

OFFICE OF THE CITY MANAGER  
DES MOINES, IOWA

ITEM 80

CITY COUNCIL COMMUNICATION 97-077  
FEBRUARY 17, 1997 AGENDA

SUBJECT:	TYPE:	SUBMITTED BY:
LETTER OF AGREEMENT WITH THE MTA—PARK AND RIDE PROJECT	◆ RESOLUTION ORDINANCE RECEIVE/FILE	RICHARD CLARK DEPUTY CITY MANAGER

**SYNOPSIS —**

On January 27, 1997, the City Council approved a Terms of Agreement with the Principal Mutual Life Insurance Company (PMLIC) for the Park and Ride Project. This Terms of Agreement stipulated that PMLIC would pay \$100 per month per space for 900 spaces, and for a term of 40 years. Based upon our agreement with PMLIC, it is necessary for the City to proceed as quickly as possible to shift project responsibilities from the MTA to the City, revise the federal grant agreements as necessary, redesign the facility, and take other actions necessary to expedite the project. In order to move the project forward expeditiously, we propose approval of a "letter of agreement" between the City of Des Moines and the MTA. This letter of agreement represents an interim arrangement which clearly identifies the City's and the MTA's responsibilities and obligations until such time as the federal grant agreements are revised and approved.

**FISCAL IMPACT —**

The letter of agreement stipulates that the City will be responsible for providing the local matching funds necessary to pay for the redesign of the project. Redesign services are expected to cost up to \$120,000 of which about 69 percent should be reimbursable by the Federal Transit Administration (FTA). Should the Council ultimately decide to proceed with the award of a construction contract, then the City would be responsible for the full amount of the local match which is currently estimated to be up to \$8 million.

**RECOMMENDATION —**

Authorize the Mayor to sign the letter of agreement with the MTA.