



## City Commission Agenda Item

Meeting Date: June 3, 2025

From: Randy Frazer, City Manager

Item: Approval of Supplemental Agreement No. 1 to City-State Agreement No. 104-19 with KDOT (Project No. 18 TE-0471-01 – Hike-Bike Trail Extension Phase 2)

**Motion:** A Resolution authorizing the City of Arkansas City to approve Supplemental Agreement No. 1 to City-State Agreement No. 104-19 between the City of Arkansas City and the Kansas Department of Transportation (KDOT) for the Hike-Bike Trail Extension Phase 2 project, and to ratify the mayor's prior execution of the agreement due to the time-sensitive nature of the request. **(Voice Vote)**

**Background:** The original City-State Agreement (No. 104-19) signed February 9, 2021, for the Hike-Bike Trail Extension Phase 2 project, included a maximum cap on federal funds of \$840,091, with the City responsible for any costs exceeding that cap, in addition to its required 20% match.

On May 22, 2025, the Kansas Department of Transportation submitted Supplemental Agreement No. 1 (Agreement No. 501-25) to the city for execution. The purpose of this supplement is to remove the federal funding cap while maintaining the existing 80% federal / 20% local cost-sharing ratio for construction and construction engineering.

Key Changes in the Agreement:

- KDOT will now cover 80% of actual construction and construction engineering costs, with no maximum limit.
- The city remains responsible for:
  - 20% of actual construction and engineering costs.
  - 100% of costs related to preliminary engineering, right-of-way acquisition, utility adjustments, and non-participating items.

Financial Impact: Based on the low bid of \$1,476,822 (Prado Construction LLC), the City's local share under the original agreement would have been approximately \$636,731. Under the new terms in the supplemental agreement, the City's share is reduced to \$295,364, resulting in projected savings of over \$341,000.

Both the City Attorney and Finance Director reviewed the supplemental agreement and confirmed there were no legal or financial concerns. Due to the time-sensitive nature of KDOT's request, and in order to secure the financial benefits, the mayor executed the agreement in advance of this meeting. This action item seeks to formally approve and ratify that decision.

**Commission Options:**

1. Approve the Resolution
2. Disapprove of the Resolution
3. Table the Resolution for further discussion

**Fiscal Impact:** Amount: (\$341,000.00)

Fund: 68 (Capital Improvement) Department: 100 (General Government) Expense Code: 6220 (Engineering)

☐ Included in budget      ☐ Grant      ☐ Bonds      ☒ Other Not Budgeted

**Attachments:** Supplemental Agreement No. 1 18 TE-0471-01-TA-T047(101)

**Approved for Agenda by:**

Randy Frazer, City Manager