



Request for City Council Committee Action From the Department of Public Works

Date: December 14, 2004
To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee
Referral to: Honorable Barb Johnson, Chair Ways and Means/Budget Committee

Subject: U.S. Courthouse Capital Project Closeout-TAD Garage Construction Costs

Recommendation:

Utilize excess revenue in US Courthouse Projects (4100-943-9464 Proj# A6232 and A6233) for payment of final construction invoice related to the Third Avenue Distributor ramp projects and transfer the balance to fund 7500 by:

1. Amendment of the 2004 Capital Improvement appropriation resolution for the PW-Transportation Capital Agency in the Permanent Improvement Fund by decreasing \$272,884 (4100-943-9464) to close out projects A6232 and A6233;
2. Increasing the appropriation for PW-Transportation Capital Agency in the Municipal Parking Fund (7500-943-9464) by \$357,072.
3. Increasing the appropriation in the Transfer Agency in the Permanent Improvement Fund (4100-127-1270) by \$1,781,184 and increasing revenue source 3841 in the Transfer Agency in the Municipal Parking Fund (7500-127-1270) by \$1,424,112 and increase revenue source 3841 in the PW-Transportation Capital Agency in the Municipal Parking Fund (7500-943-9464) by \$357,072.

Previous Directives:

- In March 1988 the City Council authorized the execution of a cooperative construction agreement with MnDot for the construction of the 7th Street Garage, detailing the City's obligations for its portion of the cost.
- In February 1991 City Council granted various approvals for the construction of the U.S. Courthouse Ramp project including the master plan, parking garage location and finance plan for the construction of the improvements related to the project.
- In January 1995 the City Council authorized the transfer of capital appropriation amounts totaling \$759,406.54 in the TAD construction accounts to the U.S. Courthouse Project

Prepared by: Michael W. Sachi, Parking and Skyway Systems Engineer 673-2159

Approved by:

Klara Fabry, P.E., City Engineer, Director of Public Works

Presenters: Michael W. Sachi, Parking and Skyway Systems Engineer

Financial Impact (Check those that apply)

No financial impact - or - Action is within current department budget.

(If checked, go directly to Background/Supporting Information)

Action requires an appropriation increase to the Capital Budget

Action requires an appropriation increase to the Operating Budget

Action provides increased revenue for appropriation increase

Action requires use of contingency or reserves

Other financial impact (Explain):

Request provided to the Budget Office when provided to the Committee Coordinator

Background/Supporting Information Attached

The construction of the Third Avenue Distributor garages was performed under a cooperative construction agreement with The Minnesota Department of Transportation (MnDOT). The City's share of the construction cost totaled \$3,079,849.86 and to date, the City has paid \$2,722,778.60. Per the terms of the agreement, the final payment from the City is to be paid upon completion of the project closeout activities by MnDot. The project has recently been finalized and closed out, and the City owes \$357,071.26 as its final payment. However, the City's capital project was closed out several years ago, during the construction of the U.S. Courthouse project, when all existing balances in the TAD capital projects were shifted to the U.S. Courthouse project.

Public Works has worked extensively with the Finance Department to address the funding issues related to these projects. Now that the U.S. Courthouse project is completed, we have determined that the remaining balances in the U.S. Courthouse projects can be closed out. Public Works and Finance are recommending that the existing balances of \$70,067.27 and \$1,711,116.20, that were financed by loans from other sources, which have since been repaid in full from the Parking Fund, be transferred back into the Parking Fund. In addition, a capital project needs to be reestablished in order to pay the remaining invoice for the TAD garage project.

Cc: Patrick Born
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