

Memorandum

To: Programs, Projects and Operations Subcommittee

Subject: Urban Drainageway Program – City of Valley (Spruce Street Drainageway)

Date: February 1, 2010

By: Gerry Bowen

In 2009, the City of Valley requested cost-share assistance on improving the North Spruce Street Drainageway (see attached map). The text of the memo is shown below:

“The City of Valley has requested financial assistance in improving the North Spruce Street Drainageway in the northern part of the city. The estimated cost of the project is \$310,800. The City has obtained a Hazard Mitigation Grant through the Nebraska Department of Natural Resources for \$233,100 for the project. The local share of the project costs is estimated to be \$77,700. The City is requesting 50% of this amount, or \$38,850 from the District to complete the funding package.”

The District approved the project and included \$38,850 in the FY 09 Budget. There was some difficulty with the Hazard Mitigation funding such that the project was put on hold, therefore, funds were not included in the FY10 Budget.

Currently, the City has been notified that Hazard Mitigation Funding will not be available for the project, mainly due to the City anticipating use of eminent domain to acquire some of the land rights necessary for the project. This makes the project ineligible for funding under that program.

The City has revised their request for 60% of the total estimated cost (\$310,800), or \$186,480. They are further requesting that the District finance the City’s share of the project costs, \$124,320 less \$38,850 currently in their budget, or \$85,470). The City would then reimburse the District the remainder over a period of four years as shown below:

FY 11 District Expense	\$271,950.00
FY 12 District Revenue	\$21,367.50
FY 13 District Revenue	\$21,267.50
FY 14 District Revenue	\$21,267.50
FY 15 District Revenue	\$21,267.50

- **It is recommended that the Subcommittee recommend to the Board that the City of Valley’s request for cost share assistance under the Urban Drainageway Program be approved in the amount of \$186,480, and that the General Manager be authorized to execute an interlocal agreement with the City to finance the City’s share of the project costs, or \$85,470, subject to minor changes by the General Manager and approved as to form by District Legal Counsel.**

City of**VALLEY**

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Mary Caffey
Mayor

Joan Suhr
City Clerk/Treasurer

Council Members
Arlene Cochran
Cal Peacock
Bryon Ueckert
Rod Marshall

January 29, 2010

General Manager John Winkler
Papio-Missouri River Natural Resources District
8901 S. 154 Street
Omaha, NE 68138-3621

Dear John,

The City of Valley prepared a plan of improvements to address the drainage issues we have on the north side of our city, and we applied for Hazard Mitigation funding through Nebraska Emergency Management. We are very appreciative of the \$38,850.00 that the Papio-Missouri NRD budgeted to assist with our stabilization of the Spruce Street Drainageway.

We have found after more than a year of negotiations that we will not receive the federal grant we anticipated to fully fund the project. I am writing to request the NRD's assistance for our project through the Urban Conservation Program which shares the project costs on a 60% NRD/40% City basis. The total cost of the project is projected to be \$310,800.00. With the funding formula the breakdown would be \$186,480.00/NRD and \$124,320.00/City.

Thank you for your consideration of our request.

Respectfully,

Mayor Mary Caffey

MEMORANDUM

DATE: January 6, 2010

TO: City Of Valley

FROM: Jim Olmsted

RE: Proposed Financing of North Spruce Street Drainage Project
Valley, Nebraska
OPCE Project No. 29105

As you will recall, the City of Valley applied for Hazard Mitigation funding through the Nebraska Emergency Management Agency (NEMA) on May 20, 2008, to assist the City undertake drainage improvements in the North Spruce Street drainage basin. Over the course of the past 18 months, numerous conversations have taken place with NEMA, FEMA, the Department of Natural Resources, and the Papio Missouri River Natural Resources District (NRD) regarding the application. As of this time, it has become apparent that the application for funding through NEMA cannot be approved, and will be withdrawn.

Because of the pending withdrawal of the NEMA application, the City has approached the NRD to see if they could provide additional financing for the project, above and beyond their original commitment of 12 ½% (\$38,850.00) towards the project. Through preliminary discussions between Mayor Caffey's office and officials of the NRD, it appears that the NRD is willing to assist the City through their Urban Conservation Program which shares the project costs on a 60% NRD/40% City basis. The NRD has further indicated that they would provide for 100% interim financing during construction, with a four year, interest-free repayment plan for the City's 40% cost share.

OLMSTED & PERRY CONSULTING ENGINEERS INC.

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MEMORANDUM
January 6, 2010

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I have prepared the following comparisons of the original financing plan and the latest financing plan for your review.

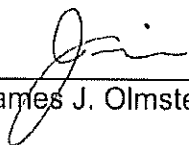
<u>Funding Entities</u>	<u>Original NEMA Application</u>	<u>Current NRD Proposal</u>
NEMA	\$233,100.00	0.00
NRD	38,850.00	\$186,480.00
City	<u>38,850.00</u>	<u>124,320.00²</u>
Total:	\$310,800.00 ¹	\$310,800.00

¹ Current Project Estimate

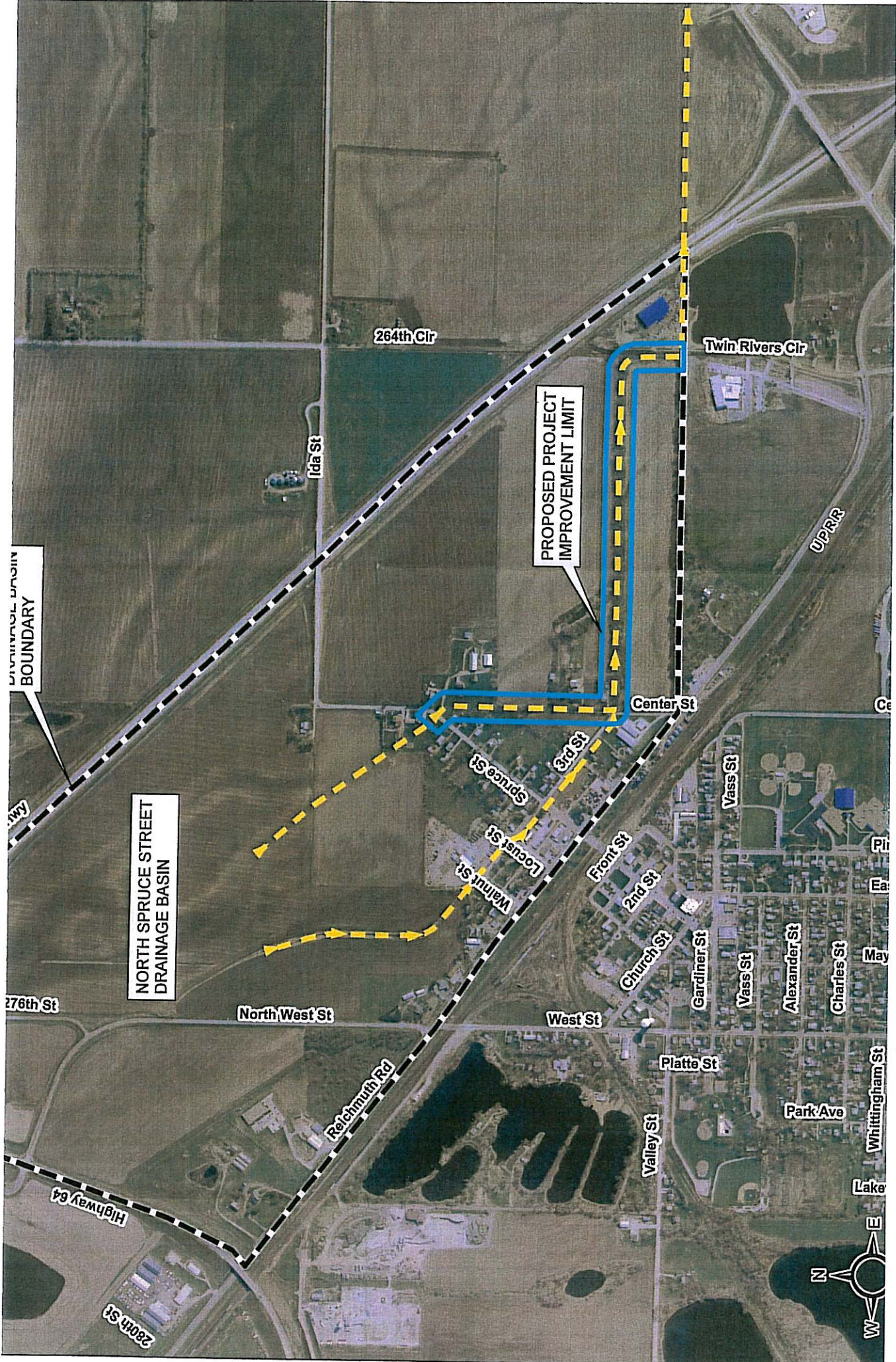
² City Financing Plan

1. Initial City Payment at Project Closeout:	\$38,850.00
2. 1 st Loan Repayment 1 year later:	21,367.50
3. 2 nd Loan Repayment 2 years later:	21,367.50
4. 3 rd Loan Repayment 3 years later:	21,367.50
5. 4 th Loan Repayment 4 years later:	21,367.50

If the City Council is agreeable to this plan, a request will be made to the NRD at their February Board meeting. The proposal will first be presented to the NRD Subcommittee on February 9th, and again to the full Board on February 11th.



James J. Olmsted, P.E.



DRAINAGE BASIN BOUNDARY

NORTH SPRUCE STREET DRAINAGE BASIN

PROPOSED PROJECT IMPROVEMENT LIMIT

264th Cir

Twin Rivers Cir

Ida St

UPRR

Center St

Spruce St

3rd St

Vass St

Locust St

Front St

2nd St

Walnut St

Church St

Gardiner St

Vass St

Alexander St

Charles St

276th St

North West St

West St

Platte St

Park Ave

Richmuth Rd

Valley St

Whittingham St

Highway 64

280th St

Lake

