



Request for City Council Committee Action From the Department of Public Works

Date: March 20, 2007

To: The Honorable Sandra Colvin Roy, Chair Transportation and Public Works
Committee

Subject: Midtown Bicycle Station

Recommendation: Reject all bids for Midtown Bicycle Station

Previous Directives:

- October 25, 2005 - Approve Execution of Lease Agreement between Allina Health Systems and City of Minneapolis for Midtown Greenway Bicycle Station
- October 25, 2005 - Approve Execution of Sublease Agreement between City of Minneapolis and Allina Health Systems for Midtown Bike Center
- October 25, 2005 - Authorize bids for construction of the Midtown Greenway Bicycle Station to be solicited in accordance with the MnDOT federal project bidding process
- October 25, 2005 - Create Midtown Greenway Bicycle Station Advisory Committee to oversee operation and management of the Midtown Greenway Bicycle Station
- October 25, 2005 - Authorize the use Commuter Bicycle Fund Accounts: 4100-943-9470 A7009014 (2001) in the amount of \$26,000 and 4100-943-9470 BIK09040 (2004) in the amount of \$99,000 for the construction of Midtown Greenway Bicycle Station.

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Don Pflaum, Transportation Planner (612-673-2129)
Paul Miller, Project Manager (612-673-3603)

Approved: _____
Steven A. Kotke, P. E., Director of Public Works

Presenters in Committee: Don Pflaum, Transportation Planner

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|----------------------------------|----------------|----------------|
| Permanent Review Committee (PRC) | Approval _____ | Not applicable |
| <u>X</u> | | |
| Policy review Group (PRG) | Approval _____ | Not applicable |
| <u>X</u> | | |

Financial Impact (Check those that apply)

- No financial impact - or - Action is within current department budget (If checked, go directly to Background/Supporting Information)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Business Plan: Action is within the plan. Action requires a change to plan.
- Other financial impact: **Action relinquishes federal funds**
- Request provided to department's Finance Dept. contact when provided to the Committee Coordinator

Community Impact

Neighborhood Notification: The Midtown Greenway Coalition has been kept informed of the project's financial challenges

Neighborhood Meetings: NA

City Goals: NA

Comprehensive Plan: NA

Zoning Code: NA

Background/Supporting Information:

Public Works recommends rejection of all bids for the Midtown Bicycle Station project due to insufficient funding available to cover total project costs.

Bids came in higher than estimated and budgeted for. As shown in the attached bid tabulation, the low base bid of \$590,000 is \$175,000 higher than the engineer's estimate. If project alternates are included (including toilets and showers, exterior lights, bicycle racks, lockers, etc.), the low bid of \$835,100 is \$265,000 higher than the engineer's estimate for a total project cost of approximately \$1,000,000 (with engineering, construction administration and contingencies accounted for).

The 2007 capital budget appropriated \$436,000 to this project; \$276,000 of federal funds and \$160,000 of net debt bonds. An additional \$277,000 has been identified that could be allocated to the project from 2007 bike parking funds (\$20,000); the Hiawatha Trail Connections (\$117,000) and University of Minnesota Trail projects (\$140,000), neither of which are moving forward at this time (but both of which are planned to be submitted for federal funding in the future and would require city match funding if awarded federal funds). Allina continues to indicate a willingness to contribute \$75,000 towards the project, although a funding gap of \$212,000 remains even with the Allina funds and additional city funds.

Public Works originally estimated that anywhere from 50 to 200 people per day would use the Midtown Bicycle Station. At a total cost of \$1,000,000, this is no longer a cost effective project. In many cases the city has been able to contribute less than 25% of the total capital cost of bike projects by leveraging funding from other sources. In this case the city would be responsible for approximately two thirds of the project cost.

Due to federal funding deadlines that have passed, rejection of these bids will result in turning back federal money for this project, thereby canceling the project. Allina, the Midtown Greenway Coalition, Hennepin County, and Freewheel Bike have all been notified of the financial challenges of the project and pending staff recommendation.

Project Background/History

The Midtown Bicycle Station concept originated in 1999 and federal funding for this project was awarded in 2000. In 2005 Hennepin County funded and completed the original design for the project before turning the project over to the City of Minneapolis. In 2005 the City of Minneapolis solicited vendors and selected Freewheel Bike to operate the bicycle station. As the needs for a functioning bicycle station became clear from vendor and community input, it became apparent that the original project budget was inadequate. With the cooperation of MnDOT, federal funds were retained as design was refined and bids were delayed in an effort to locate additional local funding for the project.

Attachment 1 – Bid tabulation

cc: Greg Schroeder, Public Works Engineering Services
Colleen Van Wagner - MnDOT