

# AGENDA ITEM SUMMARY

City Council



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## STAFF

Lance Smith, Senior Director of Finance for Utilities  
Heather McDowell, Special Projects Manager

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## SUBJECT

**First Reading of Ordinance No. 006, 2024, Authorizing Transfers and Appropriating Related Funds for the Oak Street Stormwater Improvements Project.**

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## EXECUTIVE SUMMARY

The purpose of this item is to request an appropriation to fund the construction of the Oak Street Stormwater Improvements Project. It will fund the construction contract with the general contractor; contracts for resident engineering and construction management services, permitting and internal project support and management; construction contingency (~4%) and funding for the Art in Public Places (APP) program. The construction contingency included herein is less than the typical amount that would normally be associated with this size of contract (10-15% is typical). If additional contingency funds are needed in the future, those funds would be requested to be appropriated from the Stormwater Reserve Fund.

The total amount being requested for appropriation is \$39,962,815:

- Construction Contract \$36,645,015
- Construction Support (Resident Engineer, Construction Manager, Permitting and Internal Support) \$1,720,000
- Construction Contingency \$1,550,000
- APP Program \$47,800

The Stormwater Utility Enterprise Board adopted Ordinance No. 011, 2023 (First Reading on September 19, 2023, and Second Reading on October 3, 2023) authorizing bond issuance in the Stormwater Fund for the construction of the Oak Street Stormwater Improvements project. Following the sale and closing of the bonds, gross proceeds in the amount of \$40.4M were deposited into the Stormwater Fund reserves on October 31, 2023.

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## STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

## **BACKGROUND / DISCUSSION**

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The Oak Street Stormwater Improvement Project is a priority stormwater project for the City because it will contribute to resolving the urban flooding and stormwater quality issues in downtown Fort Collins. The Oak Street project supports Strategic Objective SAFE 5.5 to address flooding risk for the protection of people, property, and the environment.

The Oak Street project is one of several projects developed as part of the Downtown Stormwater Improvement Program (DSIP). The DSIP was recently created (2017-2019) as a basin-wide evaluation of existing stormwater systems and is the development of a comprehensive strategy to mitigate flood risk and damages in the Old Town Basin. 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.

Addressing flooding issues in downtown Fort Collins will provide resilience for the future of the community, improve public safety, avoid costly flood damages in the future and address recurring street and intersection flooding.

The design for this project was completed in June of 2023 and solicitation for a general contractor for construction began at that time. The general contractor is anticipated to be under contract in early 2024, which will allow for a preconstruction timeframe of approximately 6 months and construction start timeframe in mid to late summer 2024. The total duration for construction of the project is anticipated to be 24-30 months.

## **CITY FINANCIAL IMPACTS**

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The appropriation for the debt service on the bonds associated with this project was adopted through the 2023-2024 Biennial Budget. The bonds were then issued following the adoption of Ordinance No. 011, 2023. As such, there is no request for use of additional reserves in this request beyond the appropriation of the realized bond proceeds.

Ahead of the 2023-2024 Biennial Budget the long-term strategic financial plan for the Stormwater Enterprise Fund was presented to the Council Finance Committee. The financial impact of issuing this debt was considered as part of that plan. This project, along with the overall stormwater capital improvement plan, resulted in the need to increase rates for monthly stormwater services by 3.0% in 2023 and 2024.

Art in Public Places Breakdown: Stormwater has a total cap for APP contribution of \$94,800 based off 0.5% of total budgeted revenue for 2024. Forty-seven thousand dollars (\$47,000) was appropriated during 2023-2024 Budgeting for Outcomes (BFO) process. This project will allocate the remaining amount of \$47,800 and will put Stormwater at the cap for APP contributions for fiscal year 2024.

The contribution will be as follows: \$37,284 will remain in the Stormwater fund for APP artwork and \$10,516 will be transferred to the Cultural Services and Facilities fund for operations and maintenance respectively.

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

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At the August 3, 2023, meeting, the Council Finance Committee supported proceeding to First Reading for the Debt Ordinance with the full Council.

At the Stormwater Utility Enterprise Board meeting on September 19, 2023, the Board unanimously adopted Ordinance No. 011 on First Reading and Resolution No. 002, relating to Authorization and Issuance of Revenue Bonds in the Stormwater Utility Fund and the Determination of Sale of those Bonds.

At the Stormwater Utility Enterprise Board meeting on October 3, 2023, the Board unanimously adopted Ordinance No. 011 on Second Reading.

## **PUBLIC OUTREACH**

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None.

## **ATTACHMENTS**

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1. Ordinance for Consideration
2. Project Location Map