



REQUEST FOR COUNCIL ACTION

Title: Request for Council Action – Contract Approval for the Nandina Overlay Project (9th Avenue to 12th Avenue)

Preferred Agenda: September 24, 2024

Submitted By: Cecily Hope Pretty, Interim Assistant City Manager

Reviewed By: Jason Ogden, Interim City Manager / Police Chief

Type of Action: Resolution Motion Roll Call Other

Relevant Code/Policy: Council Goals

Towards Council Goal: Infrastructure, Be an Effective & Efficient Government, Rejuvenate Essential Services, Image Building

Attachments: Nandina Overlay Quote
Project Exhibit

Purpose of this RCA:

To review and approve a contract to complete the overlay of Nandina Street from 9th Avenue to 12th Avenue.

Background/Context:

Maintenance on Nandina Street has been an ongoing challenge for many years. The City has typically pursued low-cost, interim solutions on Nandina such as addressing potholes and cracksealing, which currently costs an estimate of \$2,500 for materials and staff time. As part of the annual budget in past year, the City has also planned to chipseal roads citywide but the cost for this application has increased significantly in recent years. The estimated cost to chipseal Nandina within the project limits exceeds \$50,000 and the chipseal application is expected to degrade in less than two years. As a longer-term solution, the City is proposing a project in the total amount of \$77,740 to perform an overlay on Nandina Street from 9th Avenue to 12th Avenue.

The Challenge/Problem:

There is funding available through the Surface Transportation Block Grant (STBG) program that has been allocated to the City of Sweet Home through an Intergovernmental Agreement (IGA) with the Oregon Department of Transportation (ODOT). This funding is provided to states through federal allocation, who may then dedicate it to local streets projects. The City's potential allocations are set to expire in 2025 due to a restructuring of the fund, so the City needs to take action to take advantage of the remainder of the available funding. Previous STBG funding has already been requested and allocated to reimburse the City's Transportation Fund for streets projects that were already completed (paving on Ironwood and Juniper), but \$50,000 in STBG funding remains unallocated and is set to expire unless action is taken by the City to select an eligible streets project. The Nandina overlay project was identified as a high priority streets project by staff and based on complaints from area residents.

Stakeholders:

1. **Citizens:** Citizens deserve quality infrastructure.
2. **City Council:** City Council has prioritized the improvement of local infrastructure, particularly if funding is available outside of the General Fund.
3. **City Staff:** Staff can take advantage of existing fund structures to improve infrastructure and reduce maintenance requirements and costs in the near- and long-term.

Issues and Financial Impacts:

The total estimated project cost is \$77,740. \$50,000 of this project cost can come from the remainder of the STBG funding available to Sweet Home, with the remaining \$27,470 to come from the City's Transportation Fund. There is sufficient funding in the Transportation Fund to cover the City's portion.

The City of Sweet Home is facing decreasing revenues from gas taxes, which has led to less availability of funding dedicated to street maintenance. The STBG funding is being restructured at the state level and may be lost if the City of Sweet Home does not take action to allocate the funds by the end of 2025. Additionally, the City's IGA with ODOT for management of these funds expires September 30, 2024, so a new IGA would be required for the remainder of 2024 in order to identify a different project eligible for the funds.

The proposed overlay is anticipated to last a minimum of 8-10 years and potentially longer with minimal maintenance required, which will lead to significant savings to the City versus the typical methods of annual upkeep.

If approved, the project is anticipated to have minimal impact to the surrounding community. Area residents will receive City correspondence seven days prior to the beginning of work to inform them of the project details, which will include temporary parking restrictions, and signage will be placed two days prior to the beginning of work. No full street closure is anticipated and the contractor estimates that they can complete the entirety of the project in two business days or less.

Elements of a Stable Solution:

A maintenance solution that is both cost-effective and allows for long-term preservation of pavement quality without unnecessary additional negotiations with ODOT and the loss of available money.

Options:

1. **Do nothing:** The City Council could choose not to authorize the contract and the work will not be performed.
2. **Recommend an alternate solution:** The City Council could direct staff to investigate and/or perform alternate maintenance methods within the project footprint or ask to modify the terms of the contract, or the City Council could ask staff to identify other projects eligible for the funding.
3. **Approve the contract as proposed:** Staff will finalize the contract and perform the overlay within the project limits as proposed.

Recommendation:

Staff recommends Option 3: Approve the contract as proposed.