

# REQUEST FOR CITY COUNCIL CONSIDERATION

Meeting Date: July 16, 2007

Agenda Item: 3(D)	Prepared By: Rony Joel, Public Works Director Date: July 2, 2007
Agenda Section: Business: Discussion	
Subject: Construction of Lamplighter/Sheffield Assessment Areas	Department: Public Works

## **BACKGROUND:**

City Council is asked to authorize receipt of competitive bids for the STRP construction in the Lamplighter and Sheffield Assessment Areas.

By Resolution dated April 23, 2007 City Council established the Lamplighter and Sheffield Assessment Areas. Design engineering for the sanitary sewer lines was authorized. Competitive bids for the constructions were planned for later this year with construction to begin in April 2008.

Current construction of Year 2 assessment areas (three areas and two sub-areas) is progressing well. Completion in at least one of the areas is expected to occur in October rather than December as originally anticipated. Furthermore, a contract for installation of lift stations to serve Lamplighter/Sheffield is in progress and should be completed around December.

Design engineering, anticipated availability of contractors, and staff management capacity can support additional sanitary sewer line construction beginning late summer with estimated construction completion in January 2008. Therefore, City Council may wish to authorize advancement of construction for the Lamplighter and Sheffield Assessment Areas.

City Council has expressed interest in minimizing STRP construction costs. One of the reasons is because some of the STRP cost has been shifted to all utility customers due revised STRP policy decisions. It is, therefore, in the interest of those in the STRP assessment areas and all other utility customers to complete construction at the least cost.

Staff has little reason to believe that construction costs will be lower in April of next year than in September of this year. Construction costs, as reported by the Engineering News Record, a common guide for public works utility constructions reports that construction material costs have increased between 4%-13% from January 1 through June 18th. Anecdotal evidence suggests costs will continue to rise for common materials used for STRP construction (aggregate, asphalt, concrete).

Should City Council authorize receipt of competitive bids with award of contract in August and work to begin thereafter, construction in the Lamplighter and Sheffield areas should be completed in January 2008 rather than December 2008 as previously anticipated.

Due to a recent policy change, connection of the home to the new sanitary sewer line will be required by February (or later) in 2009, which is consistent with the original schedule when 90 day connection was required. Property owners will be notified of their assessments in the March/April 2008 timeframe, and

those who elect to make 20 equal annual installments will have their first installment included with the property tax bill received in November 2008.

The "official" assessment letter mailed to each property owner prior to adoption of the Final Assessment Resolution stated the first installment would begin with the tax bill of November 2008. The original STRP plan anticipated assessment payments would begin in 2008. All letters pertaining to the Voluntary Assessment Program, of which Lamplighter/Sheffield are eligible to participate, provided for assessments beginning 2007. However, one letter mailed this year, anticipated the first installment would begin in 2009.

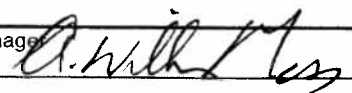
190 (48%) property owners in the Lamplighter area and 176 (39%) property owners in the Sheffield area have expressed interest in the Voluntary Assessment Program (2006 construction cost "lock-in"). Assuming all execute the Deferred Payment Agreement by August 10, 2007, the assessment for these properties will be included with the tax bill received in November 2007.

**RECOMMENDED ACTION:**

Authorize receipt of competitive bids for the STRP construction of sanitary sewer lines in the Lamplighter and Sheffield Assessment Areas.

Reviewed by Department Director

Reviewed by City Manager



Council Action:

Motion by:

Second by: