



City of Grand Island

Tuesday, June 12, 2012

Council Session

Item E7

Public Hearing on Contract Amendment to CDBG 10-ED-10

Staff Contact: Marco Floeani

Council Agenda Memo

From: Community Development
Meeting: June 12, 2012
Subject: CDBG 10-ED-10 Contract Amendment
Item #'s: E-7 & G-12
Presenter(s): Marco Floreani

Background

The City of Grand Island along with the assistance of the Grand Island Economic Development Corporation (GIAEDC) is seeking a contract amendment for Community Development Block Grant 10-ED-10. The purpose of 10-ED-10 is to provide sanitary and water extensions to Platte Valley Industrial Park-East. The city received a grant for \$935,000.000 in the form of a community development block grant in 2011. The City is using both sanitary sewer and water funds along LB840 funds to produce a match for a total of \$1,275,000.00.

The accepted bid from Diamond Engineering Co. of Grand Island, NE for wastewater was \$484,384.60 and \$778,524.96 for water. The reasoning for wastewater being so much lower was that originally Grand Island thought a lift station would be needed. After further investigation, a lift station is not needed at this time, leaving a project cost savings of approximately \$500,000.00. There was also a cost saving of approximately \$400,000.00 on water main; a total savings of \$900,000.00.

This brings the City of Grand Island and the GIAEDC asking the State of Nebraska to authorize the reallocation of the savings to be used to pave Blaine Street. City of Grand Island staff and the GIAEDC recently presented the request to use savings on a paving project to the State of Nebraska Department of Economic Development. As the block grant is providing 43% of the project cost, there would be approximately \$380,000.00 available for the paving of Blaine Street. With approval by the City Council, the City of Grand Island and GIAEDC are optimistic their request for a contract amendment will be granted by the State of Nebraska.

Discussion

A contract amendment was prepared by community development and the estimated cost of the paving of Blaine Street is \$937,091.00 with \$380,000.00 of the project cost being funded by CDBG funds. At this time it is requested that the Council approves the Community Development Block Grant contract amendment to reallocate savings towards the paving of Blaine Street.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve Community Development Block Grant contract amendment
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council approve the Community Development Block Grant contract amendment.

Sample Motion

Move to approve the Community Development Block Grant-Economic Development Grant contract amendment for the paving of Blaine Street at the Platte Valley Industrial Park and authorize the Mayor to sign all related documents.