

CITY OF RICHLAND CENTER – AGENDA ITEM DATA SHEET

Agenda Item: Valley View Drive Street Project with City Utilities

Meeting Dates: Utility Commission on 4/8/2026, Finance and Council on 4/21/2026

Requested by: Jasen Glasbrenner, Director of Public Works

Background: City Utilities has approved and is proceeding with the replacement of the aging water main along Valley View Drive, Stori Drive, and Chestnut Street. Four bids were received on April 7, 2026; G-Pro Excavating LLC was the low bidder at **\$913,955** for all work. The City has an opportunity to partner with City Utilities as has been done in the past. This would allow the City to address the street, curb, gutter, and storm sewer portions of the project under the same contract lowering projects costs for both entities.

The pavement, curb, and gutter along these streets are in dire condition and are well overdue for replacement. The City did not plan for this work in the 2026 budget, but the opportunity to complete it under an already-bid, already-mobilized contract is one the City will not have again at this price.

- **Lower cost:** Shared mobilization and traffic control with the City Utilities project eliminates large cost drivers of a standalone street project.
- **One disruption:** Residents face construction once, not twice. Combining all work into a single season avoids a second round of road closures in a future year.
- **Protects the new infrastructure:** Resurfacing over the new water main at the time of installation is best practice.
- **Declining does not defer the need:** The road must be rebuilt. Waiting means higher costs, a separate bid process, and another year of deterioration.

PROJECT COSTS		
Item	Utility Cost	City Cost
Base Bid - Valley View Drive	\$424,285	\$15,523
Alt A: Chestnut Street and Stori Drive	\$114,619	\$2,100
Alt B: Pulverize & Re-Surface Valley View Drive	\$72,848	\$104,412
Alt C: Pulverize & Re-Surface Stori Drive and Chestnut Street	\$30,423	\$15,092
Alt D: Valley View Drive Storm Sewer	\$0	\$34,186
Total Construction (Base + Alternates, A, B, C & D)	\$642,175	\$171,314
Construction Engineering and Administration	\$45,556	\$11,389
Total Construction Cost	\$687,731	\$182,703
Contingency	\$34,818	\$8,704
TOTAL PROJECT	\$722,548	\$191,407

Financial Impact: City's Portion of the total project cost is \$191,407

Funding Source: Because this project was unplanned it was not included in the 2026 budget. However, the following financing options are available:

- **Pool 4 – Street Projects:** Approximately \$317,232.78 is available in this fund, making it a straightforward option requiring no borrowing. However, nearly depleting this reserve would significantly limit the City's capacity to fund future street projects and would result in a loss of interest earnings on those funds.
- **Borrow from City Utilities:** City Utilities has offered to finance the City's share at a negotiated interest rate over an agreed repayment term. This option preserves the Street Projects fund balance and, importantly, debt payments on intergovernmental borrowing can be levied outside of the City's statutory levy limit.
- **Local bank loan:** The City could finance its share through a local financial institution at prevailing municipal rates. While this option also allows debt payments to be levied outside the levy limit, it will likely carry a higher interest rate than borrowing from City Utilities and will require a more involved procurement process.

Estimated Tax Levy Impact

Based on \$191,500 at 4% interest | City 2025 TID-Out Equalized Value: \$462,222,800

Loan Term	Annual Debt Service	Levy per \$1,000 EV	Est. Annual Tax (\$250,000 Home)	Est. Monthly Impact
10 Years	\$23,610	\$0.051	\$12.77	\$1.06
15 Years	\$17,224	\$0.037	\$9.32	\$0.78
20 Years	\$14,091	\$0.031	\$7.62	\$0.64

Requested Action:

FINANCE: Motion to recommend Council approval of the City's participation in the 2026 Valley View Drive project in partnership with City Utilities, authorizing the City's share of project costs in an amount not to exceed \$191,500 for the Base Bid and all Alternates and to recommend that the City finance its share through:

(Select one)

- Pool 4 – Street Projects, or
- An intergovernmental loan from City Utilities at a negotiated interest rate and repayment term, or
- A local bank loan at prevailing municipal rates

and further recommending that the City Administrator and Treasurer be authorized to negotiate and execute the necessary financing documents consistent with the option selected.

COUNCIL: Motion to approve the City's participation in the 2026 Valley View Drive project in partnership with City Utilities, authorizing the City's share of project costs in an amount not to exceed \$191,500 for the Base Bid and all Alternates and to recommend that the City finance its share through:

(Select one)

- Pool 4 – Street Projects, or
- An intergovernmental loan from City Utilities at a negotiated interest rate and repayment term, or
- A local bank loan at prevailing municipal rates

and further recommending that the City Administrator and Treasurer be authorized to negotiate and execute the necessary financing documents consistent with the option selected.

Attachments

- Bid Tabulation
- G-Pro Excavating LLC Bid Allocation – MSA Professional Services
- Project Plan Set – MSA Professional Services, Project No. 11137052