

## **Memorandum 11-029 Kachemak Drive Phase Two Water and Sewer Improvement District Adjust LID Costs**

**Memorandum ID:** 11-029  
**Memorandum Status:** Backup

CITY OF HOMER  
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MEMORANDUM 11-029

TO: Walt Wrede, City Manager

FROM: Carey Meyer, Public Works Director

DATE: February 23, 2011

RE: Kachemak Drive (Phase II) Water and Sewer Improvements  
Recommendation to Formally Adjustment LID Costs

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In 2005, the Council approved the creation of a water and sewer LID for the above referenced project. The engineer's estimate for construction was \$2,626,525; total project costs were estimated to be \$3,277,953; and property owner's assessments were estimated to be \$28,586.80.

In 2010, the project was bid with an engineer's estimate of \$2,986,382; total project costs were estimated to be \$3,479,104; and property owner's assessments were estimated to be \$29,992.28. Unfortunately, the City was unable to award the project to the low bidder due to errors in the bid.

Public Works is preparing to bid the project again in the next few months. Based on bids received in 2010, The new engineer's estimate is \$3,304,058; the total project cost is estimated to be \$3,935,280; and property owner's assessments are now estimated to be \$33,924.83.

Engineer's Total Proposed  
Estimate Project Assessment

Original 2005 LID	\$2,626,525	\$3,277,953	\$28,586.80
Revised in 2010	\$2,986,382	\$3,479,104	\$29,992.28
Proposed Revised 2011	\$3,304,058	\$3,935,280	\$33,924.83

In 2010, the City could have awarded the construction contract at the revised engineer's estimate, because it not greater than 15% of the original engineer's estimate. Although the plans now reflect some cost cutting measures; new Clean Water act requirements regarding storm water runoff from construction sites may increase costs of construction. Since it takes three and a half months to obtain property owners approval to award at more than 15% of the estimate, it makes sense to initiate the approval of property owners now so that we do not miss another summer construction season.

Recommendations: The City Council pass an resolution finding the need to adjust the LID project costs and formally initiating the public hearing process and non-objection period.

Related Resolutions **Memorandum - Related Resolutions:** [Resolution 11-023\(S\) Need to Create Kachemak Drive Phase Two Water and Sewer Local Improvement District and Hold Public Hearing.](#)

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