

# MEMO

**To:** Honorable Mayor and City Council

**From:** Maria D'Andrea, Director of Public Works

**Subject:** Recommendation to Approve an Intergovernmental Agreement with City and County of Denver regarding Construction of Ramps to Pena Boulevard and Improvements to Tower Road, Project No. 2014-04-PW

**Date:** September 18, 2017

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Resolution No. 2017-92 would approve an Intergovernmental Agreement (IGA) with the city and county of Denver (CCD) to construct access ramps to Pena Boulevard and roadway improvements to Tower Road. The IGA addresses cost sharing, timing of payment, financing, design, and construction.

#### Project Description & Background

The proposed project will construct a new westbound on ramp at the interchange of Tower Road with Pena Boulevard. The westbound off ramp and the intersection of the westbound ramps will be relocated further south than the current intersection resulting in a “tight diamond” configuration with Pena Boulevard. Therefore, a significant portion of the existing westbound off ramp will need to be constructed in a new alignment and the existing traffic signal for the westbound ramps will be replaced. Commerce City will be responsible for paying for this portion of the project with funding from the E-470 Tollway Authority (E-470).

At the request of CCD, the project will also widen Tower Road from two lanes to four lanes with curb and gutter and a native grass median between 80<sup>th</sup> Avenue to the eastbound ramps of Pena Boulevard. The Denver work will also include sidewalks, street lighting, storm water detention and water quality ponds and provisions for future landscaping. CCD will be responsible for costs associated with this portion of the project.

The project area is within the Pena Boulevard Transportation Corridor and is under the ownership of CCD, through the Denver International Airport (DEN), with oversight by the



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Federal Aviation Administration (FAA). An environmental analysis was completed for the project resulting in a determination of a Categorical Exclusion (Cat-Ex) by the FAA.

Commerce City has completed the design of the proposed improvements and is prepared to solicit bids for construction.

### Intergovernmental Agreement

Commerce City and CCD originally entered into an intergovernmental agreement dated March 17, 1992, relating to the construction of an interchange at Tower Road and Pena Boulevard. The agreement was amended in May 2015, to allow for the construction of a fourth ramp to complete the interchange.

The proposed IGA addresses cost sharing, timing of payment, financing, design, and construction of the proposed improvements. It also identifies maintenance responsibilities during and after construction.

### Cost Estimates, Funding & Reimbursement

Commerce City and Denver will share the costs associated with this project as detailed in the IGA. The current estimated construction costs are:

| <b>Agency</b> | <b>Estimated Construction Cost</b><br>(including force account & contingency) |
|---------------|-------------------------------------------------------------------------------|
| Commerce City | \$6,403,576                                                                   |
| Denver        | \$5,775,340                                                                   |
| Total         | \$12,178,916                                                                  |

The IGA calls out a maximum contribution of \$6.0M from CCD. This allows for funding of any change orders affecting CCD's portion of the work. CCD will also pay for 45% of the project's construction management costs.

Commerce City is advancing the costs of Denver's portion of the project (\$6.0M) and will be reimbursed by Denver on the following schedule:



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| Payment Timing            | Amount   |
|---------------------------|----------|
| Upon execution of the IGA | \$1.5M   |
| Jan. 31, 2018             | \$1.246M |
| Jan. 31, 2019             | \$1.246M |
| Jan. 31, 2020             | \$1.246M |
| Jan. 31, 2021             | balance  |

CCD has also agreed to pay 2.5% simple interest on the outstanding balance until final payment is made. The construction management costs and the interest amounts would be in excess of CCD's \$6.0M allocation.

### Schedule

Once the IGA is signed by Commerce City, it will be considered by the CCD Council. Two readings are required. The license agreement must also be approved. Bids for construction will be solicited concurrent with the CCD approval process.

### **Staff Recommendation:**

Staff recommends approval of Resolution No. 2017-97.

