

Memorandum

To: Programs, Projects and Operations Subcommittee

Subject: Keystone East Connector Trail

Date: October 1, 2010

From: Gerry Bowen

The Keystone East Connector Trail, a joint project of the City of Omaha and the NRD runs from the Keystone Trail at Karen Park (63rd and Buckingham) to the Field Club Trail (34th & Vinton Street). Phase 1 of the project (Karen Park to 42nd & D Street) has been approved for federal funding under the Transportation Enhancement Program administered by the Nebraska Department of Roads, with oversight by the Federal Highway Administration. The City was approved for \$500,000 in TE funds in 2007. The NRD committed \$200,000 to Phase 1 (estimated cost \$1.5 million), and agreed to fund Phase 2/3 design and construction (estimated cost \$3.7 million).

In addition, the City received a grant from the Peter Kiewit Foundation for \$315,000 (grant approved in 2008) to help fund the project.

As you may be aware, Phase 1 of the project has been delayed due to the change in procedures in how TE funds are administered in the state.

The Kiewit Foundation is also concerned about the project schedule and has indicated that the funding may be withdrawn if progress is not made.

With this in mind, the City has decided to forego the federal funding (and all the procedures associated with obtaining those funds) and decided to build the project on their own (see attached letter). In so doing, the City needs to replace the \$500,000 in federal funds. They have requested that the NRD contribute this amount, in addition to the \$200,000 already authorized.

They propose that \$500,000 of the funds dedicated to Phase 2/3 in the District's FY 11 Budget be reallocated to Phase 1. Management recommends approval of allocating the additional funds to the City of Omaha for Phase 1, but based upon the City's proposed schedule, does not believe an adjustment to the FY 11 Budget is necessary. The entire \$700,000 could be budgeted in FY 12 and be available on July 1, 2011.

- **It is recommended that the Subcommittee recommend to the Board that the approve the City of Omaha's request for an increase in funding from \$200,000 to \$700,000 for Phase 1 of the Keystone East Connector Trail Project, and that these funds be included in the FY 12 Budget.**



City of Omaha
Jim Suttle, Mayor

**Parks, Recreation &
Public Property Department**

Omaha/Douglas Civic Center
1819 Farnam Street, Suite 701
Omaha, Nebraska 68183-0701
(402) 444-5900
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Melinda Pearson
Director

20 September 2010

Mr. John Winkler, General Manager
Papio-Missouri River Natural Resource District
8901 South 154th Street
Omaha, NE 68138-3621

RE: Keystone East Connector Trail Phase 1 (Karen Park to 45th & Dayton Streets)
Federal Highway Administration Transportation Enhancement Grant

Dear John:

As per our meeting on Thursday, 16 September, the Phase 1 portion of the Keystone East Connector Trail is funded through a number of sources. These are a \$500,000.00 Transportation Enhancement (TE) Grant from the Federal Highway Administration (FHWA), \$315,000.00 from the Peter Kiewit Foundation, \$200,000.00 from the P-MRNRD and the remainder from the City's Capital Improvements Program (CIP). As you are well aware the 100% oversight of all projects receiving FHWA funds has slowed this project to a crawl. The current time table to get the project out to bid is at least two years away assuming there are no delays in the extensive and exhaustive review process now imposed.

On August 4, 2010 we received a letter from the Peter Kiewit Foundation informing us that their "funding offer for this project would be in force through 31 December 2010. If the matching fund components are not fulfilled and if progress on this construction is not commenced by that date, we will cancel the grant." They are not the only ones frustrated by the slowed pace of this project. We all are.

Obviously there is no way this project could begin construction by the 31st of December 2010 using the TE Grant funds. The Peter Kiewit Foundation has been a huge supporter of parks in the City. We have spoken to them regarding the project's situation and suggested that if we were to design and construct the project without the TE Grant we would realize savings in review costs, construction costs and would be able to go out to bid in the spring of 2011 with construction starting soon after that. In a letter to us dated September 9, 2010 (copy attached) they have stated that if we were to drop the TE Grant funds from the project and receive bids by 9 March 2011, they would extend their grant deadline to 1 May 2011. It is our intent to do just that.

Mr. John Winkler
Papio- Missouri River Natural Resource District
Keystone East Connector Trail Phase 1 (Karen Park to 45th & Dayton Streets)
Federal Highway Administration Transportation Enhancement Grant
20 September 2010
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If we do not use the TE Grant we need to find additional sources of revenue to make up for those funds. While we could break the project into two smaller projects we would instead like to request that the funds the P-MRNRD has committed to the Phase 2/3 portion of this trail project (S. 45th & Dayton Streets to the Field Club Trail) be used to complete the design and construction of the Phase 1 portion and that in next year's budget the P-MRNRD allocate additional funds for the Phase 2/3 portion of the trail. If you would put this request on the P-MRNRD agenda for their next meeting it would be appreciated. We want to move forward with this as soon as possible. We will also continue to investigate other possible revenue sources for the project.

While we appreciate the TE Grant that FHWA has awarded to us, we feel that we need to get this project built now. Returning the TE Grant and moving forward with our other partners is in the best interest of everyone involved with the project and the best approach to getting this trail built now for the citizens of Omaha. We think that you will agree with us that it is.

Very truly yours,



Melinda Pearson, FAIA
Director, PR&PP

cc: Mayor Jim Suttle, City of Omaha
John Royster, ASLA, The Big Muddy Workshop, Inc.
Gerry Bowen, P-MRNRD
Dennis E. Bryers, FASLA, PR&PP

Enclosures

PETER KIEWIT FOUNDATION

8805 Indian Hills Drive
Suite 225
Omaha, Nebraska 68114
Phone: (402) 344-7890
Fax: (402) 344-8099

Trustees

Mogens C. Bay
Michael L. Gallagher
John W. Hancock
Jane E. Miller
G. Richard Russell
U.S. Bank, N.A.
Corporate Trustee

September 9, 2010

Lyn Wallin Ziegenbein
Executive Director

Melinda Pearson, Director
Parks, Recreation & Public Property Department
City of Omaha
1819 Farnam Street, Suite 701
Omaha, Nebraska 68183-0701

Dear Melinda:

Our Trustees met for their quarterly meeting yesterday. Among the items on the agenda were the discussions that you and I have had about our grant in support of the Keystone Trail East Connector. They reviewed the timeline of this grant as well as your letter of August 13, 2010. I elaborated on it orally based upon our conversations.

I am pleased to tell you that they will keep the grant active and available for an extended, but limited, period of time. Using the "Preliminary Project Schedule" you submitted to us which provides for receipt of bids by March 9, 2011 we will extend our grant deadline to May 1, 2011. By this date we would expect all of the tasks described on the Schedule to be completed and for you to have firm, written bids available and be ready to proceed with work during the 2011 construction season.

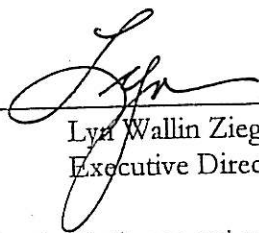
This letter will serve to revise our original Letter of Understanding which was issued on July 25, 2008.

We hope that you will be able to move forward, meet the schedule you propose, and we can all look forward to the actual Trail Connector at long last! Please call me if you have any questions about this correspondence.

Very truly yours,

PETER KIEWIT FOUNDATION

By: _____



Lyn Wallin Ziegenbein
Executive Director

LWZ:pat



City of Omaha
Jim Suttle, Mayor

COPY

Parks, Recreation & Public Property Department

Omaha/Douglas Civic Center
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August 13, 2010

Lyn Wallin Ziegenbein
Executive Director
Peter Kiewit Foundation
8805 Indian Hills Drive
Suite 225
Omaha, NE 68114

Dear Lyn,

I recognize and appreciate the forbearance that the Kiewit Foundation has exhibited in the administration of the grant for the Keystone Trail East Connector. I directed my staff to review and evaluate the project, and to develop quick viable alternatives to get trail work commenced. Our analysis revealed that the roadblocks for receiving planned funds from the Federal Highway Administration (FHWA) contained several requirements which substantially increase time, add cost of construction, and provide only one third of the funding needed.

To address the Kiewit Foundation's valid concerns for timeliness, I am considering forgoing FHWA funding. We have prepared a new project timeline which accomplishes all planning, preparation and obtains required approvals prior to the end of this year. Construction would begin in 2011 and completion of Phase I is scheduled by the end of 2011. While realizing that this is an ambitious schedule, this project phase is critical to the Parks and Recreation Department effort to provide improved public access to Omaha Trails. The revised project timeline is attached.

In replacing funding from the FHWA, some costs for environmental studies and other site testing can be saved. We can increase the City Bond Funds assigned for the project and plan to ask the Papio NRD for some augmentation of funding already pledged. It is critical that we retain the support of the Kiewit Foundation for this project.

As you know, I have aggressively challenged the Parks and Recreation Department staff to increase both accountability and responsiveness to the community. As a part of these efforts, I have reorganized personnel and grant controls to have a centralized clearinghouse of active grants including reporting dates, requirements and performance expectations. I expect current and future grants to be administered in a manner to instill confidence that we can be good stewards of your gifts. In summary, I apologize for the lack of forward progress on this task. We have made the decisions and changes necessary to get back on track and complete this important project.

The Keystone Trail Connector can not go forward without the grant you have so generously offered. I request that you continue this grant with the understanding that strict accountability for reaching project milestones will be enforced and that adequate resources will be applied to prevent hold ups and delays. We also request that you consider providing one half the funds at the time we authorize the signed construction contract.

Sincerely,

A handwritten signature in black ink, appearing to read 'Melinda Pearson', with a stylized, flowing script.

Melinda Pearson, Director
Parks, Recreation & Public Property

Enclosures

Keystone Trail East Connector – Karen Park to 45th & Dayton Streets
PRELIMINARY PROJECT SCHEDULE
WITHOUT TRANSPORTATION ENHANCEMENT FUNDS FROM FHWA
Date: August 9, 2010

<u>Task Description</u>	<u>Date</u>
30% PIH Meeting	June 16, 2010
Progress Meetings w/ City & NRD:	
60% Review Meeting w/ City & NRD	July 16, 2010
Plan-in-Hand Review Meeting w/ City & NRD	Aug. 13, 2010
Submit Environmental Permits (404 & floodplain development)	Sept. 3, 2010*
Complete 90% CD's	Sept. 17, 2010
Appraisals & ROW Negotiations	Nov. 12, 2010
Obtain City Council Approval of ROW	Dec. 10, 2010
Plans, Specifications & Estimate Submittal (100%)	Jan. 7, 2011
City Issues Permission to Advertise	Jan. 28, 2011
Advertise for Bids	Feb. 9, 2011
Receive Bids (3 week min. bid letting period)	March 9, 2011

* Assumes an environmental firm will be retained by the City of Omaha with adequate time to perform the environmental review and submit appropriate documentation.

Keystone Trail East Connector – Karen Park to 45th & Dayton Streets
PRELIMINARY PROJECT SCHEDULE
WITH TRANSPORTATION ENHANCEMENT FUNDS FROM FHWA
 Date: August 9, 2010

<u>Task Description</u>	<u>Date</u>
30% PIH Meeting	June 16, 2010
Submit Environmental Review Documents	Sept. 3, 2010*
Receive Environmental Clearance from NDOR (Assumes 6 week review period)	Oct. 15, 2010
Complete Functional Trail Design Submittal - 60% CD's	Nov. 5, 2010
Receive NDOR Comments on Functional Design (Assumes 6 week review period)	Dec. 17, 2010
Progress Meetings:	
Pre-Submittal Review Meeting w/ City & NRD	Dec. 31, 2010
Plan-in-Hand Review Meeting w/ City, NRD & NDOR	Jan. 14, 2011
Final Design & ROW Submittal (90% CD's)	Feb. 4, 2011
Receive NDOR Comments on 90% Plans & ROW (Assumes 6 week review period)	March 18, 2011
ROW Plans & Certificate Submittal (95% complete)	July 22, 2011
- NDOR & FHWA Appraisal Approval – 6 weeks	
- ROW Negotiations – 2 months	
- City Council Approval – 1 month	
NDOR Issues Authorization to Proceed w/ Construction (Assumes 6 week ROW review period)	Sept. 9, 2011
Plans, Specifications & Estimate Submittal (100%)	Sept. 24, 2011
NDOR Issues Permission to Advertise (Assumes 8 week review period)	Nov. 25, 2011
Advertise for Bids	Dec. 2, 2011
Receive Bids (3 week min. bid letting period)	Dec. 24, 2011
Receive NDOR Concurrence on Low Bidder	Jan. 2012
Notice to Proceed	April 2012

* Assumes an environmental firm will be retained by the City of Omaha with adequate time to perform the environmental review and submit appropriate documentation.

Phase I

Peter Kiewit Foundation	\$ 315,021.00
Papio NRD	\$ 200,000.00
Federal Highway Grant	\$ 500,000.00
City Bond Funds	\$ 500,000.00
Total	<u>\$1,515,021.00</u>

Phase II and III

Estimated Construction
and Consulting Fees

\$3,695,734.50 (*Funded in total by the Papio NRD*)

Phase II and III will complete the Keystone East/West Connector Trail, taking it from 45th and Dayton into the Field Club Trail.

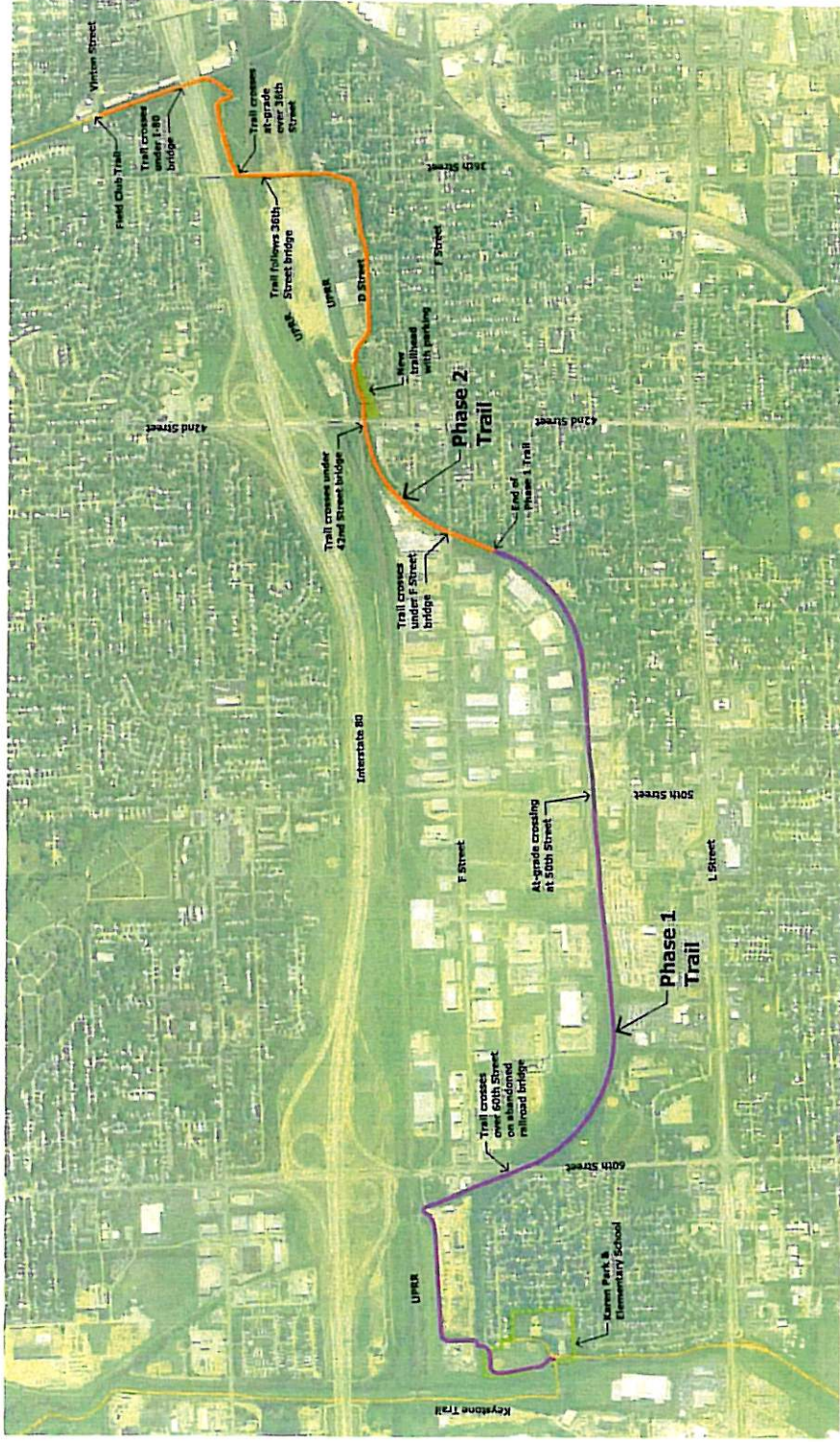
Lyn, please let me know if I can help with additional information.

Sincerely,



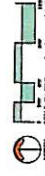
Steve Scarpello, Administrator
Parks, Recreation and
Public Property Department

cc: Melinda Pearson, PR&PP Director



Keystone Trail East Connector

Omaha, Nebraska



Omaha, Nebraska
 2018, 2019, 2020