

# AGENDA ITEM SUMMARY

City Council



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## STAFF

Matt Fater, Director, Civil Engineering  
Heather McDowell, Special Projects Manager  
Joe Wimmer, Director, Utilities Finance

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## SUBJECT

**First Reading of Ordinance No. 073, 2025, Appropriating Prior Year Reserves and Authorizing Transfers of Appropriations for the Oak Street Stormwater Project and Related Art in Public Places.**

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## EXECUTIVE SUMMARY

The Oak Street Stormwater Project is currently under construction and progressing as planned. Staff has identified the need for an additional \$1,515,000 appropriation from the Stormwater Utility Reserve Fund to supplement the existing appropriated budget, including \$15,000 for Art in Public Places. The additional appropriation will fund remaining project support services as well as a minor contingency for unanticipated costs to complete the project.

An Art in Public Places contribution, per Code, has been added to the total project supplemental appropriation amount.

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## STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

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## BACKGROUND / DISCUSSION

The Oak Street Stormwater Improvement Project is a priority stormwater project for the City because it will contribute to resolving urban flooding and stormwater quality issues in downtown Fort Collins. The project will provide stormwater infrastructure including a combination of grey and green infrastructure to reduce flooding impacts along the Oak Street corridor and adjacent blocks. Large diameter storm pipes ranging in size from 48" to 78" will extend from the previously constructed Oak Street Outfall, starting at Mason Street and extending to Jackson Street near City Park. There will be approximately 8,500 linear feet of new stormwater mains along Oak Street and cross streets that extend north to Mountain Avenue and/or south to Olive Street. Green infrastructure includes water quality ponds, or "rain gardens" in three locations along the Oak Street corridor to filter street runoff. Additional information on the project and associated public outreach can be found here: [Oak Street Stormwater Improvements Project](#).

The project started construction in July of 2024 with an anticipated completion of August 2026. To date, approximately 40% of the work is completed which includes 772 linear feet of tunnelling and 2,050 linear feet of mainline storm sewer.

To date, the total appropriated budget, , for this project is \$42,882,815. Previous city annual budgets appropriated \$2,920,000 and there was an off-cycle appropriation in 2023 for \$39,962,815. The off-cycle appropriation was for the municipal bond proceeds issued by the Stormwater Utility enterprise in the Fall of 2023. The total project budget includes engineering, project and construction management, permitting, and construction services with construction contract accounting for the most significant portion. In addition to these elements of the project budget, typically a contingency of 5-10% would be included in the final budget. However, this level of contingency was not included in the 2023 appropriation due to the timing of the bidding and bonding processes. Instead, the project started construction with a contingency of less than 1%.

The construction contract portion of the project has been progressing as planned with minimal unanticipated expenses. However, the project expenses related to professional services, project management, and other support services have exceeded original estimates. These are future expenses for the project as the project moves into the second year of construction. There are also some minor potential expenses associated with pending issues related to construction such as concrete and asphalt replacement and utility relocations that will likely be realized before the end of the project. In addition to these known and pending expenses, a minor contingency (1.5%) is requested to cover unanticipated expenses for the remaining portion of the project. The Budget Summary (below) summarizes the existing appropriations and anticipated expenses as well as the requested appropriation to complete the project.

Staff requests a \$1,515,000 supplemental appropriation from Stormwater Fund reserves based on the budget analysis summarized in the Budget Summary, with \$1.5M for the capital project and \$15,000 for Art in Public Places, per code. This level of contingency is relatively small for a project of this magnitude. A typical construction contingency would be 5-10%. However, staff believes this is sufficient to complete the project based on the progress to date and a risk assessment of the remaining work.

### **Budget Summary**

	Appropriations	Encum. & Expend.	Balance
Current Appropriation Status	\$ 42,882,815	\$ 41,548,387	\$ 1,317,666
Future Expenses (Known)		\$ 2,132,077	\$ (814,411)
Pending Issues (Potential)		\$ 119,994	\$ (934,404)
Appropriation Request w/ 1.5% Contingency	<b>\$ 1,500,000</b>		\$ 565,596
Total Project Appropriation	\$ 44,382,815		

### **CITY FINANCIAL IMPACTS**

This ordinance will appropriate \$1,500,000 for Stormwater Fund non-lapsing expenses, plus \$15,000 for Art in Public Places, for a total appropriation of \$1,515,000. Storm Drainage Fund reserves are available for this capital project appropriation and are projected to end the year above the City's fund reserve target.

Art in Public Places: Stormwater has a total cap for an Art in Public Places contribution of \$100,350 based off 0.5% of total budgeted revenue for 2025. \$24,000 was appropriated during 2025-2026 Budgeting for Outcomes (BFO) process. This project will allocate an additional \$15,000 for fiscal year 2025. The contribution will be as follows: \$11,700 will remain in the Stormwater fund for Art in Public Places artwork

and \$3,300 will be transferred to the Cultural Services and Facilities fund for operations and maintenance respectively.

### **BOARD / COMMISSION / COMMITTEE RECOMMENDATION**

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Council Finance Committee supported the additional appropriation at the March 6, 2025, meeting.

Also, the Water Commission unanimously recommended approval of the appropriation at the March 20, 2025, meeting.

### **PUBLIC OUTREACH**

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The public outreach for the project has been extensive including a bi-weekly newsletter and website updates.

### **ATTACHMENTS**

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1. Ordinance for Consideration
2. Water Commission Minutes, March 20, 2025
3. Presentation