



CITY OF HOMER

PUBLIC WORKS

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MEMORANDUM #56

To: Walt Wrede, City Manager *W. Wrede*
From: Carey Meyer, Public Works Director *COM*
Date: April 9, 2008
Subject: **Spruceview Road LID and Noview Road LID
Adjustment of Budget to Reflect Actual Costs**

The Spruceview and Noview Road LID's are complete and Public Works has accepted the projects. These two LID's are adjacent to one another and were completed as one project. Below are the original project costs (as estimated in 2004/2005) and our determination of actual project costs:

Project	Original Estimated Total Project Cost	Actual Total Project Costs
Spruceview Road LID	\$ 797,800	\$ 1,040,288
Noview Road LID	\$ <u>387,384</u>	\$ <u>424,860</u>
	\$ 1,175,184	\$ 1,465,148

The increase was mainly due to the cost of constructing a "bridge" over Woodard Creek and the need for additional gravel to construct the road improvements beyond what was originally estimated in 2004/2005. The inclusion of a separated pedestrian trail along Spruceview and Millikan also affected the final costs of the project.

The property owner's assessments do not change, since they are based on a fixed per frontage foot methodology. Public Works will be presenting an ordinance to the City Council formally authorizing an increase to the budget for this project with a complete justification for the cost increase.

Recommendations:

The City Council increase the budgets for these two projects (as noted above) by passing an ordinance authorizing the increased expenditures required to complete the projects. The additional expenditures should be authorized from the Homer Accelerated Road/Trail fund (HART).