



TO: Michael C. Van Milligen, City Manager

FROM: Gus Psihoyos, City Engineer

DATE: April 12, 2016

SUBJECT: SRF Green Alley Bid Set 3 – Year 2
(CIP 7102450)

INTRODUCTION

The enclosed resolution provides for the acceptance of the construction contract and the establishment of the Final Schedule of Assessments for the SRF Green Alley Bid Set 3 – Year 2 Project.

BACKGROUND

Construction of permeable paver alleys will reduce the volume and peak flow of runoff to the Mississippi River while also reducing the pollutant load associated with stormwater runoff. As part of the restructuring of the State Revolving Fund (SRF) loan with the Iowa Department of Natural Resources, \$9.4 million was allocated to reconstruct 73 alleys in the Bee Branch Watershed. These alleys are to be reconstructed over the next two years. To date, 51 alleys have been reconstructed under this program. Another 20 alleys are currently under contract ready for spring 2016 construction. An additional 2 alleys are planned for bidding and construction in 2016. This bid set includes 7 alleys.

Bid Set 3 – Year 2 involved the reconstruction of seven alleys in the Bee Branch Watershed. The alley locations are as follows:

- Alley between Ventura Dr. and Broadway St. from Pleasant View Dr. to Putnam St.
- Alley between Fulton St. and Kane St. from King St. to Monroe St.
- Alley between Jackson St. and Washington St. from 25th St. to 26th St.
- Alley between Washington St. and Elm St. from 25th St. to 26th St.
- Alley between Francis St. and Valeria St. from Kaufmann Ave. to W. 23rd St.
- Alley between Kaufmann Ave. and W. 23rd St. from Valeria St. to Francis St.
- Alley between Ashton Pl. and Avoca St. from Decorah St. to Delaware St.

The SRF Green Alley Project Bid Set 3 Year 2 was completed by Portzen Construction, Inc. of Dubuque, Iowa, in the final contract amount of \$1,324,282.02, which is a 10.3% decrease under the original contract of \$1,475,768.50. This decrease is primarily due to reduced quantities of large porous aggregate. This reduction in aggregate does not affect the performance of the alleys.

RECOMMENDATION

I recommend that the City Council accept the improvements and establish the final contract at \$1,324,282.02 and adopt the Final Schedule of Assessments for the SRF Green Alley Bid Set 3 – Year 2 Project.

BUDGET IMPACT

The estimate of probable cost for the SRF Green Alley Bid Set 3 – Year 2 Project is as follows:

	<u>Award</u>	<u>Final</u>
Construction Contract	\$1,475,768.50	\$1,324,282.02
Contingency	136,263.25	0.00
Construction Engineering & Inspection	<u>224,834.36</u>	<u>236,449.56</u>
Total Project Cost	<u>\$1,836,866.11</u>	<u>\$1,560,731.58</u>

The project funding summary is as follows:

<u>CIP No.</u>	<u>Fund Description</u>	<u>Fund Amount</u>
7102450	SRF Green Alley Project	\$ 1,112,752.75
3401654	Bee Branch Combined Utilities	291,879.15
	Special Assessment – Alley Improvement, Residential	116,767.99
	Special Assessment – Alley Improvement, Commercial	0.00
	Special Assessment – Residential Deficiency	0.00
	Private Lead Water Service Replacement	3,405.69
	Private Sewer Lateral Replacement	<u>35,926.00</u>
	Total Project Funding	<u>\$1,560,731.58</u>

SPECIAL ASSESSMENTS

The average public improvements assessment based on the engineers estimate, including contingency and engineering was estimated at \$1,252.55. I am pleased to say the final average public improvements assessment is \$949.33. On average this is a \$303.22 reduction in the final assessment versus the preliminary assessment originally shared with the property owners. Additionally, some property owners (9) had to replace lead water services. The average final cost for lead water service replacement is \$378.41 for those 9 property owners. Most property owners (71) had sanitary sewer laterals

replaced as part of the sanitary sewer main replacement. The average final cost for each homeowner with a sanitary sewer lateral requiring replacement was \$506.

FINANCIAL ASSISTANCE

Low- to moderate-income property owners subject to alley assessment will be eligible for financial assistance ranging from 20 to 100 percent of the alley assessment for the owner-occupied resident property depending on family size and income level. This financial assistance program is made available through the One Percent Local Option Sales Tax.

To allow sufficient administrative time to process financial assistance applications for low-to moderate-income families, eligible property owners will be given approximately 30 days from the date of mailing the Notice of Filing the Final Schedule of Assessments to apply for financial assistance that may reduce the amount of the assessment payable by the property owner.

During this 30-day period, assessments may be paid in full or in part without interest at the City of Dubuque, Office of the City Treasurer. After approximately 30 days, any unpaid assessment will be levied against said benefited property with the Dubuque County Treasurer and any balance over \$500 will be payable in 15 annual installments at the County Treasurer's Office, and will draw annual interest at three percent (3%).

Attached is the financial assistance chart that the City uses in determining financial aid availability for your reference. This chart is updated every year based on the US Department of Housing and Urban Development (HUD) guidelines.

FINAL ASSESSMENT SCHEDULE

The schedule for the Final Assessment process is as follows:

Council Approve Final Schedule of Assessments		April 18, 2016
Mail Final Special Assessments Notice to Property Owners		April 22, 2016
Mail Financial Assessment Information to Property Owners		April 22, 2016
Publish Notice of Final Assessment	1 st Publication:	April 22, 2016
	2 nd Publication:	April 29, 2016
Deadline for Financial Assistance Applications		May 20, 2016
Deadline for Paying Assessment to City, Without Interest		May 23, 2016

ACTION TO BE TAKEN

The City Council is requested to adopt the attached resolutions accepting the improvements, approving the Final Schedule of Assessments, establishing the final contract amount of \$1,324,282.02, and for the payment of the contract amount to Portzen Construction, Inc. for the SRF Green Alley - Bid Set 3 Year 2 Project.

Prepared by Jon Dienst, PE

cc: Jenny Larson, Budget Director
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