



## Request for City Council Committee Action from the Department of Finance

Date: July 16, 2008

To: Ways & Means/Budget Committee

**Subject:** Reimbursement for 35W bridge collapse

**Recommendation:** Approve receipt of up to \$229,097 from FHWA for reimbursements of costs incurred as a result of activities performed after the initial response to the bridge collapse. Increase 2008 Minneapolis Police Department revenue 00100-400-DT12-3455-01-35WB by \$123,538. Additionally, increase Regulatory Services 2008 appropriation 00100-835200-507000 and 2008 revenue 00100-835200-345501 by \$4825.

**Previous Directives:** None

Prepared by: Maren Anderson, 612-673-2413 Approved by: Patrick Born, CFO and Steven Bosacker, City Coordinator Presenters in Committee: Heather Johnston, Director, Management & Budget
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### Reviews

- Permanent Review Committee (PRC): Approval \_\_\_ Date \_\_\_\_\_
- Civil Rights Approval Approval \_\_\_ Date \_\_\_\_\_
- Policy Review Group (PRG): Approval \_\_\_ Date \_\_\_\_\_

### Financial Impact

- No financial impact

### Supporting Information

This report updates the City Council on the status of the City's requests for reimbursement of costs incurred related to the 35W bridge collapse. The City applied to both the Federal Emergency Management Agency and the Federal Highway Administration for reimbursement of costs related to the 35W bridge collapse.

#### Federal Emergency Management Agency (FEMA)

The City claimed \$3.9 million in direct expense to FEMA. FEMA deemed \$2.889 million eligible for reimbursement. To date, the City has received \$2.991 million including \$39,716 in administrative costs due to the City under FEMA policy. The State of Minnesota reimbursed the City for the required 25% match. The City has not received a response for \$18,000 of expense which was submitted in November.

FEMA deemed \$83,000 of the City's request ineligible for appeal.

FEMA denied a total of \$929,000 in requests, including \$870,000 for police pension costs and \$149,000 for response costs incurred by the City of St. Paul. The City's appeal of this decision was denied by FEMA's Regional Office in Chicago, Illinois on July 14, 2008, and received by the City on July 17, 2008. A second appeal is possible if the City is able to produce additional information supporting its request.

Federal Highway Administration (FHWA)

The City's request to the Federal Highway Administration for assistance is through the FHWA Emergency Relief (ER) program. Over the past months the City has been submitting additional information and meeting with FHWA and MnDOT to discuss system management strategies. For the submittals related to road surface restoration, we have been negotiating Secondary Detour Routes and subsequently provided more detailed and refined cost estimates. The reduction in Secondary Detour Routes and these new cost estimates are reducing the original (optimistic) \$45 million to about \$28 million. Because one factor in the final determination by FHWA will be the condition of the detour street system when I-35W reopens, further discussion and refinement of these requests will continue until 2009. The final certification of the approved secondary detour routes will guide the restoration work.

The City requested over \$600,000 in Traffic Management expense incurred, including straight time and overtime not reimbursed by FEMA, lost ticket revenue, and 10<sup>th</sup> Avenue Bridge security. FHWA has approved reimbursement of \$124,000 of these costs. Additionally, FHWA has approved nearly \$5,000 for water testing in the Mississippi River not covered by FEMA. The City not yet received payment.

FHWA is still considering reimbursement of additional City costs including: towing empty vehicles off the bridge, lost revenue and straight time of traffic control agents. MNDOT officials have told the City to expect approximately \$220,000 in reimbursement of these costs.