



Agenda Item:

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COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

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Communication

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Roll Call

No.:

Submitted by: Richard Clark, Deputy City Manager
Jeb E. Brewer, P.E., City Engineer

SUBJECT—

Approving and authorizing the execution of the Design Agreement between the Department of the Army and the City of Des Moines for design of the Des Moines Principal Riverwalk and related agreement between the Principal Life Insurance Company and the City of Des Moines.

SYNOPSIS—

The Corps of Engineers has prepared a Design Agreement with the City of Des Moines for the Des Moines Principal Riverwalk. The agreement makes the City financially responsible for 25% of the design costs for the project. The eligible work that has been performed since October 1, 2002 will be credited towards the 25% and the additional match requirements during construction. The agreement between the Principal Life Insurance Company (Principal) and the City of Des Moines places financial responsibility with the Principal should the Corps of Engineers determine that a cash contribution is necessary per the terms of the Design Agreement.

FISCAL IMPACT—

The execution of the Design Agreement does not involve expenditure of funds from the City Capital Improvement Program, as the agreement with Principal covers any fiscal obligations. The City will incur costs on specific projects that tie into or become part of Riverwalk. Currently the Riverpoint Trail is under design by the City to expedite project completion by late this year. The Riverpoint Trail is identified and funded in the current CIP.

RECOMMENDATION—

Approval

BACKGROUND—

The Design Agreement allows the Corps of Engineers to begin environmental and design work necessary to prepare their Engineering Documentation Report (EDR). Design activities are funded at 75% Corps and 25% Sponsor. The Corps has made \$800,000 available this year for the Des Moines Principal Riverwalk. The 25% Sponsor share will come from credit for work that has been performed since October 1, 2002 by Principal Financial and the City of Des Moines. Legislation allows credit, up to \$10 million, toward the sponsors share for work performed since October 1, 2002.

Des Moines Recreational River and Greenbelt Projects require 50% cost sharing for recreation projects. Federal Greenbelt funding needs totaling \$13.2 million is projected through 2010 for the Des Moines Principal Riverwalk. To fully realize these funds, the City or others on behalf of the City must contribute an equal amount through work and cash contribution. To take advantage of the crediting legislation, Principal and the City will be accomplishing the design and construction of a number of project components with the Corps of Engineers doing the remaining project components. A Project Management Plan is attached to the Design Agreement that further details project components, including estimated schedules and costs.

The EDR will be completed within 1 ½ to 2 years. The Corps project elements will not begin construction until the EDR is complete, a Project Cooperation Agreement is executed and funding is available. Corps construction is estimated to begin in 2007.

The agreement between the Principal and City assigns financial responsibility included in the Design Agreement to Principal. Based on the value of work completed to date and the anticipated work to be done by both the City and Principal, there should be no need for a cash contribution to fulfill the terms of the Design Agreement.