch, a water of the United States. The project involves the day-lighting 2,100 feet of the buried creek (Bee Branch/Couler Creek) that is confined to a buried rock storm sewer. The design outlines a meandering 15 to 25-foot wide creek through a 150 to 180-foot corridor. During heavier rains, the stormwater will rise out of the creek and spread into the flood channel.

Do you have all permits/clearances required for this project?

	Yes	No	N/A	Date Obtained	Date Expected
Environmental Review (FONSI or CX)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
Operating Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
Construction Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	08/12/10	
Others:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	06/23/10	

Is the system under any regulatory compliance order?  Yes  No

What is the expected construction start date? 08/23/10

Have construction bids been awarded?  Yes  No

What is the expected project completion date? 04/31/15

How many people are served by the system? 58,000

System Utilization for the most recent year:	Number of Connections	Annual Revenue	Percentage of System Annual Usage
Residential	20,701	1,748,008	54%
Commercial	1,687	1,500,000	46%
Industrial	Included with Commercial		
Other			
Unmetered			
Total	22,388	3,248,008	

## PROFESSIONAL CONSULTANTS

**Project Engineer:** Strand & Associates  
Name of Contact Person: Mike Bridwell, PE  
Mailing Address: 910 West Wingra Drive  
City, State, and Zip Code: Madison, WI 53715  
Telephone Number: 608.251.4843  
E-mail address: mike.bridwell@strand.com

**Bond Counsel:** Ahlers & Cooney, LLP  
Name of Contact Person: William Noth  
Mailing Address: 100 Court Ave  
City, State, and Zip Code: Des Moines, IA 50309-2256  
Telephone Number: 515.246.0332  
E-mail address: [wnoth@ahlerslaw.com](mailto:wnoth@ahlerslaw.com)

**Financial Advisor:** \_\_\_\_\_  
**Name of Contact Person:** \_\_\_\_\_  
**Mailing Address:** \_\_\_\_\_  
**City, State, and Zip Code:** \_\_\_\_\_  
**Telephone Number:** \_\_\_\_\_  
**E-mail address:** \_\_\_\_\_

## SOURCE OF FUNDS/COST BREAKDOWN FOR PROJECT

## Project Cost Breakdown

### Source of Funds

<b>Total SRF Loan (from above)</b>	\$ 1,029,243
Federal grant or loan- Specify	\$
Applicant's share	\$
Other- Specify	\$
<b>Total Source of Funds</b>	<b>\$ 1,029,243</b>

Are you interested in an extended term loan (up to 30 years?)  Yes  No

If yes, has the extended term worksheet been completed and submitted to DNR?  Yes  No

NOTE: extended terms are available for all CWSRF loans. The applicant must be considered disadvantaged (51% of population low-to moderate-income) to get an extended term DWSRF loan.

Type of debt requested (check one): G.O.  Revenue  Combination

If GO – Has Bond Counsel or Financial Advisor calculated GO debt capacity for this project?

Yes  No

If Revenue: Do you have any outstanding debt payable from the system revenues?  Yes  No

If Yes, please list or attach debt schedules:

Existing System Debt:	Current Balance	Interest Rate	Year Issued	Maturity Date	Annual Payment (Principal + Interest)
Revenue Bonds					
Other Debt (Payable from System Revenues)					

Has Financial Advisor reviewed parity debt provisions for outstanding debt?  Yes  No  NA

Do you have a current bond rating?  Yes  No  I don't know

If yes, what is it? Aa1 From which rating agency?  Moody's  S&P  Fitch

Have ordinances related to increasing rates been adopted for financing this project?  Yes  No

If no – are you planning on increasing rates?  Yes  No

If yes – when will these ordinances be adopted? \_\_\_\_\_

What will average monthly residential user rates be with new ordinance? \_\_\_\_\_

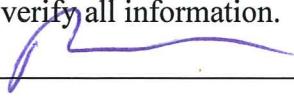
**The applicant must enclose (or email) the following documentation with the completed application.**

Attach Five year pro-forma showing revenue and expenses for system

Link Most recent financial statement  Audited  Unaudited

(If your financial information is available online, you may just provide a link)

The undersigned is duly authorized to request this loan on behalf of the Applicant. The Applicant declares under penalty of law that all facts given and information attached are true and correct. The Applicant authorizes IFA to verify all information.

Authorized Signature  Date 01/06/14

Typed Name and Title Mike Van Milligen, City Manager

Please mail completed applications to:

Iowa Finance Authority

Attn: Tracy Scebold

2015 Grand Ave.

Des Moines, IA 50312

