



CITY OF COOS BAY URBAN RENEWAL AGENCY
Agenda Staff Report

MEETING DATE June 7, 2016	AGENDA ITEM NUMBER
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TO: Chair Jennifer Groth and Board Members

FROM: Jim Hossley, Public Works Director 
Through: Rodger Craddock, City Manager 

ISSUE: Approve Additional Funds for the Construction Phase of Empire Boulevard Enhancement Project and Public Hearing for a supplemental budget to Appropriate Carryover into the Empire Capital Projects

BACKGROUND:

The URA's Empire Boulevard Project was awarded two ODOT grants totaling \$4,719,103.02. Per the grant agreement with ODOT, the City match is \$759,034. The total of the two grants and City match equals \$5,478,137.02 which is the Total Available Project Funding. Any project cost beyond this amount is 100% the responsibility of the City (URA).

Total design costs were \$759,034, leaving \$4,719,103.02 for construction and engineering construction management costs. The low bid for construction was \$4,846,710.05 (\$127,607 over remaining grant + City match).

To date, the City has paid ODOT \$756,691.94 for the Empire Boulevard project. Of this total, \$90,009.94 was for design phase costs, and \$666,682 for construction phase costs. The construction phase payment was made in September 2015 based on ODOT's estimate of what construction costs would be for the project. In November, staff recommended the URA authorize additional funding due to the actual bid for the Empire project coming in higher than ODOT's estimate. Staff recommended, and the URA approved, total project expenditure of \$1,094,173. This amount was based on the total expenditure to date, the actual bid cost, plus ODOT's estimate for engineering construction management costs. ODOT's estimate for engineering construction management is now higher than what ODOT thought it would be back in November; the current estimate is now \$997,887.86. The City/URA's total project cost estimate (design and construction phases) is \$1,215,504.83. This amount is \$121,331.83 more than the \$1,094,173 approved by the URA in November.

Should the Agency concur with the increased expenditure limit, it will be necessary for the Agency to appropriate carryover into the Empire Capital Projects through a public hearing and supplemental budget process. During FYE 2015 the Empire Capital Projects fund ended the year with more resources than budgeted for expenditure in FYE 2016. This additional carryover is proposed to be appropriated to fund capital projects in the Empire Capital Projects fund, such as the Agency's match for the construction phase of the ODOT Empire Blvd/Sidewalk grant project. To remain compliant with Oregon budget law, the proposed appropriation is required to be performed through the public hearing and supplemental budget process pursuant to ORS 294.471 and ORS 294.473. Approving the attached Resolution 16-04 will authorize the proposed appropriation.

ADVANTAGES:

The City is getting a \$5.93M project built for a local investment of \$1.21M in URA funds. This project will significantly improve pedestrian, bicycle, transit, and vehicle traffic circulation and safety along Empire Boulevard. This project will also improve the visual appeal of the street corridor and enhance economic vitality of the Empire area. Approval of the additional match ensures that the Empire Boulevard Enhancement project will be completed as proposed.

DISADVANTAGES:

Additional matching funds may still be required in the future for the Construction Phase.

BUDGET IMPLICATIONS:

The additional project match of \$121,331.83 will come from the Empire Urban Renewal District Fund. With this addition, the total grant match approved by the URA for design and construction phases would be \$1,215,504.83. Should the URA approve this additional funding for the project, it will be necessary for the URA to hold a public hearing prior to approving the proposal to appropriate carryover into the Empire Capital Projects.

The following is a detail of the balance of the funds before and after the proposed adjustments:

Empire Capital Projects Fund

	<u>Total Appropriation Before Resolution 16-04</u>	<u>Resolution 16-04</u>	<u>New Total Appropriation</u>
Capital Outlay	\$2,677,362	\$469,053	\$3,146,415

While additional spending authority may be requested in the future, staff is not recommending additional spending authority beyond the requested \$1,215,504.83. The URA will want to consider any future cost increases no matter how small.

ACTION REQUESTED:

If it pleases the Agency, approve an additional \$121,331.83 grant match for the Empire Boulevard Enhancement project increasing the total authorized URA match for the Empire Boulevard Enhancement Project to \$1,215,504.83; hold a public hearing; and adopt Resolution 16-04.

Urban Renewal Agency of the City of Coos Bay

Resolution 16-04

A RESOLUTION OF THE URBAN RENEWAL AGENCY OF THE CITY OF COOS BAY, COOS COUNTY, OREGON, ADOPTING A SUPPLEMENTAL BUDGET APPROPRIATING EMPIRE CAPITAL PROJECTS FUND CARRYOVER.

WHEREAS, appearing to the Urban Renewal Agency of the City of Coos Bay that the Agency has complied with the provisions of ORS 294.473 to appropriate funds to adjust fund expenditures by more than 10% of the fund's adopted expenditure total; a public hearing shall be held; the governing body at a regularly scheduled meeting shall adopt a supplemental budget by resolution stating the need, purpose, and amount of the appropriation; provide notice of the meeting by publishing not less than five days before the meeting; and the notice includes a summary of the changes proposed; and

WHEREAS, the Agency recognizes the need to appropriate unanticipated carryover into the Empire Capital Projects Fund to fund capital projects; and

WHEREAS, the additional resources and requirements have been determined and set forth as below:

Empire Capital Projects Fund

Resources	Carryover	\$469,053	
Requirements	Capital	\$469,053	
	New Total Empire Capital Outlay		\$2,612,186
	New Total Empire Capital Projects Fund		\$3,146,415

NOW, THEREFORE, BE IT RESOLVED THAT, the Urban Renewal Agency of the City of Coos Bay, Coos County Oregon hereby adopts the FY 2016-2017 supplemental budget as set forth above, and appropriates the sums as shown.

The foregoing resolution was duly adopted by the Urban Renewal Agency of the City of Coos Bay, Coos County, Oregon this 7th day of June 2016.

Jennifer Groth, Chair

ATTEST:

Susanne Baker, City Recorder